



# **SENATE JOURNAL**

**STATE OF ILLINOIS**

**NINETY-FIFTH GENERAL ASSEMBLY**

**50TH LEGISLATIVE DAY**

**THURSDAY, MAY 31, 2007**

**11:32 O'CLOCK P.M.**

**SENATE**  
**Daily Journal Index**  
**50th Legislative Day**

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The Senate met pursuant to adjournment.  
 Senator Debbie DeFrancesco Halvorson, Crete, Illinois, presiding.  
 Prayer by Dr. Richard Ahlgrim, Berean Baptist Church, Springfield, Illinois.  
 Senator Maloney led the Senate in the Pledge of Allegiance.

The Journal of Wednesday, May 30, 2007, was being read when on motion of Senator Hunter, further reading of same was dispensed with, and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

### **LEGISLATIVE MEASURES FILED**

The following Floor amendment to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Rules:

Senate Floor Amendment No. 1 to Senate Bill 1035

The following Floor amendments to the House Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Senate Floor Amendment No. 4 to House Bill 25  
 Senate Floor Amendment No. 1 to House Bill 29  
 Senate Floor Amendment No. 2 to House Bill 29  
 Senate Floor Amendment No. 1 to House Bill 824  
 Senate Floor Amendment No. 7 to House Bill 830  
 Senate Floor Amendment No. 3 to House Bill 1752  
 Senate Floor Amendment No. 1 to House Bill 1876  
 Senate Floor Amendment No. 2 to House Bill 1979  
 Senate Floor Amendment No. 3 to House Bill 1979

### **PRESENTATION OF RESOLUTION**

#### **SENATE RESOLUTION 232**

Offered by Senators E. Jones – Hunter and all Senators:  
 Mourns the death of George D. Hammons, Jr., of Springfield.

By unanimous consent, the foregoing resolution was referred to the Resolutions Consent Calendar.

### **REPORTS FROM STANDING COMMITTEES**

Senator Crotty, Chairperson of the Committee on Local Government, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Floor Amendment No. 1 to House Bill 1685  
 Senate Floor Amendments numbered 1 and 2 to House Bill 1752

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Garrett, Chairperson of the Committee on Public Health, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Floor Amendment No. 7 to Senate Bill 5

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Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Clayborne, Chairperson of the Committee on Environment and Energy, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Floor Amendment No. 4 to House Bill 828  
Senate Floor Amendment No. 2 to House Bill 1292

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Silverstein, Chairperson of the Committee on Executive, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Floor Amendment No. 3 to House Bill 25

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Silverstein, Chairperson of the Committee on Executive, to which was referred **House Bill No. 1750**, reported the same back with the recommendation that the bill do pass.

Under the rules, the bill was ordered to a second reading.

Senator Demuzio, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Floor Amendment No. 4 to House Bill 743

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Cullerton and Senator Dillard, Co-Chairpersons of the Committee on Judiciary Civil Law, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 319; Motion to Concur in House Amendment 1 to Senate Bill 486

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Crotty, Chairperson of the Committee on Local Government, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 253; Motion to Concur in House Amendment 1 to Senate Bill 345; Motion to Concur in House Amendment 1 to Senate Bill 599

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Garrett, Chairperson of the Committee on Public Health, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 15; Motion to Concur in House Amendment 1 to Senate Bill 547

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Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Wilhelmi, Chairperson of the Committee on Judiciary Criminal Law, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 532

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator Clayborne, Chairperson of the Committee on Environment and Energy, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 680

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator Meeks, Chairperson of the Committee on Human Services, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendments 1 and 2 to Senate Bill 340; Motion to Concur in House Amendment 1 to Senate Bill 595

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Lightford, Chairperson of the Committee on Education, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 446; Motion to Concur in House Amendment 1 to Senate Bill 641; Motion to Concur in House Amendment 1 to Senate Bill 841; Motion to Concur in House Amendment 1 to Senate Bill 1165

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Sandoval, Chairperson of the Committee on Commerce and Economic Development, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 1097

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator Collins, Chairperson of the Committee on Financial Institutions, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 1169

Under the rules, the foregoing motion is eligible for consideration by the Senate.

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## MESSAGES FROM THE HOUSE

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 65

A bill for AN ACT concerning public employee benefits.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 65

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

### AMENDMENT NO. 1 TO SENATE BILL 65

AMENDMENT NO. 1. Amend Senate Bill 65 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 3-110.6, 3-110.8, 3-125, 5-236, 7-139.8, 7-139.11, 9-121.10, 14-110, and 15-134.4 and by adding Sections 3-110.9 and 7-138.12 as follows:

(40 ILCS 5/3-110.6) (from Ch. 108 1/2, par. 3-110.6)

Sec. 3-110.6. Transfer to Article 14 System.

(a) Any active member of the State Employees' Retirement System who is a State policeman, an investigator for the Secretary of State, a conservation police officer, an investigator for the Office of the State's Attorneys Appellate Prosecutor, or a controlled substance inspector may apply for transfer of some or all of his or her creditable service accumulated in any police pension fund under this Article to the State Employees' Retirement System in accordance with Section 14-110. The creditable service shall be transferred only upon payment by the police pension fund to the State Employees' Retirement System of an amount equal to:

(1) the amounts accumulated to the credit of the applicant for the service to be transferred on the books of the fund on

the date of transfer; and

(2) employer contributions in an amount equal to the amount determined under subparagraph (1); and

(3) any interest paid by the applicant in order to reinstate service to be transferred.

Participation in the police pension fund with respect to the service to be transferred shall terminate on the date of transfer.

(b) Any person applying to transfer service under this Section such investigator or inspector may reinstate service that which was terminated by receipt of a refund, by paying to the police pension fund the amount of the refund with interest thereon at the rate of 6% per year, compounded annually, from the date of refund to the date of payment.

(Source: P.A. 90-32, eff. 6-27-97.)

(40 ILCS 5/3-110.8)

Sec. 3-110.8. Transfer to IMRF.

(a) Until January 1, ~~2008~~ 2006, any active member of the Illinois Municipal Retirement Fund who has less than 8 years of creditable service in a police pension fund under this Article, may apply for transfer of his or her creditable service accumulated in that fund to the Illinois Municipal Retirement Fund. The creditable service shall be transferred upon payment by the police pension fund to the Illinois Municipal Retirement Fund of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund on the date of transfer; and

(2) employer contributions in an amount equal to the amount determined under subparagraph (1); and

(3) any interest paid by the applicant in order to reinstate service.

Participation in this Fund shall terminate on the date of transfer.

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(b) Until January 1, ~~2008~~ ~~2006~~, any member under subsection (a) may reinstate service which was terminated by receipt of a refund, by payment to the police pension fund of the amount of the refund with interest thereon at the rate of 6% per year, compounded annually, from the date of refund to the date of payment.

(Source: P.A. 94-356, eff. 7-29-05.)

(40 ILCS 5/3-110.9 new)

Sec. 3-110.9. Transfer from Article 7. Until January 1, 2008, a person may transfer to a fund established under this Article up to 8 years of creditable service accumulated under Article 7 of this Code upon payment to the fund of an amount to be determined by the board, equal to (i) the difference between the amount of employee and employer contributions transferred to the fund under Section 7-139.11 and the amounts that would have been contributed had such contributions been made at the rates applicable to an employee under this Article, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(40 ILCS 5/3-125) (from Ch. 108 1/2, par. 3-125)

Sec. 3-125. Financing. The city council or the board of trustees of the municipality shall annually levy a tax upon all the taxable property of the municipality at the rate on the dollar which will produce an amount which, when added to the deductions from the salaries or wages of police officers, and revenues available from other sources, will equal a sum sufficient to meet the annual requirements of the police pension fund. The annual requirements to be provided by such tax levy are equal to (1) the normal cost of the pension fund for the year involved, plus (2) the amount necessary to amortize the fund's unfunded accrued liabilities as provided in Section 3-127. The tax shall be levied and collected in the same manner as the general taxes of the municipality, and in addition to all other taxes now or hereafter authorized to be levied upon all property within the municipality, and shall be in addition to the amount authorized to be levied for general purposes as provided by Section 8-3-1 of the Illinois Municipal Code, approved May 29, 1961, as amended. The tax shall be forwarded directly to the treasurer of the board within 30 business days after receipt by the county.

The police pension fund shall consist of the following moneys which shall be set apart by the treasurer of the municipality:

- (1) All moneys derived from the taxes levied hereunder;
- (2) Contributions by police officers under Section 3-125.1;
- (3) All moneys accumulated by the municipality under any previous legislation establishing a fund for the benefit of disabled or retired police officers;
- (4) Donations, gifts or other transfers authorized by this Article.

(Source: P.A. 83-1440.)

(40 ILCS 5/5-236) (from Ch. 108 1/2, par. 5-236)

Sec. 5-236. Transfer to Article 14.

(a) ~~Until January 31, 1994~~, Any active member of the State Employees' Retirement System who is a State policeman, conservation police officer, or investigator for the Secretary of State may apply for transfer of ~~some or all of his or her~~ creditable service accumulated under this Article to the State Employees' Retirement System in accordance with Section 14-110. At the time of the transfer the Fund shall pay to the State Employees' Retirement System an amount equal to:

- (1) the amounts accumulated to the credit of the applicant for the service to be transferred on the books of the Fund on  
the date of transfer; and
- (2) the corresponding municipality credits, including interest, on the books of the  
Fund on the date of transfer; and
- (3) any interest paid by the applicant in order to reinstate service to be transferred.

Participation in this Fund with respect to the service to be transferred shall terminate on the date of transfer.

(b) ~~Until January 31, 1994~~, Any such State policeman, conservation police officer, or investigator for the Secretary of State may reinstate service that was terminated by receipt of a refund, by paying to the Fund the amount of the refund with interest thereon at the rate of 6% per year, compounded annually, from the date of refund to the date of payment.

(c) Within 30 days after the effective date of this amendatory Act of 1993, any active member of the State Employees' Retirement System who was earning eligible creditable service under subdivision (b)(12) of Section 14-110 on January 1, 1992 and who has at least 17 years of creditable service under this Article may apply for transfer of his creditable service accumulated under this Article to the State Employees' Retirement System. At the time of the transfer the Fund shall pay to the State Employees' Retirement System an amount equal to:

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- (1) the amounts accumulated to the credit of the applicant on the books of the Fund on the date of transfer; and
- (2) the corresponding municipality credits, including interest, on the books of the Fund on the date of transfer.

Participation in this Fund shall terminate on the date of transfer.

(Source: P.A. 86-1488; 87-1265.)

(40 ILCS 5/7-139.8) (from Ch. 108 1/2, par. 7-139.8)

Sec. 7-139.8. Transfer to Article 14 System.

(a) Any active member of the State Employees' Retirement System who is a State policeman, an investigator for the Secretary of State, a conservation police officer, an investigator for the Office of the State's Attorneys Appellate Prosecutor, or a controlled substance inspector may apply for transfer of some or all of his or her credits and creditable service accumulated in this Fund for service as a sheriff's law enforcement employee to the State Employees' Retirement System in accordance with Section 14-110. The creditable service shall be transferred only upon payment by this Fund to the State Employees' Retirement System of an amount equal to:

- (1) the amounts accumulated to the credit of the applicant for the service to be transferred as a sheriff's law enforcement employee, including interest; and
- (2) municipality credits based on such service, including interest; and
- (3) any interest paid by the applicant to reinstate such service.

Participation in this Fund as to any credits transferred under this Section shall terminate on the date of transfer.

(b) Any person applying to transfer service under this Section such investigator or inspector may reinstate credits and creditable service terminated upon receipt of a separation benefit, by paying to the Fund the amount of the separation benefit plus interest thereon at the rate of 6% per year to the date of payment.

(Source: P.A. 90-32, eff. 6-27-97.)

(40 ILCS 5/7-139.11)

Sec. 7-139.11. Transfer to Article 3 pension fund.

(a) Until January 1, ~~2008~~ 2006, a person who has less than 8 years of creditable service under this Article and who has become an active participant in a police pension fund established under Article 3 of this Code may apply for transfer to that Article 3 fund of his or her creditable service accumulated under this Article. At the time of the transfer the Fund shall pay to the police pension fund an amount equal to:

- (1) the amounts accumulated to the credit of the applicant under this Article, including interest; and
- (2) the municipality credits based on that service, including interest; and
- (3) any interest paid by the applicant in order to reinstate that service.

Participation in this Fund with respect to the transferred credits shall terminate on the date of transfer.

(b) An active member of a pension fund established under Article 3 of this Code may reinstate creditable service under this Article that was terminated by receipt of a refund, by paying to the Fund the amount of the refund plus interest thereon at the rate of 6% per year, compounded annually, from the date of refund to the date of payment.

(Source: P.A. 94-356, eff. 7-29-05.)

(40 ILCS 5/7-139.12 new)

Sec. 7-139.12. Transfer from Article 3. Until January 1, 2008, a person may transfer to the Illinois Municipal Retirement Systems up to 8 years of creditable service accumulated under Article 3 of this Code upon payment to the Fund of an amount to be determined by the board, equal to (i) the difference between the amount of employee and employer contributions transferred to the Fund under Section 3-110.8 and the amounts that would have been contributed had such contributions been made at the rates applicable to an employee under this Article, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(40 ILCS 5/9-121.10) (from Ch. 108 1/2, par. 9-121.10)

Sec. 9-121.10. Transfer to Article 14.

(a) ~~Until July 1, 1993,~~ Any active member of the State Employees' Retirement System who is a State policeman, investigator for the Secretary of State, or conservation police officer may apply for transfer of some or all of his creditable service as a member of the County Police Department accumulated under this Article to the State Employees' Retirement System in accordance with Section 14-110. At the time of the transfer the Fund shall pay to the State Employees' Retirement System an amount equal to:

- (1) the amounts accumulated to the credit of the applicant on the books of the Fund on

the date of transfer for the service to be transferred; and

(2) the corresponding municipality credits, including interest, on the books of the Fund on the date of transfer; and

(3) any interest paid by the applicant in order to reinstate such service.

Participation in this Fund with respect to the credits transferred shall terminate on the date of transfer.

(b) ~~Any person applying to transfer service under this Section until July 1, 1993, any such State policeman~~ may reinstate credit for service as a member of the County Police Department that was terminated by receipt of a refund, by paying to the Fund the amount of the refund with interest thereon at the rate of 6% per year, compounded annually, from the date of refund to the date of payment. (Source: P.A. 87-1265.)

(40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

Sec. 14-110. Alternative retirement annuity.

(a) Any member who has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 55, and any member who has withdrawn from service with not less than 25 years of eligible creditable service and has attained age 50, regardless of whether the attainment of either of the specified ages occurs while the member is still in service, shall be entitled to receive at the option of the member, in lieu of the regular or minimum retirement annuity, a retirement annuity computed as follows:

(i) for periods of service as a noncovered employee: if retirement occurs on or after January 1, 2001, 3% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 2 1/4% of final average compensation for each of the first 10 years of creditable service, 2 1/2% for each year above 10 years to and including 20 years of creditable service, and 2 3/4% for each year of creditable service above 20 years; and

(ii) for periods of eligible creditable service as a covered employee: if retirement occurs on or after January 1, 2001, 2.5% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 1.67% of final average compensation for each of the first 10 years of such service, 1.90% for each of the next 10 years of such service, 2.10% for each year of such service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30.

Such annuity shall be subject to a maximum of 75% of final average compensation if retirement occurs before January 1, 2001 or to a maximum of 80% of final average compensation if retirement occurs on or after January 1, 2001.

These rates shall not be applicable to any service performed by a member as a covered employee which is not eligible creditable service. Service as a covered employee which is not eligible creditable service shall be subject to the rates and provisions of Section 14-108.

(b) For the purpose of this Section, "eligible creditable service" means creditable service resulting from service in one or more of the following positions:

- (1) State policeman;
- (2) fire fighter in the fire protection service of a department;
- (3) air pilot;
- (4) special agent;
- (5) investigator for the Secretary of State;
- (6) conservation police officer;
- (7) investigator for the Department of Revenue;
- (8) security employee of the Department of Human Services;
- (9) Central Management Services security police officer;
- (10) security employee of the Department of Corrections or the Department of Juvenile Justice;
- (11) dangerous drugs investigator;
- (12) investigator for the Department of State Police;
- (13) investigator for the Office of the Attorney General;
- (14) controlled substance inspector;
- (15) investigator for the Office of the State's Attorneys Appellate Prosecutor;
- (16) Commerce Commission police officer;
- (17) arson investigator;
- (18) State highway maintenance worker.

A person employed in one of the positions specified in this subsection is entitled to eligible creditable service for service credit earned under this Article while undergoing the basic police training course approved by the Illinois Law Enforcement Training Standards Board, if completion of that training is required of persons serving in that position. For the purposes of this Code, service during the required

basic police training course shall be deemed performance of the duties of the specified position, even though the person is not a sworn peace officer at the time of the training.

(c) For the purposes of this Section:

(1) The term "state policeman" includes any title or position in the Department of State Police that is held by an individual employed under the State Police Act.

(2) The term "fire fighter in the fire protection service of a department" includes all officers in such fire protection service including fire chiefs and assistant fire chiefs.

(3) The term "air pilot" includes any employee whose official job description on file in the Department of Central Management Services, or in the department by which he is employed if that department is not covered by the Personnel Code, states that his principal duty is the operation of aircraft, and who possesses a pilot's license; however, the change in this definition made by this amendatory Act of 1983 shall not operate to exclude any noncovered employee who was an "air pilot" for the purposes of this Section on January 1, 1984.

(4) The term "special agent" means any person who by reason of employment by the Division of Narcotic Control, the Bureau of Investigation or, after July 1, 1977, the Division of Criminal Investigation, the Division of Internal Investigation, the Division of Operations, or any other Division or organizational entity in the Department of State Police is vested by law with duties to maintain public order, investigate violations of the criminal law of this State, enforce the laws of this State, make arrests and recover property. The term "special agent" includes any title or position in the Department of State Police that is held by an individual employed under the State Police Act.

(5) The term "investigator for the Secretary of State" means any person employed by the Office of the Secretary of State and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act.

A person who became employed as an investigator for the Secretary of State between January 1, 1967 and December 31, 1975, and who has served as such until attainment of age 60, either continuously or with a single break in service of not more than 3 years duration, which break terminated before January 1, 1976, shall be entitled to have his retirement annuity calculated in accordance with subsection (a), notwithstanding that he has less than 20 years of credit for such service.

(6) The term "Conservation Police Officer" means any person employed by the Division of Law Enforcement of the Department of Natural Resources and vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(l)(1) of that Act. The term "Conservation Police Officer" includes the positions of Chief Conservation Police Administrator and Assistant Conservation Police Administrator.

(7) The term "investigator for the Department of Revenue" means any person employed by the Department of Revenue and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act.

(8) The term "security employee of the Department of Human Services" means any person employed by the Department of Human Services who (i) is employed at the Chester Mental Health Center and has daily contact with the residents thereof, (ii) is employed within a security unit at a facility operated by the Department and has daily contact with the residents of the security unit, (iii) is employed at a facility operated by the Department that includes a security unit and is regularly scheduled to work at least 50% of his or her working hours within that security unit, or (iv) is a mental health police officer. "Mental health police officer" means any person employed by the Department of Human Services in a position pertaining to the Department's mental health and developmental disabilities functions who is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act. "Security unit" means that portion of a facility that is devoted to the care, containment, and treatment of persons committed to the Department of Human Services as sexually violent persons, persons unfit to stand trial, or persons not guilty by reason of insanity. With respect to past employment, references to the Department of Human Services include its predecessor, the Department of Mental Health and Developmental Disabilities.

The changes made to this subdivision (c)(8) by Public Act 92-14 apply to persons who retire on or after January 1, 2001, notwithstanding Section 1-103.1.

(9) "Central Management Services security police officer" means any person employed by the Department of Central Management Services who is vested with such law enforcement duties as

render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act.

(10) For a member who first became an employee under this Article before July 1, 2005, the term "security employee of the Department of Corrections or the Department of Juvenile Justice" means any employee of the Department of Corrections or the Department of Juvenile Justice or the former Department of Personnel, and any member or employee of the Prisoner Review Board, who has daily contact with inmates or youth by working within a correctional facility or Juvenile facility operated by the Department of Juvenile Justice or who is a parole officer or an employee who has direct contact with committed persons in the performance of his or her job duties. For a member who first becomes an employee under this Article on or after July 1, 2005, the term means an employee of the Department of Corrections or the Department of Juvenile Justice who is any of the following: (i) officially headquartered at a correctional facility or Juvenile facility operated by the Department of Juvenile Justice, (ii) a parole officer, (iii) a member of the apprehension unit, (iv) a member of the intelligence unit, (v) a member of the sort team, or (vi) an investigator.

(11) The term "dangerous drugs investigator" means any person who is employed as such by the Department of Human Services.

(12) The term "investigator for the Department of State Police" means a person employed by the Department of State Police who is vested under Section 4 of the Narcotic Control Division Abolition Act with such law enforcement powers as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act.

(13) "Investigator for the Office of the Attorney General" means any person who is employed as such by the Office of the Attorney General and is vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act. For the period before January 1, 1989, the term includes all persons who were employed as investigators by the Office of the Attorney General, without regard to social security status.

(14) "Controlled substance inspector" means any person who is employed as such by the Department of Professional Regulation and is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(l)(1) of that Act. The term "controlled substance inspector" includes the Program Executive of Enforcement and the Assistant Program Executive of Enforcement.

(15) The term "investigator for the Office of the State's Attorneys Appellate Prosecutor" means a person employed in that capacity on a full time basis under the authority of Section 7.06 of the State's Attorneys Appellate Prosecutor's Act.

(16) "Commerce Commission police officer" means any person employed by the Illinois Commerce Commission who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(l)(1) of that Act.

(17) "Arson investigator" means any person who is employed as such by the Office of the State Fire Marshal and is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(l)(1) of that Act. A person who was employed as an arson investigator on January 1, 1995 and is no longer in service but not yet receiving a retirement annuity may convert his or her creditable service for employment as an arson investigator into eligible creditable service by paying to the System the difference between the employee contributions actually paid for that service and the amounts that would have been contributed if the applicant were contributing at the rate applicable to persons with the same social security status earning eligible creditable service on the date of application.

(18) The term "State highway maintenance worker" means a person who is either of the following:

(i) A person employed on a full-time basis by the Illinois Department of Transportation in the position of highway maintainer, highway maintenance lead worker, highway maintenance lead/lead worker, heavy construction equipment operator, power shovel operator, or bridge mechanic; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the highways that form a part of the State highway system in serviceable condition for vehicular traffic.

(ii) A person employed on a full-time basis by the Illinois State Toll Highway Authority in the position of equipment operator/laborer H-4, equipment operator/laborer H-6, welder H-4, welder H-6, mechanical/electrical H-4, mechanical/electrical H-6, water/sewer H-4,

water/sewer H-6, sign maker/hanger H-4, sign maker/hanger H-6, roadway lighting H-4, roadway lighting H-6, structural H-4, structural H-6, painter H-4, or painter H-6; and whose principal responsibility is to perform, on the roadway, the actual maintenance necessary to keep the Authority's tollways in serviceable condition for vehicular traffic.

(d) A security employee of the Department of Corrections or the Department of Juvenile Justice, and a security employee of the Department of Human Services who is not a mental health police officer, shall not be eligible for the alternative retirement annuity provided by this Section unless he or she meets the following minimum age and service requirements at the time of retirement:

- (i) 25 years of eligible creditable service and age 55; or
- (ii) beginning January 1, 1987, 25 years of eligible creditable service and age 54, or 24 years of eligible creditable service and age 55; or
- (iii) beginning January 1, 1988, 25 years of eligible creditable service and age 53, or 23 years of eligible creditable service and age 55; or
- (iv) beginning January 1, 1989, 25 years of eligible creditable service and age 52, or 22 years of eligible creditable service and age 55; or
- (v) beginning January 1, 1990, 25 years of eligible creditable service and age 51, or 21 years of eligible creditable service and age 55; or
- (vi) beginning January 1, 1991, 25 years of eligible creditable service and age 50, or 20 years of eligible creditable service and age 55.

Persons who have service credit under Article 16 of this Code for service as a security employee of the Department of Corrections or the Department of Juvenile Justice, or the Department of Human Services in a position requiring certification as a teacher may count such service toward establishing their eligibility under the service requirements of this Section; but such service may be used only for establishing such eligibility, and not for the purpose of increasing or calculating any benefit.

(e) If a member enters military service while working in a position in which eligible creditable service may be earned, and returns to State service in the same or another such position, and fulfills in all other respects the conditions prescribed in this Article for credit for military service, such military service shall be credited as eligible creditable service for the purposes of the retirement annuity prescribed in this Section.

(f) For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before October 1, 1975 as a covered employee in the position of special agent, conservation police officer, mental health police officer, or investigator for the Secretary of State, shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after July 31, 1987, regular interest on the amount specified in item (1) from the date of service to the date of payment.

For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before January 1, 1982 as a covered employee in the position of investigator for the Department of Revenue shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after January 1, 1990, regular interest on the amount specified in item (1) from the date of service to the date of payment.

(g) A State policeman may elect, not later than January 1, 1990, to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman may elect, not later than July 1, 1993, to establish eligible creditable service for up to 10 years of his service as a member of the County Police Department under Article 9, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 9-121.10 and the amounts that would have been contributed had those contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(h) Subject to the limitation in subsection (i), a State policeman or investigator for the Secretary of State may elect to establish eligible creditable service for up to 12 years of his service as a policeman under Article 5, by filing a written election with the Board on or before January 31, 1992, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 5-236, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 10 years of service as a sheriff's law enforcement employee under Article 7, by filing a written election with the Board on or before January 31, 1993, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 7-139.7, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement employee under Article 7, a member of the county police department under Article 9, or a police officer under Article 15 by filing a written election with the Board and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(i) The total amount of eligible creditable service established by any person under subsections (g), (h), (j), (k), and (l) of this Section shall not exceed 12 years.

(j) Subject to the limitation in subsection (i), an investigator for the Office of the State's Attorneys Appellate Prosecutor or a controlled substance inspector may elect to establish eligible creditable service for up to 10 years of his service as a policeman under Article 3 or a sheriff's law enforcement employee under Article 7, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (1) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6 or 7-139.8, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (2) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(k) Subject to the limitation in subsection (i) of this Section, an alternative formula employee may elect to establish eligible creditable service for periods spent as a full-time law enforcement officer or full-time corrections officer employed by the federal government or by a state or local government located outside of Illinois, for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board by March 31, 1998, accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

(l) Subject to the limitation in subsection (i), a security employee of the Department of Corrections may elect, not later than July 1, 1998, to establish eligible creditable service for up to 10 years of his or her service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to security employees of the Department of Corrections, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

(m) The amendatory changes to this Section made by this amendatory Act of the 94th General Assembly apply only to: (1) security employees of the Department of Juvenile Justice employed by the Department of Corrections before the effective date of this amendatory Act of the 94th General Assembly and transferred to the Department of Juvenile Justice by this amendatory Act of the 94th General Assembly; and (2) persons employed by the Department of Juvenile Justice on or after the effective date of this amendatory Act of the 94th General Assembly who are required by subsection (b) of Section 3-2.5-15 of the Unified Code of Corrections to have a bachelor's or advanced degree from an accredited college or university with a specialization in criminal justice, education, psychology, social work, or a closely related social science or, in the case of persons who provide vocational training, who are required to have adequate knowledge in the skill for which they are providing the vocational training. (Source: P.A. 94-4, eff. 6-1-05; 94-696, eff. 6-1-06.)

(40 ILCS 5/15-134.4) (from Ch. 108 1/2, par. 15-134.4)

Sec. 15-134.4. Transfer of creditable service to the Article 5 Pension Fund or Article 14 System.

(a) An active member of the Pension Fund established under Article 5 of this Code may apply, not later than January 1, 1990, to transfer his or her credits and creditable service accumulated under this System for service with the City Colleges of Chicago teaching in the Criminal Justice Program, to the Article 5 Fund. Such credits and creditable service shall be transferred forthwith.

Payment by this System to the Article 5 Fund shall be made at the same time and shall consist of:

- (1) the amounts credited to the applicant for such service through employee contributions, including interest, as of the date of transfer; and
- (2) employer contributions equal in amount to the accumulated employee contributions as determined in item (1).

Participation in this System with respect to such credits shall terminate on the date of transfer.

(b) Any active member of the State Employees' Retirement System who is a State policeman, an investigator for the Secretary of State, or a conservation police officer may apply for transfer of some or all of his or her creditable service accumulated in this System for service as a police officer to the State Employees' Retirement System in accordance with Section 14-110. The creditable service shall be transferred only upon payment by this System to the State Employees' Retirement System of an amount equal to:

- (1) the amounts accumulated to the credit of the applicant for the service to be transferred, including interest, as of the date of transfer; and
- (2) employer contributions equal in amount to the accumulated employee contributions as determined in item (1); and
- (3) any interest paid by the applicant to reinstate such service.

Participation in this System as to any credits transferred under this Section shall terminate on the date of transfer.

(c) Any person applying to transfer service under subsection (b) may reinstate credits and creditable service terminated upon receipt of a refund by paying to the System the amount of the refund plus interest thereon at the rate of 6% per year from the date of the refund to the date of payment.

(Source: P.A. 86-273; 86-1028.)

Section 90. The State Mandates Act is amended by adding Section 8.31 as follows:

(30 ILCS 805/8.31 new)

Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 95th General Assembly.

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 65**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 182

A bill for AN ACT concerning finance.

[May 31, 2007]

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 182  
Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 182**

AMENDMENT NO. 1. Amend Senate Bill 182 by replacing everything after the enacting clause with the following:

"ARTICLE 1. SHORT TITLE; PURPOSE

Section 1-1. Short Title. This Act may be cited as the FY2008 Budget Implementation (Finance) Act.

Section 1-5. Purpose. It is the purpose of this Act to make changes in State programs concerning finance that are necessary to implement the FY2008 Budget.

ARTICLE 5. AMENDATORY PROVISIONS

Section 5-5. The Mental Health and Developmental Disabilities Administrative Act is amended by changing Section 18.4 as follows:

(20 ILCS 1705/18.4)

Sec. 18.4. Community Mental Health Medicaid Trust Fund; reimbursement.

(a) The Community Mental Health Medicaid Trust Fund is hereby created in the State Treasury.

(b) ~~Amounts Except as otherwise provided in this Section, following repayment of interfund transfers under subsection (b-1), amounts~~ paid to the State during each State fiscal year by the federal government under Title XIX or Title XXI of the Social Security Act for services delivered by community mental health providers, and any interest earned thereon, shall be deposited as follows:

(1) The first \$75,000,000 shall be deposited directly into the Community Mental Health Medicaid Trust Fund to be used for the purchase of community mental health services;

(2) The next \$4,500,000 shall be deposited directly into the Community Mental Health Medicaid Trust Fund to be used by the Department of Human Services' Division of Mental Health for the oversight and administration of community mental health services and up to \$1,000,000 of this amount may be used for support of community mental health service initiatives ; ~~and~~

(3) ~~The next \$3,500,000 shall be deposited directly into the General Revenue Fund;~~

(4) Any additional amounts shall be deposited ~~50%~~ into the Community Mental Health Medicaid Trust Fund to be used for the purchase of community mental health services ~~and 50% into the General Revenue Fund.~~

~~(b-1) For State fiscal year 2005, the first \$73,000,000 in any funds paid to the State by the federal government under Title XIX or Title XXI of the Social Security Act for services delivered by community mental health services providers, and any interest earned thereon, shall be deposited directly into the Community Mental Health Medicaid Trust Fund before any deposits are made into the General Revenue Fund. The next \$25,000,000, less any deposits made prior to the effective date of this amendatory Act of the 94th General Assembly, shall be deposited into the General Revenue Fund. Amounts received in excess of \$98,000,000 shall be deposited 50% into the General Revenue Fund and 50% into the Community Mental Health Medicaid Trust Fund. At the direction of the Director of Healthcare and Family Services, on April 1, 2005, or as soon thereafter as practical, the Comptroller shall direct and the State Treasurer shall transfer amounts not to exceed \$14,000,000 into the Community Mental Health Medicaid Trust Fund from the Public Aid Recoveries Trust Fund.~~

~~(b-2) For State fiscal year 2006, and in subsequent fiscal years until any transfers under subsection (b-1) are repaid, the first \$73,000,000 in any funds paid to the State by the federal government under Title XIX or Title XXI of the Social Security Act for services delivered by community mental health providers, and any interest earned thereon, shall be deposited directly into the Community Mental Health Medicaid Trust Fund. Then the next \$14,000,000, or such amount as was transferred under subsection (b-1) at the direction of the Director of Healthcare and Family Services, shall be deposited into the Public Aid Recoveries Trust Fund. Any additional amounts received shall be deposited in accordance with subsection (b).~~

(c) The Department shall reimburse community mental health providers for services provided to

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eligible individuals. Moneys in the Community Mental Health Medicaid Trust Fund may be used for that purpose.

(d) As used in this Section:

"Community mental health provider" means a community agency that is funded by the Department to provide a service.

"Service" means a mental health service provided pursuant to the provisions of administrative rules adopted by the Department and funded by the Department of Human Services' Division of Mental Health.

(Source: P.A. 93-841, eff. 7-30-04; 94-58, eff. 6-17-05; 94-839, eff. 6-6-06.)

Section 5-10. The State Finance Act is amended by changing Sections 6z-32, 6z-63, 6z-64, 8.3, 8g, and 13.2 and by adding Sections 5.675 and 6z-69 as follows:

(30 ILCS 105/5.675 new)

Sec. 5.675. The Minority Film Support Fund.

(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 2004	\$14,000,000
2005	\$7,000,000
2006	\$11,000,000
2007	\$0
<del>2008 through 2009</del>	<del>\$0 \$14,000,000</del>
<u>2009</u>	<u>\$14,000,000</u>

(c) Notwithstanding any other provision of law to the contrary and in addition to any other transfers that may be provided for by law, on the last day of each month beginning on July 31, 2006 and ending on June 30, ~~2008~~ 2007, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer \$1,000,000 from the Open Space Lands Acquisition and Development Fund to the Conservation 2000 Fund.

(d) 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. 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-839, eff. 6-6-06.)

(30 ILCS 105/6z-63)

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 or other State entities;

(2) rendering other services to State agencies at the Governor's direction or to other State entities upon agreement between the Director of Central Management Services and the appropriate official or governing body of the other State entity; or

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

(c) State agencies or other State entities 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. For the fiscal year beginning on July 1, 2004 only, 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:

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

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.

(e-5) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2005 and

through June 30, 2006, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Director of Central Management Services, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Professional Services Fund from the designated funds not exceeding the following totals:

Food and Drug Safety Fund.....	\$3,249
Financial Institution Fund.....	\$12,942
General Professions Dedicated Fund.....	\$8,579
Illinois Department of Agriculture	
Laboratory Services Revolving Fund.....	\$1,963
Illinois Veterans' Rehabilitation Fund.....	\$11,275
State Boating Act Fund.....	\$27,000
State Parks Fund.....	\$22,007
Agricultural Premium Fund.....	\$59,483
Fire Prevention Fund.....	\$29,862
Mental Health Fund.....	\$78,213
Illinois State Pharmacy Disciplinary Fund.....	\$2,744
Radiation Protection Fund.....	\$16,034
Solid Waste Management Fund.....	\$37,669
Illinois Gaming Law Enforcement Fund.....	\$7,260
Subtitle D Management Fund.....	\$4,659
Illinois State Medical Disciplinary Fund.....	\$8,602
Department of Children and	
Family Services Training Fund.....	\$29,906
Facility Licensing Fund.....	\$1,083
Youth Alcoholism and Substance	
Abuse Prevention Fund.....	\$2,783
Plugging and Restoration Fund.....	\$1,105
State Crime Laboratory Fund.....	\$1,353
Motor Vehicle Theft Prevention Trust Fund.....	\$9,190
Weights and Measures Fund.....	\$4,932
Solid Waste Management Revolving	
Loan Fund.....	\$2,735
Illinois School Asbestos Abatement Fund.....	\$2,166
Violence Prevention Fund.....	\$5,176
Capital Development Board Revolving Fund.....	\$14,777
DCFS Children's Services Fund.....	\$1,256,594
State Police DUI Fund.....	\$1,434
Illinois Health Facilities Planning Fund.....	\$3,191
Emergency Public Health Fund.....	\$7,996
Fair and Exposition Fund.....	\$3,732
Nursing Dedicated and Professional Fund.....	\$5,792
Optometric Licensing and Disciplinary Board Fund.....	\$1,032
Underground Resources Conservation Enforcement Fund.....	\$1,221
State Rail Freight Loan Repayment Fund.....	\$6,434
Drunk and Drugged Driving Prevention Fund.....	\$5,473
Illinois Affordable Housing Trust Fund.....	\$118,222
Community Water Supply Laboratory Fund.....	\$10,021
Used Tire Management Fund.....	\$17,524
Natural Areas Acquisition Fund.....	\$15,501
Open Space Lands Acquisition	
and Development Fund.....	\$49,105
Working Capital Revolving Fund.....	\$126,344
State Garage Revolving Fund.....	\$92,513
Statistical Services Revolving Fund.....	\$181,949
Paper and Printing Revolving Fund.....	\$3,632
Air Transportation Revolving Fund.....	\$1,969
Communications Revolving Fund.....	\$304,278
Environmental Laboratory Certification Fund.....	\$1,357
Public Health Laboratory Services Revolving Fund.....	\$5,892

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Provider Inquiry Trust Fund.....	\$1,742
Lead Poisoning Screening, Prevention, and Abatement Fund.....	\$8,200
Drug Treatment Fund.....	\$14,028
Feed Control Fund.....	\$2,472
Plumbing Licensure and Program Fund.....	\$3,521
Insurance Premium Tax Refund Fund.....	\$7,872
Tax Compliance and Administration Fund.....	\$5,416
Appraisal Administration Fund.....	\$2,924
Trauma Center Fund.....	\$40,139
Alternate Fuels Fund.....	\$1,467
Illinois State Fair Fund.....	\$13,844
State Asset Forfeiture Fund.....	\$8,210
Federal Asset Forfeiture Fund.....	\$6,471
Department of Corrections Reimbursement and Education Fund.....	\$78,965
Health Facility Plan Review Fund.....	\$3,444
LEADS Maintenance Fund.....	\$6,075
State Offender DNA Identification System Fund.....	\$1,712
Illinois Historic Sites Fund.....	\$4,511
Public Pension Regulation Fund.....	\$2,313
Workforce, Technology, and Economic Development Fund.....	\$5,357
Renewable Energy Resources Trust Fund.....	\$29,920
Energy Efficiency Trust Fund.....	\$8,368
Pesticide Control Fund.....	\$6,687
Conservation 2000 Fund.....	\$30,764
Wireless Carrier Reimbursement Fund.....	\$91,024
International Tourism Fund.....	\$13,057
Public Transportation Fund.....	\$701,837
Horse Racing Fund.....	\$18,589
Death Certificate Surcharge Fund.....	\$1,901
State Police Wireless Service Emergency Fund.....	\$1,012
Downstate Public Transportation Fund.....	\$112,085
Motor Carrier Safety Inspection Fund.....	\$6,543
State Police Whistleblower Reward and Protection Fund.....	\$1,894
Illinois Standardbred Breeders Fund.....	\$4,412
Illinois Thoroughbred Breeders Fund.....	\$6,635
Illinois Clean Water Fund.....	\$17,579
Independent Academic Medical Center Fund.....	\$5,611
Child Support Administrative Fund.....	\$432,527
Corporate Headquarters Relocation Assistance Fund.....	\$4,047
Local Initiative Fund.....	\$58,762
Tourism Promotion Fund.....	\$88,072
Digital Divide Elimination Fund.....	\$11,593
Presidential Library and Museum Operating Fund.....	\$4,624
Metro-East Public Transportation Fund.....	\$47,787
Medical Special Purposes Trust Fund.....	\$11,779
Dram Shop Fund.....	\$11,317
Illinois State Dental Disciplinary Fund.....	\$1,986
Hazardous Waste Research Fund.....	\$1,333
Real Estate License Administration Fund.....	\$10,886
Traffic and Criminal Conviction Surcharge Fund.....	\$44,798
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Systems Trust Fund.....	\$5,693
Design Professionals Administration and Investigation Fund.....	\$2,036
State Surplus Property Revolving Fund.....	\$6,829
Illinois Forestry Development Fund.....	\$7,012
State Police Services Fund.....	\$47,072
Youth Drug Abuse Prevention Fund.....	\$1,299
Metabolic Screening and Treatment Fund.....	\$15,947
Insurance Producer Administration Fund.....	\$30,870
Coal Technology Development Assistance Fund.....	\$43,692
Rail Freight Loan Repayment Fund.....	\$1,016
Low-Level Radioactive Waste Facility Development and Operation Fund.....	\$1,989
Environmental Protection Permit and Inspection Fund.....	\$32,125
Park and Conservation Fund.....	\$41,038
Local Tourism Fund.....	\$34,492
Illinois Capital Revolving Loan Fund.....	\$10,624
Illinois Equity Fund.....	\$1,929
Large Business Attraction Fund.....	\$5,554
Illinois Beach Marina Fund.....	\$5,053
International and Promotional Fund.....	\$1,466
Public Infrastructure Construction Loan Revolving Fund.....	\$3,111
Insurance Financial Regulation Fund.....	\$42,575
Total	\$4,975,487

(e-7) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2006 and through June 30, 2007, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Director of Central Management Services, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Professional Services Fund from the designated funds not exceeding the following totals:

Food and Drug Safety Fund.....	\$3,300
Financial Institution Fund.....	\$13,000
General Professions Dedicated Fund.....	\$8,600
Illinois Department of Agriculture Laboratory Services Revolving Fund.....	\$2,000
Illinois Veterans' Rehabilitation Fund.....	\$11,300
State Boating Act Fund.....	\$27,200
State Parks Fund.....	\$22,100
Agricultural Premium Fund.....	\$59,800
Fire Prevention Fund.....	\$30,000
Mental Health Fund.....	\$78,700
Illinois State Pharmacy Disciplinary Fund.....	\$2,800
Radiation Protection Fund.....	\$16,100
Solid Waste Management Fund.....	\$37,900
Illinois Gaming Law Enforcement Fund.....	\$7,300
Subtitle D Management Fund.....	\$4,700
Illinois State Medical Disciplinary Fund.....	\$8,700
Facility Licensing Fund.....	\$1,100
Youth Alcoholism and Substance Abuse Prevention Fund.....	\$2,800
Plugging and Restoration Fund.....	\$1,100
State Crime Laboratory Fund.....	\$1,400
Motor Vehicle Theft Prevention Trust Fund.....	\$9,200
Weights and Measures Fund.....	\$5,000
Illinois School Asbestos Abatement Fund.....	\$2,200
Violence Prevention Fund.....	\$5,200
Capital Development Board Revolving Fund.....	\$14,900
DCFS Children's Services Fund.....	\$1,294,000
State Police DUI Fund.....	\$1,400

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Illinois Health Facilities Planning Fund.....	\$3,200
Emergency Public Health Fund.....	\$8,000
Fair and Exposition Fund.....	\$3,800
Nursing Dedicated and Professional Fund.....	\$5,800
Optometric Licensing and Disciplinary Board Fund.....	\$1,000
Underground Resources Conservation Enforcement Fund.....	\$1,200
State Rail Freight Loan Repayment Fund.....	\$6,500
Drunk and Drugged Driving Prevention Fund.....	\$5,500
Illinois Affordable Housing Trust Fund.....	\$118,900
Community Water Supply Laboratory Fund.....	\$10,100
Used Tire Management Fund.....	\$17,600
Natural Areas Acquisition Fund.....	\$15,600
Open Space Lands Acquisition and Development Fund.....	\$49,400
Working Capital Revolving Fund.....	\$127,100
State Garage Revolving Fund.....	\$93,100
Statistical Services Revolving Fund.....	\$183,000
Paper and Printing Revolving Fund.....	\$3,700
Air Transportation Revolving Fund.....	\$2,000
Communications Revolving Fund.....	\$306,100
Environmental Laboratory Certification Fund.....	\$1,400
Public Health Laboratory Services Revolving Fund.....	\$5,900
Provider Inquiry Trust Fund.....	\$1,800
Lead Poisoning Screening, Prevention, and Abatement Fund.....	\$8,200
Drug Treatment Fund.....	\$14,100
Feed Control Fund.....	\$2,500
Plumbing Licensure and Program Fund.....	\$3,500
Insurance Premium Tax Refund Fund.....	\$7,900
Tax Compliance and Administration Fund.....	\$5,400
Appraisal Administration Fund.....	\$2,900
Trauma Center Fund.....	\$40,400
Alternate Fuels Fund.....	\$1,500
Illinois State Fair Fund.....	\$13,900
State Asset Forfeiture Fund.....	\$8,300
Department of Corrections Reimbursement and Education Fund.....	\$79,400
Health Facility Plan Review Fund.....	\$3,500
LEADS Maintenance Fund.....	\$6,100
State Offender DNA Identification System Fund.....	\$1,700
Illinois Historic Sites Fund.....	\$4,500
Public Pension Regulation Fund.....	\$2,300
Workforce, Technology, and Economic Development Fund.....	\$5,400
Renewable Energy Resources Trust Fund.....	\$30,100
Energy Efficiency Trust Fund.....	\$8,400
Pesticide Control Fund.....	\$6,700
Conservation 2000 Fund.....	\$30,900
Wireless Carrier Reimbursement Fund.....	\$91,600
International Tourism Fund.....	\$13,100
Public Transportation Fund.....	\$705,900
Horse Racing Fund.....	\$18,700
Death Certificate Surcharge Fund.....	\$1,900
State Police Wireless Service Emergency Fund.....	\$1,000
Downstate Public Transportation Fund.....	\$112,700
Motor Carrier Safety Inspection Fund.....	\$6,600
State Police Whistleblower	

Reward and Protection Fund.....	\$1,900
Illinois Standardbred Breeders Fund.....	\$4,400
Illinois Thoroughbred Breeders Fund.....	\$6,700
Illinois Clean Water Fund.....	\$17,700
Child Support Administrative Fund.....	\$435,100
Tourism Promotion Fund.....	\$88,600
Digital Divide Elimination Fund.....	\$11,700
Presidential Library and Museum Operating Fund.....	\$4,700
Metro-East Public Transportation Fund.....	\$48,100
Medical Special Purposes Trust Fund.....	\$11,800
Dram Shop Fund.....	\$11,400
Illinois State Dental Disciplinary Fund.....	\$2,000
Hazardous Waste Research Fund.....	\$1,300
Real Estate License Administration Fund.....	\$10,900
Traffic and Criminal Conviction Surcharge Fund.....	\$45,100
Criminal Justice Information Systems Trust Fund.....	\$5,700
Design Professionals Administration and Investigation Fund.....	\$2,000
State Surplus Property Revolving Fund.....	\$6,900
State Police Services Fund.....	\$47,300
Youth Drug Abuse Prevention Fund.....	\$1,300
Metabolic Screening and Treatment Fund.....	\$16,000
Insurance Producer Administration Fund.....	\$31,100
Coal Technology Development Assistance Fund.....	\$43,900
Low-Level Radioactive Waste Facility Development and Operation Fund.....	\$2,000
Environmental Protection Permit and Inspection Fund.....	\$32,300
Park and Conservation Fund.....	\$41,300
Local Tourism Fund.....	\$34,700
Illinois Capital Revolving Loan Fund.....	\$10,700
Illinois Equity Fund.....	\$1,900
Large Business Attraction Fund.....	\$5,600
Illinois Beach Marina Fund.....	\$5,100
International and Promotional Fund.....	\$1,500
Public Infrastructure Construction Loan Revolving Fund.....	\$3,100
Insurance Financial Regulation Fund.....	\$42,800
Total.....	\$4,918,200

(e-10) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on the first day of each calendar quarter of the fiscal year beginning July 1, 2005, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Professional Services Fund amounts equal to one-fourth of each of the following totals:

General Revenue Fund.....	\$4,440,000
Road Fund.....	\$5,324,411
Total.....	\$9,764,411

(e-15) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, the State Comptroller shall direct and the State Treasurer shall transfer from the funds specified into the Professional Services Fund according to the schedule specified herein as follows:

General Revenue Fund.....	\$4,466,000
Road Fund.....	\$5,355,500
Total.....	\$9,821,500

One-fourth of the specified amount shall be transferred on each of July 1 and October 1, 2006, or as soon as may be practical thereafter, and one-half of the specified amount shall be transferred on January 1, 2007, or as soon as may be practical thereafter.

(e-20) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2007 and through June 30, 2008, in addition to any other transfers that may be provided for by law, at the direction

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of and upon notification from the Director of Central Management Services, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Professional Services Fund from the designated funds not exceeding the following totals:

Food and Drug Safety Fund.....	\$3,300
Financial Institution Fund.....	\$13,000
General Professions Dedicated Fund.....	\$8,600
<u>Illinois Department of Agriculture</u>	
Laboratory Services Revolving Fund.....	\$2,000
Illinois Veterans' Rehabilitation Fund.....	\$11,300
State Boating Act Fund.....	\$27,200
State Parks Fund.....	\$22,100
Agricultural Premium Fund.....	\$59,800
Fire Prevention Fund.....	\$30,000
Mental Health Fund.....	\$78,700
Illinois State Pharmacy Disciplinary Fund.....	\$2,800
Radiation Protection Fund.....	\$16,100
Solid Waste Management Fund.....	\$37,900
Illinois Gaming Law Enforcement Fund.....	\$7,300
Subtitle D Management Fund.....	\$4,700
Illinois State Medical Disciplinary Fund.....	\$8,700
Facility Licensing Fund.....	\$1,100
<u>Youth Alcoholism and</u>	
Substance Abuse Prevention Fund.....	\$2,800
Plugging and Restoration Fund.....	\$1,100
State Crime Laboratory Fund.....	\$1,400
Motor Vehicle Theft Prevention Trust Fund.....	\$9,200
Weights and Measures Fund.....	\$5,000
Illinois School Asbestos Abatement Fund.....	\$2,200
Violence Prevention Fund.....	\$5,200
Capital Development Board Revolving Fund.....	\$14,900
DCFS Children's Services Fund.....	\$1,294,000
State Police DUI Fund.....	\$1,400
Illinois Health Facilities Planning Fund.....	\$3,200
Emergency Public Health Fund.....	\$8,000
Fair and Exposition Fund.....	\$3,800
Nursing Dedicated and Professional Fund.....	\$5,800
Optometric Licensing and Disciplinary Board Fund.....	\$1,000
<u>Underground Resources Conservation</u>	
Enforcement Fund.....	\$1,200
State Rail Freight Loan Repayment Fund.....	\$6,500
Drunk and Drugged Driving Prevention Fund.....	\$5,500
Illinois Affordable Housing Trust Fund.....	\$118,900
Community Water Supply Laboratory Fund.....	\$10,100
Used Tire Management Fund.....	\$17,600
Natural Areas Acquisition Fund.....	\$15,600
<u>Open Space Lands Acquisition</u>	
and Development Fund.....	\$49,400
Working Capital Revolving Fund.....	\$127,100
State Garage Revolving Fund.....	\$93,100
Statistical Services Revolving Fund.....	\$183,000
Paper and Printing Revolving Fund.....	\$3,700
Air Transportation Revolving Fund.....	\$2,000
Communications Revolving Fund.....	\$306,100
Environmental Laboratory Certification Fund.....	\$1,400
<u>Public Health Laboratory Services</u>	
Revolving Fund.....	\$5,900
Provider Inquiry Trust Fund.....	\$1,800
<u>Lead Poisoning Screening, Prevention,</u>	
<u>and Abatement Fund.....</u>	\$8,200

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Drug Treatment Fund.....	\$14,100
Feed Control Fund.....	\$2,500
Plumbing Licensure and Program Fund.....	\$3,500
Insurance Premium Tax Refund Fund.....	\$7,900
Tax Compliance and Administration Fund.....	\$5,400
Appraisal Administration Fund.....	\$2,900
Trauma Center Fund.....	\$40,400
Alternate Fuels Fund.....	\$1,500
Illinois State Fair Fund.....	\$13,900
State Asset Forfeiture Fund.....	\$8,300
Department of Corrections	
Reimbursement and Education Fund.....	\$79,400
Health Facility Plan Review Fund.....	\$3,500
LEADS Maintenance Fund.....	\$6,100
State Offender DNA Identification System Fund.....	\$1,700
Illinois Historic Sites Fund.....	\$4,500
Public Pension Regulation Fund.....	\$2,300
Workforce, Technology, and Economic	
Development Fund.....	\$5,400
Renewable Energy Resources Trust Fund.....	\$30,100
Energy Efficiency Trust Fund.....	\$8,400
Pesticide Control Fund.....	\$6,700
Conservation 2000 Fund.....	\$30,900
Wireless Carrier Reimbursement Fund.....	\$91,600
International Tourism Fund.....	\$13,100
Public Transportation Fund.....	\$705,900
Horse Racing Fund.....	\$18,700
Death Certificate Surcharge Fund.....	\$1,900
State Police Wireless Service Emergency Fund.....	\$1,000
Downstate Public Transportation Fund.....	\$112,700
Motor Carrier Safety Inspection Fund.....	\$6,600
State Police Whistleblower	
Reward and Protection Fund.....	\$1,900
Illinois Standardbred Breeders Fund.....	\$4,400
Illinois Thoroughbred Breeders Fund.....	\$6,700
Illinois Clean Water Fund.....	\$17,700
Child Support Administrative Fund.....	\$435,100
Tourism Promotion Fund.....	\$88,600
Digital Divide Elimination Fund.....	\$11,700
Presidential Library and Museum Operating Fund.....	\$4,700
Metro-East Public Transportation Fund.....	\$48,100
Medical Special Purposes Trust Fund.....	\$11,800
Dram Shop Fund.....	\$11,400
Illinois State Dental Disciplinary Fund.....	\$2,000
Hazardous Waste Research Fund.....	\$1,300
Real Estate License Administration Fund.....	\$10,900
Traffic and Criminal Conviction Surcharge Fund.....	\$45,100
Criminal Justice Information Systems Trust Fund.....	\$5,700
Design Professionals Administration	
and Investigation Fund.....	\$2,000
State Surplus Property Revolving Fund.....	\$6,900
State Police Services Fund.....	\$47,300
Youth Drug Abuse Prevention Fund.....	\$1,300
Metabolic Screening and Treatment Fund.....	\$16,000
Insurance Producer Administration Fund.....	\$31,100
Coal Technology Development Assistance Fund.....	\$43,900
Low-Level Radioactive Waste Facility	
Development and Operation Fund.....	\$2,000
Environmental Protection Permit	

and Inspection Fund.....	\$32,300
Park and Conservation Fund.....	\$41,300
Local Tourism Fund.....	\$34,700
Illinois Capital Revolving Loan Fund.....	\$10,700
Illinois Equity Fund.....	\$1,900
Large Business Attraction Fund.....	\$5,600
Illinois Beach Marina Fund.....	\$5,100
International and Promotional Fund.....	\$1,500
Public Infrastructure Construction Loan Revolving Fund.....	\$3,100
Insurance Financial Regulation Fund.....	\$42,800
<b>Total</b> .....	<b>\$4,918,200</b>

(e-25) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, the State Comptroller shall direct and the State Treasurer shall transfer from the funds specified into the Professional Services Fund according to the schedule specified herein as follows:

General Revenue Fund.....	\$4,466,000
Road Fund.....	\$5,355,500
<b>Total</b> .....	<b>\$9,821,500</b>

One-fourth of the specified amount shall be transferred on each of July 1 and October 1, 2007, or as soon as may be practical thereafter, and one-half of the specified amount shall be transferred on January 1, 2008, or as soon as may be practical thereafter.

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

(Source: P.A. 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-839, eff. 6-6-06.)

(30 ILCS 105/6z-64)

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 and universities 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. For the fiscal year beginning on July 1, 2004 only, 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.

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(d-5) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2005 and until June 30, 2006, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Director of Central Management Services, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Workers' Compensation Revolving Fund from the designated funds not exceeding the following totals:

Mental Health Fund.....	\$17,694,000
Statistical Services Revolving Fund.....	\$1,252,600
Department of Corrections Reimbursement and Education Fund.....	\$1,198,600
Communications Revolving Fund.....	\$535,400
Child Support Administrative Fund.....	\$441,900
Health Insurance Reserve Fund.....	\$238,900
Fire Prevention Fund.....	\$234,100
Park and Conservation Fund.....	\$142,000
Motor Fuel Tax Fund.....	\$132,800
Illinois Workers' Compensation Commission Operations Fund.....	\$123,900
State Boating Act Fund.....	\$112,300
Public Utility Fund.....	\$106,500
State Lottery Fund.....	\$101,300
Traffic and Criminal Conviction Surcharge Fund.....	\$88,500
State Surplus Property Revolving Fund.....	\$82,700
Natural Areas Acquisition Fund.....	\$65,600
Securities Audit and Enforcement Fund.....	\$65,200
Agricultural Premium Fund.....	\$63,400
Capital Development Fund.....	\$57,500
State Gaming Fund.....	\$54,300
Underground Storage Tank Fund.....	\$53,700
Illinois State Medical Disciplinary Fund.....	\$53,000
Personal Property Tax Replacement Fund.....	\$53,000
General Professions Dedicated Fund.....	\$51,900
Total	\$23,003,100

(d-10) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on the first day of each calendar quarter of the fiscal year beginning July 1, 2005, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Workers' Compensation Revolving Fund amounts equal to one-fourth of each of the following totals:

General Revenue Fund.....	\$34,000,000
Road Fund.....	\$25,987,000
Total	\$59,987,000

(d-12) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on the effective date of this amendatory Act of the 94th General Assembly, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Workers' Compensation Revolving Fund the following amounts:

General Revenue Fund.....	\$10,000,000
Road Fund.....	\$5,000,000
Total	\$15,000,000

(d-15) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Workers' Compensation Revolving Fund the following amounts:

General Revenue Fund.....	\$44,028,200
Road Fund.....	\$28,084,000
Total	\$72,112,200

(d-20) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2006 and until June 30, 2007, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Director of Central Management Services, the State Comptroller shall direct

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and the State Treasurer shall transfer amounts into the Workers' Compensation Revolving Fund from the designated funds not exceeding the following totals:

Mental Health Fund.....	\$19,121,800
Statistical Services Revolving Fund.....	\$1,353,700
Department of Corrections Reimbursement and Education Fund.....	\$1,295,300
Communications Revolving Fund.....	\$578,600
Child Support Administrative Fund.....	\$477,600
Health Insurance Reserve Fund.....	\$258,200
Fire Prevention Fund.....	\$253,000
Park and Conservation Fund.....	\$153,500
Motor Fuel Tax Fund.....	\$143,500
Illinois Workers' Compensation Commission Operations Fund.....	\$133,900
State Boating Act Fund.....	\$121,400
Public Utility Fund.....	\$115,100
State Lottery Fund.....	\$109,500
Traffic and Criminal Conviction Surcharge Fund.....	\$95,700
State Surplus Property Revolving Fund.....	\$89,400
Natural Areas Acquisition Fund.....	\$70,800
Securities Audit and Enforcement Fund.....	\$70,400
Agricultural Premium Fund.....	\$68,500
State Gaming Fund.....	\$58,600
Underground Storage Tank Fund.....	\$58,000
Illinois State Medical Disciplinary Fund.....	\$57,200
Personal Property Tax Replacement Fund.....	\$57,200
General Professions Dedicated Fund.....	\$56,100
Total	\$24,797,000

(d-25) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on the effective date of this amendatory Act of the 95th General Assembly, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Workers' Compensation Revolving Fund the following amounts:

General Revenue Fund.....	\$10,000,000
Road Fund.....	\$5,000,000
Total	\$15,000,000

(d-30) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Workers' Compensation Revolving Fund the following amounts:

General Revenue Fund.....	\$44,028,200
Road Fund.....	\$28,084,000
Total	\$72,112,200

(d-35) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2007 and until June 30, 2008, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Director of Central Management Services, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Workers' Compensation Revolving Fund from the designated funds not exceeding the following totals:

Mental Health Fund.....	\$19,121,800
Statistical Services Revolving Fund.....	\$1,353,700
Department of Corrections Reimbursement and Education Fund.....	\$1,295,300
Communications Revolving Fund.....	\$578,600
Child Support Administrative Fund.....	\$477,600
Health Insurance Reserve Fund.....	\$258,200
Fire Prevention Fund.....	\$253,000
Park and Conservation Fund.....	\$153,500
Motor Fuel Tax Fund.....	\$143,500
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Commission Operations Fund.....	\$133,900
State Boating Act Fund.....	\$121,400
Public Utility Fund.....	\$115,100
State Lottery Fund.....	\$109,500
Traffic and Criminal Conviction Surcharge Fund.....	\$95,700
State Surplus Property Revolving Fund.....	\$89,400
Natural Areas Acquisition Fund.....	\$70,800
Securities Audit and Enforcement Fund.....	\$70,400
Agricultural Premium Fund.....	\$68,500
State Gaming Fund.....	\$58,600
Underground Storage Tank Fund.....	\$58,000
Illinois State Medical Disciplinary Fund.....	\$57,200
Personal Property Tax Replacement Fund.....	\$57,200
General Professions Dedicated Fund.....	\$56,100
Total.....	\$24,797,000

(e) The term "workers' compensation services" means services, claims expenses, and related administrative costs incurred in performing the duties under Sections 405-105 and 405-411 of the Department of Central Management Services Law of the Civil Administrative Code of Illinois. (Source: P.A. 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-839, eff. 6-6-06.)

(30 ILCS 105/6z-69 new)

Sec. 6z-69. Minority Film Support Fund. There is created in the State Treasury the Minority Film Support Fund. The Minority Film Support Fund shall be a non-appropriated fund that is held by the State Treasurer separate and apart from other State funds. The Fund shall be administered by the State Treasurer to help collateralize loans from financial institutions to minority film makers producing films or building or maintaining minority film and television studios in the State of Illinois when those films or studios would not otherwise meet the institutions' credit standards. The Fund shall consist of all public and private moneys donated or transferred to the Fund consistent with the Fund's purpose. Any moneys received by the State Treasurer for the Fund shall be deposited into the Fund by the State Treasurer.

(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 Illinois Workers' Compensation 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

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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 Illinois Workers' Compensation 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, 2004, 2005, 2006, ~~and 2007~~, ~~and 2008~~ 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	\$130,500,000;
Fiscal Year 2006	\$130,500,000;
Fiscal Year 2007	\$130,500,000;
Fiscal Year 2008 <del>and</del>	<u>\$130,500,000;</u> \$30,500,000.
Fiscal Year 2009 <del>and</del> each year thereafter	

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, 93-0025, 93-0839, and 94-91 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 94th 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. 93-25, eff. 6-20-03; 93-721, eff. 1-1-05; 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-839, eff. 6-6-06.)

(30 ILCS 105/8g)

Sec. 8g. Fund transfers.

(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, 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

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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.
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(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

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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.

(x) In addition to any other transfers that may be provided for by law, on January 15, 2005, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer to the General Revenue Fund the following sums:

- From the State Crime Laboratory Fund, \$200,000;
- From the State Police Wireless Service Emergency Fund, \$200,000;
- From the State Offender DNA Identification System Fund, \$800,000; and
- From the State Police Whistleblower Reward and Protection Fund, \$500,000.

(y) Notwithstanding any other provision of law to the contrary, in addition to any other transfers that may be provided for by law on June 30, 2005, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the remaining balance from the designated funds into the General Revenue Fund and any future deposits that would otherwise be made into these funds must instead be made into the General Revenue Fund:

- (1) the Keep Illinois Beautiful Fund;
- (2) the Metropolitan Fair and Exposition Authority Reconstruction Fund;
- (3) the New Technology Recovery Fund;
- (4) the Illinois Rural Bond Bank Trust Fund;
- (5) the ISBE School Bus Driver Permit Fund;
- (6) the Solid Waste Management Revolving Loan Fund;
- (7) the State Postsecondary Review Program Fund;
- (8) the Tourism Attraction Development Matching Grant Fund;
- (9) the Patent and Copyright Fund;
- (10) the Credit Enhancement Development Fund;
- (11) the Community Mental Health and Developmental Disabilities Services Provider Participation Fee Trust Fund;
- (12) the Nursing Home Grant Assistance Fund;
- (13) the By-product Material Safety Fund;
- (14) the Illinois Student Assistance Commission Higher EdNet Fund;
- (15) the DORS State Project Fund;

- (16) the School Technology Revolving Fund;
- (17) the Energy Assistance Contribution Fund;
- (18) the Illinois Building Commission Revolving Fund;
- (19) the Illinois Aquaculture Development Fund;
- (20) the Homelessness Prevention Fund;
- (21) the DCFS Refugee Assistance Fund;
- (22) the Illinois Century Network Special Purposes Fund; and
- (23) the Build Illinois Purposes Fund.

(z) In addition to any other transfers that may be provided for by law, on July 1, 2005, or as soon as may be practical thereafter, 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.

(aa) In addition to any other transfers that may be provided for by law, on July 1, 2005, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$9,000,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(bb) In addition to any other transfers that may be provided for by law, on July 1, 2005, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$6,803,600 from the General Revenue Fund to the Securities Audit and Enforcement Fund.

(cc) In addition to any other transfers that may be provided for by law, on or after July 1, 2005 and until May 1, 2006, 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, 2006.

(dd) In addition to any other transfers that may be provided for by law, on April 1, 2005, or as soon thereafter as may be practical, at the direction of the Director of Public Aid (now Director of Healthcare and Family Services), the State Comptroller shall direct and the State Treasurer shall transfer from the Public Aid Recoveries Trust Fund amounts not to exceed \$14,000,000 to the Community Mental Health Medicaid Trust Fund.

(ee) Notwithstanding any other provision of law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the remaining balance from the Illinois Civic Center Bond Fund to the Illinois Civic Center Bond Retirement and Interest Fund.

(ff) In addition to any other transfers that may be provided for by law, on and after July 1, 2006 and until June 30, 2007, at the direction of and upon notification from the Director of the Governor's Office of Management and Budget, the State Comptroller shall direct and the State Treasurer shall transfer amounts not exceeding a total of \$1,900,000 from the General Revenue Fund to the Illinois Capital Revolving Loan Fund.

(gg) In addition to any other transfers that may be provided for by law, on and after July 1, 2006 and until May 1, 2007, 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, 2007.

(hh) In addition to any other transfers that may be provided for by law, on and after July 1, 2006 and until June 30, 2007, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts from the Illinois Affordable Housing Trust Fund to the designated funds not exceeding the following amounts:

DCFS Children's Services Fund.....	\$2,200,000
Department of Corrections Reimbursement and Education Fund.....	\$1,500,000
Supplemental Low-Income Energy Assistance Fund.....	\$75,000

(ii) In addition to any other transfers that may be provided for by law, on or before August 31, 2006, the Governor and the State Comptroller may agree to transfer the surplus cash balance from the General Revenue Fund to the Budget Stabilization Fund and the Pension Stabilization Fund in equal proportions. The determination of the amount of the surplus cash balance shall be made by the Governor, with the concurrence of the State Comptroller, after taking into account the June 30, 2006 balances in the general

funds and the actual or estimated spending from the general funds during the lapse period. Notwithstanding the foregoing, the maximum amount that may be transferred under this subsection (ii) is \$50,000,000.

(jj) In addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$8,250,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(kk) In addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,400,000 from the General Revenue Fund to the Violence Prevention Fund.

(ll) In addition to any other transfers that may be provided for by law, on the first day of each calendar quarter of the fiscal year beginning July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer from the General Revenue Fund amounts equal to one-fourth of \$20,000,000 to the Renewable Energy Resources Trust Fund.

(mm) In addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,320,000 from the General Revenue Fund to the I-FLY Fund.

(nn) In addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$3,000,000 from the General Revenue Fund to the African-American HIV/AIDS Response Fund.

(oo) In addition to any other transfers that may be provided for by law, on and after July 1, 2006 and until June 30, 2007, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts identified as net receipts from the sale of all or part of the Illinois Student Assistance Commission loan portfolio from the Student Loan Operating Fund to the General Revenue Fund. The maximum amount that may be transferred pursuant to this Section is \$38,800,000. In addition, no transfer may be made pursuant to this Section that would have the effect of reducing the available balance in the Student Loan Operating Fund to an amount less than the amount remaining unexpended and unreserved from the total appropriations from the Fund estimated to be expended for the fiscal year. The State Treasurer and Comptroller shall transfer the amounts designated under this Section as soon as may be practical after receiving the direction to transfer from the Governor.

(pp) ~~(ee)~~ In addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$2,000,000 from the General Revenue Fund to the Illinois Veterans Assistance Fund.

(qq) Notwithstanding any other provision of law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the remaining balance from the Illinois Civic Center Bond Fund to the Illinois Civic Center Bond Retirement and Interest Fund.

(rr) In addition to any other transfers that may be provided for by law, on and after July 1, 2007 and until May 1, 2008, 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, 2008.

(ss) In addition to any other transfers that may be provided for by law, on and after July 1, 2007 and until June 30, 2008, at the direction of and upon notification from the Governor, the State Comptroller shall direct and the State Treasurer shall transfer amounts from the Illinois Affordable Housing Trust Fund to the designated funds not exceeding the following amounts:

DCFS Children's Services Fund.....	\$2,200,000
Department of Corrections Reimbursement and Education Fund.....	\$1,500,000
Supplemental Low-Income Energy Assistance Fund.....	\$75,000

(tt) In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$8,250,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(uu) In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,400,000 from the General Revenue Fund to the Violence Prevention Fund.

(vv) In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of

\$1,320,000 from the General Revenue Fund to the I-FLY Fund.

(ww) In addition to any other transfers that may be provided for by law, on July 1, 2007, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$3,000,000 from the General Revenue Fund to the African-American HIV/AIDS Response Fund.

(Source: P.A. 93-32, eff. 6-20-03; 93-648, eff. 1-8-04; 93-839, eff. 7-30-04; 93-1067, eff. 1-15-05; 94-58, eff. 6-17-05; 94-91, eff. 7-1-05; 94-816, eff. 5-30-06; 94-839, eff. 6-6-06; revised 8-3-06.)

(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 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. During State fiscal years ~~year~~ 2007 and 2008, the Departments of Children and Family Services, Corrections, Human Services, and Juvenile Justice may transfer amounts among their respective 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, these transfers 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 Department of Healthcare and Family Services 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, Alternative Senior 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. 93-680, eff. 7-1-04; 93-839, eff. 7-30-04; 94-839, eff. 6-6-06.)

Section 5-15. 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 Healthcare and Family Services.

(b) Local Governmental Distributive Fund.

Beginning August 1, 1969, and continuing through June 30, 1994, the Treasurer shall transfer each

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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 fiscal year 2006, the Annual Percentage shall be 9.75%. For fiscal years ~~year~~ 2007 and 2008, the Annual Percentage shall be 9.75%. 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 fiscal year 2006, the Annual Percentage shall be 20%. For fiscal years ~~year~~ 2007 and 2008, the Annual Percentage shall be 17.5%. 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. 93-32, eff. 6-20-03; 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-839, eff. 6-6-06.)

Section 5-20. The Film Production Services Tax Credit Act is amended by changing Section 90 as follows:

(35 ILCS 15/90)

(Section scheduled to be repealed on January 1, 2008)

Sec. 90. Repeal. This Act is repealed on January 1, ~~2009~~ 2008.

(Source: P.A. 93-543, eff. 1-1-04; 93-840, eff. 7-30-04; 94-171, eff. 7-11-05; 94-817, eff. 5-30-06.)

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Section 5-25. The Illinois Public Aid Code is amended by changing Section 5A-8 as follows:  
 (305 ILCS 5/5A-8) (from Ch. 23, par. 5A-8)

Sec. 5A-8. Hospital Provider Fund.

(a) There is created in the State Treasury the Hospital Provider Fund. Interest earned by the Fund shall be credited to the Fund. The Fund shall not be used to replace any moneys appropriated to the Medicaid program by the General Assembly.

(b) The Fund is created for the purpose of receiving moneys in accordance with Section 5A-6 and disbursing moneys only for the following purposes, notwithstanding any other provision of law:

(1) For making payments to hospitals as required under Articles V, VI, and XIV of this Code and under the Children's Health Insurance Program Act.

(2) For the reimbursement of moneys collected by the Illinois Department from hospitals or hospital providers through error or mistake in performing the activities authorized under this Article and Article V of this Code.

(3) For payment of administrative expenses incurred by the Illinois Department or its agent in performing the activities authorized by this Article.

(4) For payments of any amounts which are reimbursable to the federal government for payments from this Fund which are required to be paid by State warrant.

(5) For making transfers, as those transfers are authorized in the proceedings authorizing debt under the Short Term Borrowing Act, but transfers made under this paragraph (5) shall not exceed the principal amount of debt issued in anticipation of the receipt by the State of moneys to be deposited into the Fund.

(6) For making transfers to any other fund in the State treasury, but transfers made under this paragraph (6) shall not exceed the amount transferred previously from that other fund into the Hospital Provider Fund.

(7) For State fiscal years 2004 and 2005 for making transfers to the Health and Human Services Medicaid Trust Fund, including 20% of the moneys received from hospital providers under Section 5A-4 and transferred into the Hospital Provider Fund under Section 5A-6. For State fiscal year 2006 for making transfers to the Health and Human Services Medicaid Trust Fund of up to \$130,000,000 per year of the moneys received from hospital providers under Section 5A-4 and transferred into the Hospital Provider Fund under Section 5A-6. Transfers under this paragraph shall be made within 7 days after the payments have been received pursuant to the schedule of payments provided in subsection (a) of Section 5A-4.

(7.5) For State fiscal years 2007 and 2008 for making transfers of the moneys received from hospital providers under Section 5A-4 and transferred into the Hospital Provider Fund under Section 5A-6 to the designated funds ~~not exceeding~~ the following amounts in aggregate during that period of time in any State fiscal year:

Health and Human Services

Medicaid Trust Fund.....	\$60,000,000	<del>\$20,000,000</del>
Long-Term Care Provider Fund.....	\$90,000,000	<del>\$30,000,000</del>
General Revenue Fund.....	\$240,000,000	<del>\$80,000,000</del>

Transfers under this paragraph shall be made within 7 days after the payments have been received pursuant to the schedule of payments provided in subsection (a) of Section 5A-4.

(8) For making refunds to hospital providers pursuant to Section 5A-10.

Disbursements from the Fund, other than transfers authorized under paragraphs (5) and (6) of this subsection, shall be by warrants drawn by the State Comptroller upon receipt of vouchers duly executed and certified by the Illinois Department.

(c) The Fund shall consist of the following:

(1) All moneys collected or received by the Illinois Department from the hospital provider assessment imposed by this Article.

(2) All federal matching funds received by the Illinois Department as a result of expenditures made by the Illinois Department that are attributable to moneys deposited in the Fund.

(3) Any interest or penalty levied in conjunction with the administration of this Article.

(4) Moneys transferred from another fund in the State treasury.

(5) All other moneys received for the Fund from any other source, including interest earned thereon.

(d) (Blank).

(Source: P.A. 93-659, eff. 2-3-04; 94-242, eff. 7-18-05; 94-839, eff. 6-6-06.)

Section 5-30. The Illinois Affordable Housing Act is amended by changing Section 8 as follows:  
(310 ILCS 65/8) (from Ch. 67 1/2, par. 1258)

Sec. 8. Uses of Trust Fund.

(a) Subject to annual appropriation to the Funding Agent and subject to the prior dedication, allocation, transfer and use of Trust Fund Moneys as provided in Sections 8(b), 8(c) and 9 of this Act, the Trust Fund may be used to make grants, mortgages, or other loans to acquire, construct, rehabilitate, develop, operate, insure, and retain affordable single-family and multi-family housing in this State for low-income and very low-income households. The majority of monies appropriated to the Trust Fund in any given year are to be used for affordable housing for very low-income households. For the fiscal years 2007 and 2008 year beginning July 1, 2006 only, the Department of Human Services is authorized to receive appropriations and spend moneys from the Illinois Affordable Housing Trust Fund for the purpose of developing and coordinating public and private resources targeted to meet the affordable housing needs of low-income, very low-income, and special needs households in the State of Illinois.

(b) For each fiscal year commencing with fiscal year 1994, the Program Administrator shall certify from time to time to the Funding Agent, the Comptroller and the State Treasurer amounts, up to an aggregate in any fiscal year of \$10,000,000, of Trust Fund Moneys expected to be used or pledged by the Program Administrator during the fiscal year for the purposes and uses specified in Sections 8(c) and 9 of this Act. Subject to annual appropriation, upon receipt of such certification, the Funding Agent and the Comptroller shall dedicate and the State Treasurer shall transfer not less often than monthly to the Program Administrator or its designated payee, without requisition or further request therefor, all amounts accumulated in the Trust Fund within the State Treasury and not already transferred to the Loan Commitment Account prior to the Funding Agent's receipt of such certification, until the Program Administrator has received the aggregate amount certified by the Program Administrator, to be used solely for the purposes and uses authorized and provided in Sections 8(c) and 9 of this Act. Neither the Comptroller nor the Treasurer shall transfer, dedicate or allocate any of the Trust Fund Moneys transferred or certified for transfer by the Program Administrator as provided above to any other fund, nor shall the Governor authorize any such transfer, dedication or allocation, nor shall any of the Trust Fund Moneys so dedicated, allocated or transferred be used, temporarily or otherwise, for interfund borrowing, or be otherwise used or appropriated, except as expressly authorized and provided in Sections 8(c) and 9 of this Act for the purposes and subject to the priorities, limitations and conditions provided for therein until such obligations, uses and dedications as therein provided, have been satisfied.

(c) Notwithstanding Section 5(b) of this Act, any Trust Fund Moneys transferred to the Program Administrator pursuant to Section 8(b) of this Act, or otherwise obtained, paid to or held by or for the Program Administrator, or pledged pursuant to resolution of the Program Administrator, for Affordable Housing Program Trust Fund Bonds or Notes under the Illinois Housing Development Act, and all proceeds, payments and receipts from investments or use of such moneys, including any residual or additional funds or moneys generated or obtained in connection with any of the foregoing, may be held, pledged, applied or dedicated by the Program Administrator as follows:

(1) as required by the terms of any pledge of or resolution of the Program Administrator authorized under Section 9 of this Act in connection with Affordable Housing Program Trust Fund Bonds or Notes issued pursuant to the Illinois Housing Development Act;

(2) to or for costs of issuance and administration and the payments of any principal, interest, premium or other amounts or expenses incurred or accrued in connection with Affordable Housing Program Trust Fund Bonds or Notes, including rate protection contracts and credit support arrangements pertaining thereto, and, provided such expenses, fees and charges are obligations, whether recourse or nonrecourse, and whether financed with or paid from the proceeds of Affordable Housing Program Trust Fund Bonds or Notes, of the developers, mortgagors or other users, the Program Administrator's expenses and servicing, administration and origination fees and charges in connection with any loans, mortgages, or developments funded or financed or expected to be funded or financed, in whole or in part, from the issuance of Affordable Housing Program Trust Fund Bonds or Notes;

(3) to or for costs of issuance and administration and the payments of principal, interest, premium, loan fees, and other amounts or other obligations of the Program Administrator, including rate protection contracts and credit support arrangements pertaining thereto, for loans, commercial paper or other notes or bonds issued by the Program Administrator pursuant to the Illinois Housing Development Act, provided that the proceeds of such loans, commercial paper or other notes or bonds are paid or expended in connection with, or refund or repay, loans, commercial paper or other notes or bonds issued or made in connection with bridge loans or loans for the construction, renovation, redevelopment, restructuring, reorganization of Affordable Housing and related expenses,

including development costs, technical assistance, or other amounts to construct, preserve, improve, renovate, rehabilitate, refinance, or assist Affordable Housing, including financially troubled Affordable Housing, permanent or other financing for which has been funded or financed or is expected to be funded or financed in whole or in part by the Program Administrator through the issuance of or use of proceeds from Affordable Housing Program Trust Fund Bonds or Notes;

(4) to or for direct expenditures or reimbursement for development costs, technical assistance, or other amounts to construct, preserve, improve, renovate, rehabilitate, refinance, or assist Affordable Housing, including financially troubled Affordable Housing, permanent or other financing for which has been funded or financed or is expected to be funded or financed in whole or in part by the Program Administrator through the issuance of or use of proceeds from Affordable Housing Program Trust Fund Bonds or Notes; and

(5) for deposit into any residual, sinking, reserve or revolving fund or pool established by the Program Administrator, whether or not pledged to secure Affordable Housing Program Trust Fund Bonds or Notes, to support or be utilized for the issuance, redemption, or payment of the principal, interest, premium or other amounts payable on or with respect to any existing, additional or future Affordable Housing Program Trust Fund Bonds or Notes, or to or for any other expenditure authorized by this Section 8(c).

(d) All or a portion of the Trust Fund Moneys on deposit or to be deposited in the Trust Fund not already certified for transfer or transferred to the Program Administrator pursuant to Section 8(b) of this Act may be used to secure the repayment of Affordable Housing Program Trust Fund Bonds or Notes, or otherwise to supplement or support Affordable Housing funded or financed or intended to be funded or financed, in whole or in part, by Affordable Housing Program Trust Fund Bonds or Notes.

(e) Assisted housing may include housing for special needs populations such as the homeless, single-parent families, the elderly, or the physically and mentally disabled. The Trust Fund shall be used to implement a demonstration congregate housing project for any such special needs population.

(f) Grants from the Trust Fund may include, but are not limited to, rental assistance and security deposit subsidies for low and very low-income households.

(g) The Trust Fund may be used to pay actual and reasonable costs for Commission members to attend Commission meetings, and any litigation costs and expenses, including legal fees, incurred by the Program Administrator in any litigation related to this Act or its action as Program Administrator.

(h) The Trust Fund may be used to make grants for (1) the provision of technical assistance, (2) outreach, and (3) building an organization's capacity to develop affordable housing projects.

(i) Amounts on deposit in the Trust Fund may be used to reimburse the Program Administrator and the Funding Agent for costs incurred in the performance of their duties under this Act, excluding costs and fees of the Program Administrator associated with the Program Escrow to the extent withheld pursuant to paragraph (8) of subsection (b) of Section 5.

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

Section 5-35. 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 2004, 2005, ~~and 2006, and 2007~~ and 2008 only, the Mandatory Arbitration Fund may be used to reimburse approved costs for pretrial services.

(Source: P.A. 93-25, eff. 6-20-03; 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-839, eff. 6-6-06; revised 8-3-06.)

Section 5-40. 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.

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(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 offenders to the Department of Corrections and to reduce the commitment of juvenile offenders to the Department of Juvenile Justice and shall require, when appropriate, coordination with the Department of Corrections, the Department of Juvenile Justice, 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 2004, 2005, 2006, and 2007, and 2008 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; 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-696, eff. 6-1-06; 94-839, eff. 6-6-06.)

(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 5-6-15 and subsection (5) of Section 5-7-15 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 Years 2005, 2006, ~~and 2007~~ , ~~and 2008~~ 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, FY2006, ~~or~~ FY2007 , ~~or~~ FY 2008 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 each county's or circuit's probation fee collections and expenditures when apportioning the total reimbursement for each county or circuit.

(Source: P.A. 93-616, eff. 1-1-04; 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-839, eff. 6-6-06.)

Section 5-45. 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 2004, 2005, 2006, ~~and 2007~~ , ~~and 2008~~ only, 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; 93-839, eff. 7-30-04; 94-91, eff. 7-1-05; 94-839, eff. 6-6-06.)

#### ARTICLE 99. EFFECTIVE DATE

Section 99-99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 182**, with House Amendment 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 241

A bill for AN ACT concerning appropriations.

[May 31, 2007]

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 241

House Amendment No. 2 to SENATE BILL NO. 241

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 241**

AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 241 by deleting everything after the enacting clause and inserting the following:

“ARTICLE 1

Section 1. The following appropriations in this Article 1 are in addition to all other amounts previously appropriated to the Court of Claims for fiscal year 2007 for the stated purposes and from the stated funds. The following appropriations are for fiscal year 2007.

Section 5. The sum of \$7,723,532.86, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Court of Claims for payment of line of duty awards.

Section 7. In addition to any amounts previously appropriated for such purposes, the amount of \$5,000,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Court of Claims to pay claims under the Crime Victims Compensation Act.

Section 8. In addition to any amounts previously appropriated for such purposes, the amount of \$2,000,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Court of Claims to pay claims other than Crime Victims.

Section 10. The following named amounts are appropriated from the General Revenue Fund to the Court of Claims to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 86-CC-3010, Louisa King, Administrator of the Estate of Christopher King, Jr. Personal Injury, against the Department of Mental Health..... \$100,000.00

No. 97-CC-0462, Bianca Angela Principe. Tort, against the Department of Human Services ..... \$35,000.00

No. 98-CC-4809, Larry Reichert. Tort, against the University of Illinois..... \$100,000.00

No. 99-CC-1445, Cynthia Kurelic, Administrator, of the Estate of George Kurelic, Jr. deceased. Tort, against the Illinois State Police..... \$150,000.00

No. 00-CC-3374, Maryann Makkay. Tort, against the University of Illinois ..... \$51,708.45

No. 01-CC-0056, Joseph Linskey. Contract, against the Secretary of State ..... \$23,543.62

No. 03-CC-2437, Maurice Johnson. Personal Injury, against the Department of Corrections..... \$8,500.00

No. 03-CC-5023, Mitch Hester, individually and as Next Friend of A.H., a minor. Tort, against the Department of Children and Family Services ..... \$5,000.00

No. 04-CC-0056, Antonio Cassanova. Personal Injury, against the Illinois State Police \$50,335.00

No. 05-CC-0199, Dawn Marie McClure. Personal Injury and Property Damage, against Illinois State University. .... \$6,000.00

No. 05-CC-2399, John F. Heckinger, Jr. Contract, against the Attorney General ... \$37,164.74

No. 06-CC-1906, Wexford Health Sources, Inc. Debt, against the Department of Corrections..... \$153,528.81

No. 06-CC-1907, Wexford Health Sources, Inc. Debt, against the Department of Corrections. .... \$115,104.70

No. 06-CC-3029, Miner, Barnhill & Galland, P.C.; Mexican-American Legal Defense and Education Fund; and Robins, Kaplan, Miller & Ciresi. Attorney Fees and Costs, or so much thereof as may be necessary, against the State Board of Elections ..... \$700,000.00

No. 06-CC-0020, Loyola University Medical Center. Debt, against The Department of Human Services..... \$283,029.26

No. 06-CC-0020, Loyola University Physicians Foundation. Debt, against The Department of Human Services ..... \$523,434.50

No. 07-CC-1151, Governors State University. Debt, against the Department of Children and

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Family Services .....	\$206,302.08
No. 03-CC-4051, Xellethlyn Williams, as independent administrator of the Estate of James Williams, Jr. deceased. Tort, against the Department of Human Services .....	\$90,000.00
No. 04-CC-1145, Dennis and Valerie Graue. Reimbursement of supplemental expenses, against the Department of Children and Family Services .....	\$10,336.29
Section 15. The following named amounts are appropriated to the Court of Claims from the Road Fund 011, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
No. 01-CC-2555, Jeffrey F. Bryan. Tort, against the Department of Transportation .....	\$34,565.66
No. 02-CC-2824, Katherine Pillow-Collins. Personal Injury, against the Department of Transportation .....	\$80,000.00
No. 04-CC-0719, Edith Gavin. Tort, against the Department of Transportation .....	\$5,500.00
No. 05-CC-0240, Allstate Insurance A/S/O Pagan et al. Subrogation, against the Department of Transportation .....	\$5,505.47
Section 20. The following named amounts are appropriated to the Court of Claims from Federal Fund 052, Title III Social Security and Employment Service Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
For payments of awards for lapsed appropriation claims less than \$50,000 .....	\$17,624.17
Section 25. The following named amounts are appropriated to the Court of Claims from State Fund 288, Community Water Supply Laboratory Fund to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
No. 06-CC-2927, Board of Trustees of SIU. Debt, against the Environmental Protection Agency .....	\$76,579.30
Section 30. The following named amounts are appropriated to the Court of Claims from State Fund 301, Working Capital Revolving Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
For payments of awards for lapsed appropriation claims less than \$50,000 .....	\$24,000.00
Section 35. The following named amounts are appropriated to the Court of Claims from State Fund 312, Communications Revolving Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
No. 06-CC-3271, Symphony Service Corporation. Debt, against the Department of Central Management Services .....	\$270,650.00
No. 06-CC-3400, SBC. Debt, against the Department of Central Management Services .....	\$568,801.81
For payments of awards for lapsed appropriation claims less than \$50,000 .....	\$21,731.84
Section 40. The following named amounts are appropriated to the Court of Claims from State Fund 314, Facilities Management Revolving Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
For payments of awards for lapsed appropriation claims less than \$50,000 .....	\$58,572.19
Section 45. The following named amounts are appropriated to the Court of Claims from State Fund 344, Care Provider Fund for Persons With Developmental Disability, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
For payments of awards for lapsed appropriation claims less than \$50,000 .....	\$14,808.44
Section 50. The following named amounts are appropriated to the Court of Claims from Federal Fund 488, Criminal Justice Trust Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
No. 06-CC-3289, Department of Corrections. Debt, against the Criminal Justice Information Authority .....	\$84,401.01
Section 55. The following named amounts are appropriated to the Court of Claims from Federal Fund 497, Civil Preparedness Administrative Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
No. 06-CC-3461, University of Illinois. Debt, against the Emergency Management Agency	

\$144,401.84

Section 60. The following named amounts are appropriated to the Court of Claims from State Fund 614, Capital Litigation Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation claims less than \$50,000.....\$40,826.37

Section 65. The following named amounts are appropriated to the Court of Claims from State Fund 733, Tobacco Settlement Recovery Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation claims less than \$50,000.....\$13,331.63

Section 70. The following named amounts are appropriated to the Court of Claims from State Fund 849, Real Estate Research and Education Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation claims less than \$50,000.....\$17,000.00

Section 75. The following named amounts are appropriated to the Court of Claims from State Fund 870, Low Income Home Energy Assistance Block Grant Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 06-CC-0589, Community & Economic Development Association of Cook County. Debt, against the Department of Healthcare and Family Services .....\$305,475.00

Section 80. The following named amounts are appropriated to the Court of Claims from Federal Fund 876, Community Mental Health Services Block Grant Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation claims less than \$50,000.....\$15,000.00

Section 85. The following named amounts are appropriated to the Court of Claims from Federal Fund 063, Public Health Services Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 07-CC-0489, Aids Foundation of Chicago. Debt, against the Department of Public Health .....\$100,000.00

For payments of awards for lapsed Appropriation claims less than \$50,000 .....\$26,689.29

Section 90. The following named amounts are appropriated to the Court of Claims from State Fund 304, Statistical Services Revolving Fund to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 06-CC-3189, Anchor Mechanical, Inc. Debt, against the Department of Central Management Services.....\$51,700.00

Section 95. The following named amounts are appropriated to the Court of Claims from Federal Fund 876, Community Mental Health Services Block Fund to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 07-CC-0168, Thresholds. Debt, against the Department of Human Services ..\$52,152.53

Section 100. The following named amounts are appropriated to the Court of Claims from State Fund 920, Metabolic Screening and Treatment Fund to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation Claims less than \$50,000.....\$26,020.00

## ARTICLE 2

Section 10. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Sections 5 and 10 and by adding new Section 22 of Article 2, as follows: (P.A. 94-798, Art. 2, Sec. 5)

Sec. 5. The following amounts, or so much of those amounts as may be necessary, respectively, for the objects and purposes named, are appropriated to the Illinois State Board of Education for the fiscal year beginning July 1, 2006:

### FISCAL SUPPORT SERVICES

From the General Revenue Fund:

For Personal Services ..... 3,325,200  
For Employee Retirement Contributions

Paid by Employer .....	90,900	
For Retirement Contributions .....	118,900	
For Social Security Contributions .....	168,700	
For Contractual Services.....	2,425,000	
For Travel.....	313,700	
For Commodities .....	59,100	
For Printing .....	85,200	
For Equipment .....	70,900	
For Telecommunications .....	468,600	
For Operation of Auto Equipment.....	20,000	
Total .....	<u>\$7,146,200</u>	
From the Drivers Education Fund:		
For Personal Services .....	48,200	
For Employee Retirement Contributions		
Paid by Employer .....	2,500	
For Retirement Contributions.....	500	
For Social Security Contributions .....	1,700	
For Group Insurance.....	17,500	
For Refunds.....	<u>\$5,000</u>	
Total .....	<u>\$75,400</u>	<u>\$70,400</u>
From the SBE Federal Department of Agriculture Fund:		
For Personal Services .....	3,433,400	3,433,400
For Employee Retirement Contributions		
Paid by Employer .....	215,000	415,000
For Retirement Contributions.....	369,100	269,100
For Social Security Contributions .....	244,700	444,700
For Group Insurance.....		714,100
For Contractual Services.....		2,180,500
For Travel.....		300,000
For Commodities .....		75,000
For Printing .....		75,000
For Equipment .....		75,000
For Telecommunications .....		<u>50,000</u>
Total .....	<u>\$7,731,800</u>	<u>\$7,131,800</u>
From the SBE Federal Agency Services Fund:		
For Contractual Services.....	12,000	
For Travel.....	30,000	
For Commodities .....	9,000	
For Printing .....	2,000	
For Equipment .....	11,000	
For Telecommunications .....	9,000	
Total .....	<u>\$73,000</u>	
From the SBE Federal Department of Education Fund:		
For Personal Services .....	1,081,000	
For Employee Retirement Contributions		
Paid by Employer .....	32,000	
For Retirement Contributions.....	102,600	
For Social Security Contributions .....	77,400	
For Group Insurance.....	257,400	
For Contractual Services.....	3,125,500	
For Travel.....	1,350,000	
For Commodities .....	305,000	
For Printing .....	341,000	
For Equipment .....	380,000	
For Telecommunications .....	<u>400,000</u>	
Total .....	<u>\$7,451,900</u>	
	GENERAL OFFICE	
From the General Revenue Fund:		
For Personal Services .....	2,268,100	

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For Employee Retirement Contributions	
Paid by Employer .....	81,400
For Retirement Contributions .....	109,800
For Social Security Contributions .....	103,700
For Contractual Services.....	<u>815,000</u>
Total .....	\$3,378,000
From the SBE Federal Department of Agriculture Fund:	
For Contractual Services.....	<u>30,000</u>
Total .....	\$30,000
From the SBE Federal Department of Education Fund:	
For Personal Services .....	385,100
For Employee Retirement Contributions	
Paid by Employer .....	15,300
For Retirement Contributions .....	29,200
For Social Security Contributions .....	8,700
For Group Insurance .....	87,000
For Contractual Services.....	<u>225,000</u>
Total .....	\$750,300
HUMAN RESOURCES	
From the General Revenue Fund:	
For Personal Services .....	559,900
For Employee Retirement Contributions	
Paid by Employer .....	27,700
For Retirement Contributions .....	37,700
For Social Security Contributions .....	38,800
For Contractual Services.....	<u>50,000</u>
Total .....	\$714,100
From the SBE Federal Department of Agriculture Fund:	
For Contractual Services.....	<u>10,500</u>
Total .....	\$10,500
From the SBE Federal Department of Education Fund:	
For Contractual Services.....	<u>70,000</u>
Total .....	\$70,000
INTERNAL AUDIT	
From the General Revenue Fund:	
For Personal Services .....	117,200
For Employee Retirement Contributions	
Paid by Employer .....	6,300
For Retirement Contributions .....	7,400
For Social Security Contributions .....	10,000
For Contractual Services.....	<u>3,000</u>
Total .....	\$143,900
SCHOOL SUPPORT SERVICES FOR ALL SCHOOLS	
From the General Revenue Fund:	
For Personal Services .....	4,191,900
For Employee Retirement Contributions	
Paid by Employer .....	170,700
For Retirement Contributions .....	146,600
For Social Security Contributions .....	216,300
For Contractual Services.....	<u>1,838,000</u>
Total .....	\$6,563,500
From the Teacher Certificate Fee Revolving Fund:	
For Personal Services .....	81,300
For Employee Retirement Contributions	
Paid by Employer .....	3,500
For Retirement Contributions .....	500
For Social Security Contributions .....	1,200
For Group Insurance .....	<u>14,500</u>
Total .....	\$101,000

From the SBE Federal Department of Agriculture Fund:	
For Personal Services .....	162,900
For Employee Retirement Contributions	
Paid by Employer .....	6,500
For Retirement Contributions .....	12,400
For Social Security Contributions .....	2,400
For Group Insurance .....	61,300
For Contractual Services .....	<u>279,000</u>
Total .....	\$524,500
From the SBE Federal Department of Education Fund:	
For Personal Services .....	2,174,400
For Employee Retirement Contributions	
Paid by Employer .....	90,000
For Retirement Contributions .....	183,400
For Social Security Contributions .....	104,400
For Group Insurance .....	464,000
For Contractual Services .....	<u>2,483,900</u>
Total .....	\$5,500,100
From the School Infrastructure Fund:	
For Personal Services .....	81,300
For Employee Retirement Contributions	
Paid by Employer .....	3,200
For Retirement Contributions .....	500
For Social Security Contributions .....	2,500
For Group Insurance .....	<u>17,500</u>
Total .....	\$105,000
SPECIAL EDUCATION SERVICES	
From the SBE Federal Department of Education Fund:	
For Personal Services .....	3,887,300
For Employee Retirement Contributions	
Paid by Employer .....	143,300
For Retirement Contributions .....	308,800
For Social Security Contributions .....	200,000
For Group Insurance .....	826,500
For Contractual Services .....	<u>1,850,000</u>
Total .....	\$7,215,900
TEACHING AND LEARNING SERVICES FOR ALL CHILDREN	
From the General Revenue Fund:	
For Personal Services .....	\$3,650,000
For Employee Retirement Contributions	
Paid by Employer .....	150,400
For Retirement Contributions .....	133,900
For Social Security Contributions .....	168,400
For Contractual Services .....	<u>726,200</u>
Total .....	\$4,828,900
From the Teacher Certificate Fee Revolving Fund:	
For Personal Services .....	699,800
For Employee Retirement Contributions	
Paid by Employer .....	20,200
For Retirement Contributions .....	37,200
For Social Security Contributions .....	51,700
For Group Insurance .....	<u>174,000</u>
Total .....	\$982,900
From the SBE Federal Agency Services Fund:	
For Personal Services .....	186,100
For Employee Retirement Contributions	
Paid by Employer .....	7,300
For Retirement Contributions .....	13,900
For Social Security Contributions .....	15,000

For Group Insurance .....	43,500
For Contractual Services.....	<u>203,000</u>
Total .....	\$468,800
From the SBE Federal Department of Education Fund:	
For Personal Services .....	5,684,100
For Employee Retirement Contributions	
Paid by Employer .....	204,700
For Retirement Contributions.....	488,800
For Social Security Contributions .....	237,600
For Group Insurance.....	1,174,500
For Contractual Services.....	<u>5,880,400</u>
Total.....	\$13,670,100

(P.A. 94-798, Art. 2, Sec. 10)

Sec. 10. The following amounts or so much thereof as may be necessary, which shall be used by the Illinois State Board of Education exclusively for the foregoing purposes and not, under any circumstances, for personal services expenditures or other operational or administrative costs, are appropriated to the Illinois State Board of Education for the fiscal year beginning July 1, 2006:

From the General Revenue Fund:

For Mentoring, After School and Student Support Programs .....	<del>24,128,400</del> <u>25,823,400</u>
For Blind/Dyslexic Persons .....	518,800
For Charter Schools .....	3,421,500
For costs associated with the Chicago Aerospace Education Initiative .....	920,000
For Disabled Student Services/Materials .....	368,500,000
For Disabled Student Transportation Reimbursement .....	326,607,800
For Disabled Student Tuition, Private Tuition .....	109,080,000
For District Consolidation Costs/ Supplemental Payments to School Districts, 18-8.2, 18-18.3, 18-8.5, 18-8.05(l) of the School Code.....	7,850,000
For Extraordinary Special Education, 14-7.02 of the School Code.....	268,892,600
For the Illinois Governmental Internship Program .....	129,900
For Grants to Non-Profits and Community Organizations.....	3,260,000
For Grants for School Transportation.....	1,200,000
For Healthy Kids/Healthy Minds/ Expanded Vision .....	3,000,000
For Jobs for Illinois Grads .....	4,000,000
For the Metro East Consortium for Child Advocacy.....	217,100
For Parental Guardian Programs/ Transportation Reimbursement .....	14,454,700
For the Philip J. Rock Center and School .....	3,220,500
For Reimbursement for the Free Breakfast/ Lunch Program .....	21,000,000
For the School Breakfast Incentive Program.....	723,500
For South Cook Intermediate Service Center.....	300,000
For Standards, Assessments and Accountability .....	3,342,700
For Summer School Payments, 18-4.3 of the School Code .....	8,694,000
For Tax-Equivalent Grants, 18-4.4 of	

the School Code.....	222,600
For Textbook Loans, 18-17 of the School Code.....	29,126,500
For Transitional Assistance.....	11,800,000
For Transition of Minority Students.....	578,800
For Transportation-Regular/Vocational Common School Transportation Reimbursement, 29-5 of the School Code.....	286,118,000
For Visually Impaired/Educational Materials Coordinating Unit, 14-11.01 of the School Code.....	2,121,000
For Regular Education Reimbursement Per 18-3 of the School Code.....	13,130,000
For Special Education Reimbursement Per 14-7.03 of the School Code.....	79,400,000
For all costs associated with Alternative Education/Regional Safe Schools.....	18,535,500
For Truant Alternative and Optional Education Program.....	18,078,100
For costs associated with Teach for America.....	450,000
For grants to Local Education Agencies to conduct Agriculture Education Programs.....	<u>2,881,200</u>
Total.....	\$1,635,903,200
From the Education Assistance Fund:	
For Career and Technical Education.....	38,562,100
For the Early Childhood Block Grant.....	318,254,500
For General State Aid.....	833,560,000
For General State Aid – Hold Harmless.....	20,211,500
For the Reading Improvement Block Grant.....	76,139,800
For the School Safety and Educational Improvement Block Grant.....	74,841,000
For the Summer Bridges Program.....	22,238,100
For Teacher Education, <u>including prior year</u> <u>costs</u> .....	9,605,000
For the Illinois Teaching Excellence Program.....	135,000
For Technology for Success.....	6,169,700
Total.....	\$1,399,716,700
From the Common School Fund:	
For General State Aid.....	3,312,558,200
For Advanced Placement Classes.....	1,500,000
For Arts and Foreign Language Education, Pursuant to Section 105 ILCS 5/2-3.65a.....	4,000,000
For Grow Your Own Teachers.....	3,000,000
For Regional Superintendents' and Assistants' Compensation.....	<u>8,150,000</u>
Total.....	\$3,329,208,200
From the General Revenue Fund:	
For Regional Superintendent's Services.....	6,470,000
From the School District Emergency Financial Assistance Fund:	
For Emergency Financial Assistance, 1B-8 of the School Code.....	1,000,000
From the Drivers Education Fund:	
For Drivers Education.....	17,929,600
From the Charter Schools Revolving Loan Fund:	
For Charter Schools Loans.....	20,000

From the School Technology Revolving Loan Fund:	
For School Technology Loans, 2-3.117a of the School Code .....	5,000,000
From the Temporary Relocation Expenses Revolving Grant Fund:	
For Temporary Relocation Expenses, 2-3.77 of the School Code .....	1,400,000
From the State Board of Education Federal Agency Services Fund:	
For Learn and Serve America .....	2,500,000
From the State Board of Education Federal Agency Services Fund:	
For Refugee Services .....	2,000,000
From the State Board of Education Federal Department of Agriculture Fund:	
For Child Nutrition .....	475,000,000
From the State Board of Education Federal Department of Education Fund:	
For Title I .....	642,000,000
For Title I, Reading First .....	50,000,000
For Title II, Teacher/Principal Training .....	134,830,000
For Title III, English Language Acquisition .....	40,000,000
For Title IV, 21st Century/Community Service Programs .....	45,000,000
For Title IV, Safe and Drug Free Schools .....	20,000,000
For Title V, Innovation Programs .....	10,000,000
For Title VI, Rural and Low Income Students .....	1,500,000
For Title X, McKinney Homeless Assistance .....	3,250,000
For Enhancing Education through Technology .....	30,000,000
For Individuals with Disabilities Act, Deaf/Blind .....	380,000
For Individuals with Disabilities Act, IDEA .....	550,000,000
For Individuals with Disabilities Act, Improvement Program .....	2,500,000
For Individuals with Disabilities Act, Model Outreach Program Grants .....	400,000
For Individuals with Disabilities Act, Pre-School .....	25,000,000
For Grants for Vocational Education – Basic .....	50,000,000
For Grants for Vocational Education – Technical Preparation .....	5,000,000
For Charter Schools .....	2,500,000
For Transition to Teaching .....	1,000,000
For Advanced Placement Fee .....	2,000,000
For Math/Science Partnerships .....	9,000,000
For Special Federal Congressional Projects .....	5,000,000
Total .....	\$1,629,360,000

(P.A. 94-798, Art. 2, Sec. 22, new)

Sec. 22. The amount of \$863,000, or so much thereof as may be necessary and remains unexpended at the close of business on August 31, 2006, for appropriations heretofore made for such purpose in Article 82.1, Section 10 of Public Act 94-0015, is reappropriated from the Common School Fund to the Illinois State Board of Education for Arts Education.

Section 15. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 120 of Article 6, as follows:

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(P.A. 94-798, Art. 6, Sec. 120)

Sec. 120. The sum of \$300,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Illinois Community College Board for a grant to the Black United Fund of Illinois to provide assistance to minority students in completing their baccalaureate degrees ~~for grants to community colleges for coordinators, recruiters, and related expenses.~~

Section 20. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by adding new Section 20 of Article 26, as follows:

(P.A. 94-798, Art. 26, Sec. 20, new)

Sec. 20. The amount of \$100,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Office of the State Treasurer for costs associated with transitional expenses.

Section 21. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Sections 5, 10, 15, 20, and 25 of Article 28, as follows:

(P.A. 94-798, Art. 28, Sec. 5)

Sec. 5. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the State Comptroller to pay the elected State officers of the Executive Branch of the State Government, at various rates prescribed by law:

For the Governor.....	<u>158,000</u>	<u>450,700</u>
For the Lieutenant Governor .....	<u>120,800</u>	<u>415,300</u>
For the Secretary of State .....	<u>139,400</u>	<u>433,000</u>
For the Attorney General.....	<u>139,400</u>	<u>433,000</u>
For the Comptroller .....	<u>120,800</u>	<u>415,300</u>
For the State Treasurer .....	<u>120,800</u>	<u>415,300</u>
Total .....	<u>\$799,200</u>	<u>\$762,600</u>

(P.A. 94-798, Art. 28, Sec. 10)

Sec. 10. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the State Comptroller to pay certain appointed officers of the Executive Branch of the State Government, at the various rates prescribed by law:

From General Revenue Fund		
Department on Aging		
For the Director.....	<u>105,000</u>	102,200
Department of Agriculture		
For the Director.....	<u>121,000</u>	117,800
For the Assistant Director.....	<u>102,700</u>	100,000
Department of Central Management Services		
For the Director.....	<u>129,200</u>	125,800
For 2 Assistant Directors.....	<u>219,700</u>	213,900
Department of Children and Family Services		
For the Director.....	<u>134,000</u>	<u>428,100</u>
Department of Corrections		
For the Director.....	<u>134,000</u>	<u>428,100</u>
For the Assistant Director.....	<u>116,000</u>	<u>412,900</u>
Department of Commerce and Economic Opportunities		
For the Director.....	<u>129,200</u>	<u>425,800</u>
For the Assistant Director.....	<u>109,900</u>	<u>407,000</u>
Environmental Protection Agency		
For the Director.....	<u>121,000</u>	<u>417,800</u>
Department of Financial and Professional Regulation		
For the Secretary.....		125,800
For the Director.....	<u>105,000</u>	<u>402,200</u>
For the Director.....	<u>121,000</u>	<u>417,800</u>
For the Director.....	<u>112,700</u>	<u>409,700</u>
Department of Human Services		
For the Secretary.....	<u>134,000</u>	<u>428,100</u>
For 2 Assistant Secretaries.....	<u>231,800</u>	<u>225,700</u>
Department of Juvenile Justice		
For the Director.....		112,900
Department of Labor		
For the Director.....	<u>112,700</u>	<u>409,700</u>

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For the Assistant Director .....	<u>102,700</u>	<u>100,000</u>
For the Chief Factory Inspector .....	<u>46,500</u>	<u>44,400</u>
For the Superintendent of Safety Inspection and Education .....	<u>51,200</u>	<u>48,800</u>
Department of State Police		
For the Director .....	<u>120,300</u>	<u>117,200</u>
For the Assistant Director .....	<u>102,700</u>	<u>100,000</u>
Department of Military Affairs		
For the Adjutant General .....	<u>105,500</u>	<u>102,200</u>
For two Chief Assistants to the Adjutant General .....	<u>178,800</u>	<u>174,100</u>
Department of Natural Resources		
For the Director .....	<u>121,000</u>	<u>117,800</u>
For the Assistant Director .....	<u>102,700</u>	<u>100,000</u>
For six Mine Officers .....	<u>83,700</u>	<u>79,800</u>
For four Miners' Examining Officers .....	<u>46,000</u>	<u>43,900</u>
Illinois Labor Relations Board		
For the Chairman .....	<u>93,000</u>	<u>88,700</u>
For four State Labor Relations Board members .....	<u>334,500</u>	<u>319,200</u>
For two Local Labor Relations Board members .....	<u>167,300</u>	<u>159,600</u>
Department of Healthcare and Family Services		
For the Director .....	<u>129,200</u>	<u>125,800</u>
For the Assistant Director .....	<u>109,900</u>	<u>107,000</u>
Department of Public Health		
For the Director .....	<u>134,000</u>	<u>128,100</u>
For the Assistant Director .....	<u>116,000</u>	<u>112,900</u>
Department of Revenue		
For the Director .....	<u>129,200</u>	<u>125,800</u>
For the Assistant Director .....	<u>109,900</u>	<u>107,000</u>
Property Tax Appeal Board		
For the Chairman .....	<u>57,700</u>	<u>55,000</u>
For four members .....	<u>185,800</u>	<u>177,300</u>
Department of Veterans' Affairs		
For the Director .....	<u>105,000</u>	<u>102,200</u>
For the Assistant Director .....	<u>89,500</u>	<u>87,100</u>
Civil Service Commission		
For the Chairman .....	<u>27,700</u>	<u>26,900</u>
For four members .....	<u>88,400</u>	<u>82,400</u>
Commerce Commission		
For the Chairman .....	<u>119,400</u>	<u>113,900</u>
For four members .....	<u>416,800</u>	<u>397,700</u>
Court of Claims		
For the Chief Judge .....	<u>57,900</u>	<u>55,200</u>
For the six Judges .....	<u>320,100</u>	<u>305,400</u>
State Board of Elections		
For the Chairman .....	<u>52,100</u>	<u>49,700</u>
For the Vice-Chairman .....	<u>42,800</u>	<u>40,800</u>
For six members .....	<u>200,700</u>	<u>191,500</u>
Illinois Emergency Management Agency		
For the Director .....	<u>105,000</u>	<u>102,200</u>
For the Assistant Director .....	<u>105,000</u>	<u>102,200</u>
Department of Human Rights		
For the Director .....	<u>105,000</u>	<u>102,200</u>
Human Rights Commission		
For the Chairman .....	<u>46,500</u>	<u>44,400</u>
For twelve members .....	<u>501,700</u>	<u>478,700</u>
Illinois Workers' Compensation Commission		

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For the Chairman .....	111,500	106,400
For nine members .....	960,100	916,200
Liquor Control Commission		
For the Chairman .....	34,700	33,100
For six members .....	181,900	173,600
For the Secretary .....	33,500	32,000
For the Chairman and one member as designated by law, \$200 per diem for work on a license appeal commission .....		55,000
Executive Ethics Commission		
For nine members .....	301,100	287,300
Pollution Control Board		
For the Chairman .....	107,800	102,900
For four members .....	416,800	397,700
Prisoner Review Board		
For the Chairman .....	85,400	81,500
For fourteen members of the Prisoner Review Board .....	1,070,300	1,021,300
Secretary of State Merit Commission		
For the Chairman .....	15,400	14,700
For four members .....	46,000	43,900
Educational Labor Relations Board		
For the Chairman .....	93,000	88,700
For four members .....	334,500	319,200
Department of State Police		
For five members of the State Police Merit Board, \$212 <del>\$202</del> per diem, whichever is applicable in accordance with law, for a maximum of 100 days each .....	105,800	101,000
Department of Transportation		
For the Secretary .....	134,000	128,100
For the Assistant Secretary .....	116,000	112,900
Office of Small Business Utility Advocate		
For the small business utility advocate .....		0
Total, General Revenue Fund		<u>\$11,691,600</u>
Office of the State Fire Marshal		<u>\$11,243,900</u>
For the State Fire Marshal: From Fire Prevention Fund .....	105,000	102,200
Illinois Racing Board		
For eleven members of the Illinois Racing Board, \$300 per diem to a maximum <u>\$11,155</u> <del>10,640</del> as prescribed by law: From the Horse Racing Fund .....	122,700	117,100
Department of Employment Security		
Payable from Title III Social Security and Employment Service Fund:		
For the Director .....	129,200	125,800
For five members of the Board of Review .....		75,000
Total .....	\$204,200	\$200,800
Department of Financial and Professional Regulation		
Payable from Bank and Trust Company Fund:		
For the Director .....	123,600	120,400
Subtotals:		
General Revenue .....	11,691,600	11,243,900
Fire Prevention .....	105,000	102,200
Horse Racing .....	122,700	117,100

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Bank and Trust Company Fund.....	123,600	120,400
Title III Social Security and Employment Service Fund.....	204,200	200,800
Total.....	\$12,247,100	\$11,784,400
(P.A. 94-798, Art. 28, Sec. 15)		
Sec. 15. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the State Comptroller to pay certain officers of the Legislative Branch of the State Government, at the various rates prescribed by law:		
Office of Auditor General		
For the Auditor General.....	118,000	112,600
For two Deputy Auditor Generals.....	219,300	209,300
Total.....	\$337,300	\$321,900
Officers and Members of General Assembly		
For salaries of the 118 members of the House of Representatives at a base salary of \$57,619 for members of the 94 <sup>th</sup> General Assembly and \$63,143 for members of the 95 <sup>th</sup> General Assembly that includes the cost of living adjustments recommended by the Compensation Review Board's 2006 Report.....		
	7,245,800	6,914,300
For salaries of the 59 members Of the Senate at a base salary of \$57,619 for members of the 94 <sup>th</sup> General Assembly and \$63,143 for members of the 95 <sup>th</sup> General Assembly that includes the cost of living adjustments recommended by the Compensation Review Board's 2006 Report.....		
Total.....	\$10,929,100	\$10,429,100
For additional amounts, as prescribed by law, for party leaders in both chambers as follows:		
For the Speaker of the House, the President of the Senate and Minority Leaders of both Chambers.....		
	98,000	93,600
For the Majority Leader of the House.....		
	20,800	19,800
For the eleven assistant majority and minority leaders in the Senate.....		
	202,300	193,000
For the twelve assistant majority and minority leaders in the House.....		
	193,100	184,200
For the majority and minority caucus chairmen in the Senate.....		
	36,800	35,100
For the majority and minority conference chairmen in the House.....		
	32,200	30,700
For the two Deputy Majority and the two Deputy Minority leaders in the House.....		
	70,500	67,300
For chairmen and minority spokesmen of standing committees in the Senate except the Rules Committee, the Committee on Committees and the Committee on the Assignment of Bills.....		
	398,200	315,800
For chairmen and minority spokesmen of standing and select committees in the House.....		
	852,400	666,600
Total.....	\$1,904,300	\$1,606,100
For per diem allowances for the members of the Senate, as provided by law.....		
		324,000

For per diem allowances for the members of the House, as provided by law .....	709,000	
For mileage for all members of the General Assembly, as provided by law .....	405,000	
Total .....		\$1,438,000

(P.A. 94-798, Art. 28, Sec. 20)

Sec. 20. The following named amounts, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated to the State Comptroller in connection with the payment of salaries for officers of the Executive and Legislative Branches of State Government:

For State Contribution to State Employees'

Retirement System:

From General Revenue Fund.....	1,385,600	<del>1,332,500</del>
From Horse Racing Fund .....	14,200	<del>13,500</del>
From Fire Prevention Fund .....	12,200	<del>11,800</del>
From Bank and Trust Company Fund .....	14,300	<del>13,900</del>
From Title III Social Security and Employment Service Fund .....	23,600	<del>23,200</del>
Savings and Residential Finance Regulatory Fund .....		0
Real Estate License Administration Fund.....		0
Total .....	\$1,449,900	\$1,394,900

For State Contribution to Social Security:

From General Revenue Fund.....	1,017,300	<del>953,500</del>
From Horse Racing Fund.....	9,500	<del>9,000</del>
From Fire Prevention Fund.....	7,500	<del>7,400</del>
From Bank and Trust Company Fund.....	7,700	<del>7,600</del>
From Title III Social Security and Employment Service Fund .....		13,500
From Savings and Residential Finance Regulatory Fund.....		0
From Real Estate License Administration Fund.....		0
Total .....	\$1,055,500	\$991,000

For Group Insurance:

From Fire Prevention Fund.....		14,500
From Bank and Trust Company Fund .....		14,500
From Title III Social Security and Employment Service Fund .....		87,000
Savings and Residential Finance Regulatory Fund .....		0
Real Estate License Administration Fund .....		0
Total .....		\$116,000

(P.A. 94-798, Art. 28, Sec. 25)

Sec. 25. The amount of ~~\$486,600~~ ~~\$440,000~~, or so much thereof as may be necessary, is appropriated to the State Comptroller for contingencies in the event that any amounts appropriated in Sections 5 through 20 of this Article are insufficient and other expenses associated with the administration of Sections 5 through 20.

Section 23. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 5 of Article 30, as follows:

(P.A. 94-798, Art. 30, Sec. 5)

Sec. 5. The following named amounts, or so much thereof as may be necessary, are appropriated to the Department of Commerce and Economic Opportunity ~~State Comptroller~~ in connection with the Illinois Global Partnership Act:

From General Revenue Fund.....	2,500,000
From Agricultural Premium Fund.....	1,006,200

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From International Tourism Fund .....	<u>2,500,000</u>
Total .....	\$6,006,200

Section 24. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 5 of Article 32, as follows:  
(P.A. 94-798, Art. 32, Sec. 5)

Sec. 5. The following named sums, or so much thereof as may be necessary, respectively, are appropriated to the Supreme Court to pay the ordinary and contingent expenses of certain officers of the court system of Illinois as follows:

For Personal Services:

Judges' Salaries .....	<u>149,003,200</u>	<u>147,859,600</u>
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For Travel:

Judicial Officers .....	1,208,900
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For State Contributions

to Social Security .....	<u>2,160,500</u>	<u>2,443,900</u>
Total, this Section .....	<u>\$152,372,600</u>	<u>\$151,212,400</u>

Section 25. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 25 of Article 37, as follows:  
(P.A. 94-798, Art. 37, Sec. 25)

Sec. 25. The following named amounts, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named are appropriated to the Department of Central Management Services:

BUREAU OF BENEFITS  
PAYABLE FROM GENERAL REVENUE FUND

For Group Insurance .....	32,349,200
For payment of claims under the Representation and Indemnification in Civil Lawsuits Act .....	1,347,400
For auto liability, adjusting and administration of claims, loss control and prevention services, and auto liability claims .....	<u>1,600,200</u>
Total .....	\$35,296,800

PAYABLE FROM GROUP INSURANCE PREMIUM FUND

For expenses of Cost Containment Program .....	288,000
For Life Insurance Coverage As Elected By Members Per The State Employees Group Insurance Act of 1971 .....	85,919,400

PAYABLE FROM HEALTH INSURANCE RESERVE FUND

For Expenses of a Cost Containment Program .....	158,900
For provisions of Health Care Coverage As Elected by Eligible Members Per The State Employees Group Insurance Act of 1971 .....	13,752,000

PAYABLE FROM WORKERS' COMPENSATION REVOLVING FUND

For Personal Services .....	1,731,600
For Employee Retirement Contributions Paid by Employer .....	0
For State Contributions to State Employees' Retirement System .....	199,600
For State Contributions to Social Security .....	132,500
For Group Insurance .....	507,500
For Contractual Services .....	90,100
For Travel .....	15,000
For Commodities .....	9,000
For Printing .....	3,000
For Equipment .....	2,000
For Electronic Data Processing .....	10,900
For Telecommunications Services .....	19,000
For Operation of Automotive Equipment .....	<u>400</u>

Total .....	\$2,720,600
For administrative costs of claims services and payment of temporary total disability claims of any state agency or university employee .....	650,000
For payment of Workers' Compensation Act claims and contractual services in <u>connection with said claims payments</u> .....	119,598,100
<del>connection with said claims payments</del> .....	<del>108,200,000</del>

Expenditures from appropriations for treatment and expense may be made after the Department of Central Management Services has certified that the injured person was employed and that the nature of the injury is compensable in accordance with the provisions of the Workers' Compensation Act or the Workers' Occupational Diseases Act, and then has determined the amount of such compensation to be paid to the injured person.

PAYABLE FROM STATE EMPLOYEES DEFERRED COMPENSATION FUND

For expenses related to the administration  
of the State Employees Deferred  
Compensation Plan .....

1,698,300
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Section 30. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 5 of Article 38, as follows:

(P.A. 94-798, Art. 38, Sec. 5)

Sec. 5. The following named amounts, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated from the General Revenue Fund to meet the ordinary and contingent expenses of the State Civil Service Commission:

For Personal Services .....	232,600
For Employee Retirement Contributions Paid by Employer .....	0
For State Contributions to State Employees' Retirement System .....	26,800
For State Contributions to Social Security .....	17,100
For Contractual Services .....	<u>77,400</u> <del>55,400</del>
For Travel .....	35,600
For Commodities .....	3,900
For Printing .....	1,200
For Equipment .....	1,000
For Telecommunications Services .....	7,500
Total .....	<u>\$403,100</u> <del>\$381,100</del>

Section 33. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 135 of Article 39, as follows:

(P.A. 94-798, Art. 39, Sec. 135)

Sec. 135. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of Commerce and Economic Opportunity:

Payable from the General Revenue Fund:

<u>For all costs associated with the Southern Illinois Economic Development Authority</u> .....	500,000
For all costs associated with the Central Illinois Economic Development Authority .....	500,000
For all costs associated with Lifelong Learning Accounts .....	400,000
For a grant associated with Illinois Manufacturers' Association .....	2,000,000
For a grant associated with Chicago Rehabilitation Network Technical Assistance .....	200,000
For a grant associated with the Anticipatory Design Science Center .....	100,000
For all costs associated with the Mid-America Medical District .....	250,000

For a grant to the Coalition for United Community Action .....	400,000
For grants, contracts and administrative expenses associated with the expanding employment opportunities for minorities and targeted populations in construction trades 6,250,000	
For grants to local governments for infrastructure improvements and economic development purposes .....	9,100,000
For grants to units of local government, for profit organizations, not-for-profit organizations, community organizations and educational facilities for all costs associated with operational expenses and infrastructure improvements including but not limited to planning, construction, reconstruction, renovation, equipment, vehicles, other capital and related expenses, and for all costs associated with economic development programs, educational and training programs, social service programs, and public health and safety programs .....	3,634,000
For grants to units of local government, for profit organizations, not-for-profit organizations, community organizations and educational facilities for all costs associated with operational expenses and infrastructure improvements including but not limited to planning, construction, reconstruction, renovation, equipment, vehicles, other capital and related expenses, and for all costs associated with economic development programs, educational and training programs, social service programs, and public health and safety programs .....	7,437,800
Total .....	\$30,271,800

(Source: P.A. 94-798, eff. 7-1-06.)

Section 35. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by adding new Section 45 of Article 40, as follows:

(P.A. 94-798, Art. 40, Sec. 45, new)

Section 45. The sum of \$300,000, or so much thereof as may be necessary, is appropriated from the Public Utility Fund to the Illinois Commerce Commission for costs associated with the implementation of House Bill 4977 of the 94<sup>th</sup> General Assembly, which establishes the Office of Retail Market Development. This Section is operative only if House Bill 4977 of the 94<sup>th</sup> General Assembly becomes law.

Section 37. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 5 of Article 48, as follows:

(P.A. 94-798, Art. 48, Sec. 5)

Sec. 5. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated for the objects and purposes hereinafter named, to meet the ordinary and contingent expenses of the Historic Preservation Agency:

FOR OPERATIONS  
EXECUTIVE OFFICE  
PAYABLE FROM GENERAL REVENUE FUND

For Personal Services .....	1,263,600
For State Contributions to State	



Employees' Retirement System.....	145,700
For State Contributions to Social Security .....	96,400
For Contractual Services.....	101,800
For Contractual Services.....	90,300
For Travel.....	12,900
For Commodities .....	6,300
For Printing .....	68,900
For Electronic Data Processing .....	39,800
For Telecommunications Services.....	21,700
For expenses related to or in support of the Amistad Commission .....	<u>250,000</u> <del>150,000</del>
For expenses related to or in support of the Lincoln Bicentennial .....	<u>500,000</u>
Total.....	\$2,497,400

PAYABLE FROM ILLINOIS HISTORIC SITES FUND

For Contractual Services.....	55,000
For Commodities .....	1,000
For Printing .....	16,300
For Equipment .....	<u>1,000</u>
Total.....	\$73,300
For historic preservation programs administered by the Executive Office, only to the extent that funds are received through grants, and awards, or gifts .....	90,000
Section 40. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 20 of Article 54, as follows: (P.A. 94-798, Art. 54, Sec. 20)	

Sec. 20. The following named amounts, or so much thereof as may be necessary, are appropriated to the Department of Revenue as follows:

Payable from General Revenue Fund:

For the State's Share of County Supervisors of Assessments' or County Assessors' salaries, as provided by law .....	2,550,000
For additional compensation for local assessors, as provided by Sections 2.3 and 2.6 of the "Revenue Act of 1939", as amended .....	500,000
For additional compensation for local assessors, as provided by Section 2.7 of the "Revenue Act of 1939", as amended .....	702,000
For additional compensation for county treasurers, pursuant to Public Act 84-1432, as amended .....	663,000
For the State's Share of State's Attorneys' And Assistant State's Attorneys' salaries, Including prior years costs.....	12,372,700
For the annual stipend for Sheriffs as Provided in subsection (d) of Section 4-6300 and Section 4-8002 of the Counties Code.....	663,000
For the annual stipend to county Coroners pursuant to 55 ILCS 5/4-6002 Including prior years costs.....	663,000
For the State's Share of county Public Defenders' salaries Pursuant to 55 ILCS 5/3-4007 .....	<u>5,400,000</u> <del>3,700,000</del>
Total.....	<u>\$23,513,700</u> <del>\$21,813,700</del>

## Payable from State and Local Sales

## Tax Reform Fund:

For Allocation to Chicago for  
additional 1.25% Use Tax Pursuant  
to P.A. 86-0928..... 46,386,400

## Payable from Local Government Distributive

## Fund:

For Allocation to Local Governments of  
additional 1.25% Use Tax Pursuant to  
P.A. 86-0928 ..... 123,489,700

## Payable from R.T.A. Occupation and Use

## Tax Replacement Fund:

For Allocation to RTA for 10% of the  
1.25% Use Tax Pursuant to P.A. 86-0928..... 23,193,200

## Payable from Senior Citizens' Real Estate

## Deferred Tax Revolving Fund:

For Payments to Counties as Required  
by the Senior Citizens Real  
Estate Tax Deferral Act ..... 5,900,000

## Payable from Illinois Tax

## Increment Fund:

For Distribution to Local Tax  
Increment Finance Districts..... 21,076,600

Section 45. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006,  
is amended by changing Sections 10, 70, and 80 by adding new Section 105 of Article 56, as follows:  
(P.A. 94-798, Art. 56, Sec. 10)

Sec. 10. The sum of \$63,460,000, or so much thereof as may be necessary, is appropriated from  
the Department of Corrections Reimbursement and Education Fund to meet the ordinary and  
contingent expenses of the Department of Corrections described below and having the estimated cost  
as follows:

For payment of expenses associated  
with School District Programs..... 15,000,000

For payment of expenses associated  
with federal programs, including,  
but not limited to, construction of  
additional beds, treatment programs,  
and juvenile supervision ..... 28,960,000

For payment of expenses associated  
with miscellaneous programs, including,  
but not limited to, medical costs,  
food expenditures, and various  
construction costs..... 19,500,000

Total ..... \$63,460,000

## Payable From the General Revenue Fund:

For Sheriffs' Fees for Conveying Prisoners..... 374,900

For the State's share of Assistant  
State's Attorneys' salaries -  
reimbursement to counties pursuant  
to Chapter 53 of the Illinois  
Revised Statutes ..... 418,200

For Repairs, Maintenance and Other  
Capital Improvements..... 1,087,300 ~~1,323,300~~

Total ..... \$1,880,400 ~~\$2,116,400~~

(P.A. 94-798, Art. 56, Sec. 70)

Sec. 70. The amount of \$6,250,000, or so much thereof as may be necessary, is appropriated to  
the Department of Corrections from the General Revenue Fund for a grant to Operation Ceasefire to  
be used in the following locations.

## The City of Chicago:

The neighborhood of Auburn/Gresham ..... 250,000

The neighborhood of Logan Square.....	250,000
The neighborhood of East Garfield.....	250,000
The neighborhood of Grand Boulevard.....	250,000
The neighborhood of Rogers Park.....	250,000
The neighborhood of Roseland.....	250,000
The neighborhood of Humboldt Park.....	250,000
The neighborhood of Pilsen and Little Village.....	250,000
The neighborhood of Lawndale and Garfield.....	250,000
The neighborhood of Woodlawn.....	250,000
The neighborhood of Englewood.....	250,000
The neighborhood of Westlawn.....	250,000
The neighborhood of Chicago Lawn.....	250,000
The neighborhood of Brighton Park.....	250,000
The neighborhood of Albany Park.....	250,000
<del>The neighborhood of Foss Park.....</del>	<del>250,000</del>
The neighborhood of Austin.....	250,000
Total.....	\$4,000,000
<u>The township of Waukegan.....</u>	<u>250,000</u>
The City of Decatur.....	250,000
The City of <u>North Chicago Zion</u> .....	250,000
The City of Aurora.....	250,000
The Cities of Cicero and Berwyn.....	250,000
The City of Rockford.....	250,000
The City of Bellwood.....	250,000
The City of Maywood.....	250,000
The City of East St. Louis.....	250,000
Total.....	\$2,250,000

(P.A. 94-798, Art. 56, Sec. 80)

Sec. 80. The amount of \$1,500,000, or so much thereof as may be necessary, is appropriated to the Department of Corrections from the General Revenue Fund for expenses associated with the operation of the Franklin County Juvenile Detention Center, including a juvenile methamphetamine pilot program ~~a juvenile methamphetamine pilot program at the Franklin County Juvenile Detention Center.~~

(P.A. 94-798, Art. 56, Sec. 105 new)

Sec. 105. The amount of \$500,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Corrections for a grant to the Cook County Sheriff's Office for programs administered through the Department of Women's Justice Services, including but not limited to, mental health and drug rehabilitation issues.

Section 50. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 30 of and adding new Section 45 to Article 57, as follows:

(P.A. 94-798, Art. 57, Sec. 30)

Sec. 30. The sum of \$9,500,000, or so much thereof as may be necessary, is appropriated from the Department of Corrections Reimbursement and Education Fund to meet the ordinary and contingent expenses of the Department of Juvenile Justice described below and having the estimated cost as follows:

For payment of expenses associated with School District Programs.....	5,000,000
For payment of expenses associated with federal programs, including, but not limited to, construction of additional beds, treatment programs, and juvenile supervision.....	2,000,000
For payment of expenses associated with miscellaneous programs, including, but not limited to, medical costs, food expenditures, and various construction costs.....	2,500,000
Total.....	\$9,500,000

Payable from the General Revenue Fund:

For Repairs, Maintenance and Other  
Capital Improvements.....236,000

(P.A. 94-798, Art. 57, Sec. 45, new)

Sec. 45. The amounts appropriated for repairs and maintenance, and other capital improvements in Section 30 for repairs and maintenance, roof repairs and/or replacements, and miscellaneous capital improvements at the Department's various institutions are to include construction, reconstruction, improvements, repairs and installation of capital facilities, costs of planning, supplies, materials and all other expenses required for roof and other types of repairs and maintenance, capital improvements, and purchase of land.

No contract shall be entered into or obligation incurred for repairs and maintenance and other capital improvements from appropriations made in Section 30 of this Article until after the purposes and amounts have been approved in writing by the Governor.

Section 55. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 5 of Article 59, as follows:

(P.A. 94-798, Art. 59, Sec. 5)

Sec. 5. The following named sums, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated to meet the ordinary and contingent expenses of the Department of Military Affairs:

FOR OPERATIONS  
OFFICE OF THE ADJUTANT GENERAL

Payable from General Revenue Fund:

For Personal Services .....	807,000
For State Contributions to State	
Employees' Retirement System .....	93,200
For State Contributions to	
Social Security .....	61,900
For Contractual Services.....	14,400
For Travel.....	23,000
For Commodities .....	19,800
For Printing .....	2,800
For Equipment .....	4,900
For Electronic Data Processing .....	13,500
For Telecommunications Services.....	37,400
For Operation of Auto Equipment.....	23,800
For State Officer's Candidate School .....	700
For Lincoln's Challenge .....	3,116,700
For Lincoln's Challenge Allowances .....	506,900
Total .....	\$4,726,000

Payable from Federal Support Agreement Revolving Fund:

Lincoln's Challenge .....	4,889,700
Lincoln's Challenge Allowances .....	1,200,000
Total .....	\$6,089,700

FACILITIES OPERATIONS

Payable from General Revenue Fund:

For Personal Services .....	5,146,000
For State Contributions to State	
Employees' Retirement System .....	593,100
For State Contributions to	
Social Security .....	393,800
For Contractual Services.....	<del>3,192,400</del> <del>4,992,400</del>
For Commodities .....	<del>102,700</del> <del>57,700</del>
For Equipment .....	24,800
Total .....	<del>\$9,452,800</del> <del>\$8,207,800</del>

Payable from Federal Support Agreement Revolving Fund:

Army/Air Reimbursable Positions .....	8,836,300
Total .....	\$8,836,300

Section 57. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by adding changing Section 5 of Article 60, as follows:

(P.A. 94-798, Art. 60, Sec. 5)

Sec 5. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of State Police for the following purposes:

DIVISION OF ADMINISTRATION

Payable from General Revenue Fund:

For Personal Services .....	5,137,700
For State Contributions to State Employees' Retirement System .....	592,200
For State Contributions to Social Security .....	323,500
For Contractual Services.....	3,352,400
For Travel.....	23,600
For Commodities .....	532,100
For Printing .....	90,000
For Equipment .....	34,700
For Telecommunications Services.....	112,400
For Operation of Auto Equipment.....	300,000
For Contractual Services:	
For Payment of Tort Claims .....	28,000
For Refunds.....	2,000
For Expenses regarding implementation of the Juvenile Justice Reform provisions.....	174,700
For costs and expenses related to or in support of a public safety shared services center .....	2,140,200
<u>For grants to State's Attorneys for expenses incurred in the videotaping of interrogations pursuant to Public Act 93-517 .....</u>	<u>3,100,000</u>
For Repairs and Maintenance and Permanent Improvements .....	30,000
Total .....	\$12,873,500

Payable from the State Police Wireless

Service Emergency Fund:

For costs associated with the administration and fulfillment of its responsibilities under the Wireless Emergency Telephone Safety Act .....	1,800,000
Payable from the State Police Vehicle Fund:	
For purchase of vehicles and accessories .....	8,400,000
Payable from the State Police Vehicle Maintenance Fund:	
For Operation of Auto .....	2,000,000

(Source: P.A. 94-798, eff. 7-1-06.)

Section 60. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 280 of Article 61, as follows:

(P.A. 94-798, Art. 61, Sec. 280)

Sec. 280. The sum of ~~\$1,900,000~~ ~~\$1,650,000~~, or so much thereof as may be necessary, is appropriated from the I-FLY Fund to the Department of Transportation for grants to the Quincy Regional Airport, the Decatur Airport, and the Williamson County Regional Airport, pursuant to the I-FLY Act.

Section 65. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 30 of Article 82 and adding new Section 90, as follows:

(P.A. 94-798, Art. 82, Sec. 30)

Sec. 30. In addition to any amounts heretofore appropriated, the following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of Healthcare and Family Services for Medical Assistance and Administrative Expenditures:

[May 31, 2007]

FOR MEDICAL ASSISTANCE UNDER THE ILLINOIS PUBLIC AID CODE, THE  
CHILDREN'S HEALTH INSURANCE PROGRAM ACT, AND THE COVERING ALL KIDS  
HEALTH INSURANCE ACT

Payable from Care Provider Fund for Persons	
With A Developmental Disability:	
For Administrative Expenditures.....	94,200
Payable from Long Term Care Provider Fund:	
For Skilled, Intermediate, and Other Related	
Long Term Care Services.....	795,328,300
For Administrative Expenditures.....	2,033,000
Total.....	\$797,361,300
Payable from Hospital Provider Fund:	
For Hospitals.....	2,430,400,000 <del>1,215,200,000</del>
For Medical Assistance Providers.....	0
Total.....	\$2,430,400,000 <del>\$1,215,200,000</del>

(P.A. 94-798, Art. 82, Sec. 90 new)

Section 90. The sum of \$765,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Healthcare and Family Services for costs associated with a 3% cost of doing business adjustment for at least the following line items in the fiscal year 2007 State budget effective January 1, 2007:

Medicaid therapies for 0-3 year olds.

Section 67. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Sections 101 and adding new Section 315 of Article 83 as follows:

(P.A. 94-798, Art. 83, Sec. 101)

Section 101. The sum of \$32,800,000, or so much thereof as may be necessary, is appropriated from the Health and Human Services Medicaid Trust Fund to the Department of Human Services for grants and administrative expenses for services for persons with a mental illness or developmental disability.

Prior to January 1, 2007, no contract shall be entered into or obligations incurred for any expenditure from appropriation made in this Section of the Article. The sum of \$15,000,000, or so much thereof as may be necessary, respectively, for the purposes hereinafter named, are appropriated to the Department of Human Services for the following purposes:

Payable from the Health and Human Services

Medicaid Trust Fund:

For the Home Based Support Services Program

for services to additional children..... 1,500,000

For the Home Based Support Services Program

for services to additional adults..... 4,500,000

For additional Community Integrated Living

Arrangement Placements for persons with developmental disabilities..... 3,000,000

For Community Based Mobile Crisis

Teams for persons with developmental disabilities..... 1,000,000

For diversion, transition, and

aftercare from institutional settings for persons with a mental illness..... 3,500,000

For the Children's Mental Health

Partnership..... 1,500,000

(P.A. 94-798, Article 83, Sec. 315 new)

Section 315. The sum of \$3,377,800, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Human Services for costs associated with a 3% cost of doing business adjustment for at least the following line items in the fiscal year 2007 State budget effective January 1, 2007:

Early intervention therapy services and service coordination;

Family case management;

Domestic violence;

Rape victims/prevention;

[May 31, 2007]

Intensive Prenatal Performance Project;  
School-based health centers;  
Lekotek; and  
Centers for Independent Living.

Section 70. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 95 and adding new Section 120 to Article 84, as follows:

(P.A. 94-798, Art. 84, Sec. 95)

Sec. 95. The following named amounts, or so much thereof as may be necessary, are appropriated to the Department of Public Health for the objects and purposes hereinafter named:

OFFICE OF POLICY, PLANNING AND STATISTICS

Payable from the General Revenue Fund:

For Personal Services .....	1,752,400
For State Contributions to State Employees' Retirement System .....	202,000
For State Contributions to Social Security .....	131,500
For Contractual Services.....	25,400
For Travel.....	32,600
For Commodities .....	2,600
For Printing .....	300
For Equipment .....	4,800
For Telecommunications Services.....	29,600
For Expenses to establish program to provide scholarships to Allied Health Professionals .....	91,100
For operating expenses of the Center for Rural Health .....	441,700
For grants to public and private agencies for Residency Programs pursuant to the Family Practice Residency Act .....	776,000
For matching grants to Community Based Organizations for Comprehensive Primary Care.....	392,600
For grants to assist Community and Migrant Health Centers to expand service capacity and develop additional sites .....	392,600
For hospital grants to diversify services and convert to facilities that are less dependent on Acute Care Bed capacity .....	392,600
For expenses of the Adverse Pregnancy Outcomes Reporting Systems (APORS) Program.....	348,600
For expenses of State Cancer Registry, Including matching funds for National Cancer Institute grants .....	163,200
For grants for the Community Health Center Expansion Program.....	2,991,000
For expenses related to Public Act 94-0242 and the establishment of an adverse health care event reporting system .....	952,350
For grants to units of local government, not-for-profit organizations, community organizations and educational facilities for all costs associated with operations expenses, infrastructure improvements,	

and for all costs associated with educational and training programs, programs to improve health access and disease prevention, and provision of health care and dental services.....	1,500,000
For grants to units of local government, not-for-profit organizations, community organizations and educational facilities for all costs associated with operations expenses, infrastructure improvements, and for all costs associated with educational and training programs, programs to improve health access, and provision of health care and dental services.....	1,500,000
For deposit into the Heartsaver AED Fund.....	<u>100,000</u>
Total.....	\$12,222,950
Payable from Rural/Downstate Health Access Fund:	
For expenses associated with the Rural/Downstate Health Access Program.....	100,000
Payable from the Public Health Services Fund:	
For expenses related to Epidemiological Health Outcomes Investigations and Database Development.....	4,130,000
For expenses for Rural Health Center to expand the availability of Primary Health Care.....	2,000,000
For operational expenses to develop a Health Care Provider Recruitment and Retention Program.....	300,000
For grants to develop a Health Care Provider Recruitment and Retention Program.....	450,000
For grants to develop a Health Professional Educational Loan Repayment Program.....	<u>900,000</u>
Total.....	\$7,880,000
Payable from Community Health Center Care Fund:	
For expenses for access to Primary Health Care Services Program per Family Practice Residency Act.....	1,000,000
Payable from Illinois Health Facilities Planning Fund:	
For expenses, including refunds, for Health Facilities Planning Board.....	1,734,500
Payable from Nursing Dedicated and Professional Fund:	
For expenses of the Nursing Education Scholarship Law.....	1,200,000
Payable from the Regulatory Evaluation and Basic Enforcement Fund:	
For Expenses of the Alternative Health Care Delivery Systems Program.....	75,000
Payable from the Tobacco Settlement Recovery Fund:	
For grants for the Community Health Center Expansion Program.....	3,000,000
For grants to units of local government, not-for-profit organizations, community organizations and educational facilities for all costs associated with operations expenses, infrastructure improvements, and for all costs associated with educational and training programs, programs to improve	



health access and disease prevention, and provision of health care and dental services.....	1,500,000
For grants to units of local government, not-for-profit organizations, community organizations and educational facilities for all costs associated with operations expenses, infrastructure improvements, and for all costs associated with educational and training programs, programs to improve health access, and provision of health care and dental services.....	1,500,000
Total.....	\$6,000,000
Payable from the Preventive Health and Health Services Block Grant Fund:	
For expenses of Preventive Health and Health Services Needs Assessment.....	1,406,700
Payable from Public Health Special State Projects Fund:	
For expenses associated with Health Outcomes Investigations and other public health programs.....	500,000
Payable from Illinois State Podiatric Disciplinary Fund:	
For expenses of the Podiatric Scholarship And Residency Act.....	100,000
Payable from the Public Health Federal Projects Fund:	
For expenses of Health Outcomes, Research, Policy and Surveillance.....	612,000
Payable from the Heartsaver AED Fund:	
For expenses associated with the Heartsaver AED Program.....	<u>125,000</u> <del>400,000</del>
(P.A. 94-798, Art. 84, Sec. 120, new)	
<u>Section 120. The sum of \$200,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Public Health for a grant to HRDI for the purposes of AIDS Prevention.</u>	
Section 75. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 15 of and adding new Section 17 to Article 89, as follows:	
(P.A. 94-798, Art. 89, Sec. 15)	
Sec. 15. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of Human Rights for the objects and purposes hereinafter enumerated:	
DIVISION OF CHARGE PROCESSING	
Payable from General Revenue Fund:	
For Personal Services.....	<u>4,313,800</u> <del>4,413,800</del>
For Employee Retirement Contributions	
Paid by Employer.....	0
For State Contributions to State Employees' Retirement System.....	<u>497,600</u> <del>474,100</del>
For State Contributions to Social Security.....	<u>330,200</u> <del>314,700</del>
For Contractual Services.....	39,400
For Travel.....	29,300
For Commodities.....	13,000
For Printing.....	1,300
For Equipment.....	20,000
For Telecommunications Services.....	50,000
Total.....	<u>\$5,294,600</u> <del>\$5,055,600</del>
Payable from Special Projects Division Fund:	
For Personal Services.....	1,585,600

[May 31, 2007]

For Employee Retirement Contributions	
Paid by Employer .....	0
For State Contributions to State	
Employees' Retirement System .....	182,700
For State Contributions to	
Social Security .....	121,300
For Group Insurance .....	464,000
For Contractual Services.....	183,000
For Travel.....	37,000
For Commodities .....	6,800
For Printing .....	9,300
For Equipment .....	9,600
For Telecommunications Services.....	7,000
Total.....	\$2,606,300

(P.A. 94-798, Art. 89, Sec. 17, new)

Section 17. The amount of \$700,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Human Rights for expenses relating to the investigation and processing of human rights cases.

Section 80. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by adding new Section 71 to Article 101, as follows:

(P.A. 94-798, Art. 101, Sec. 71, new)

Section 71. The sum of \$500,000, or so much thereof as may be necessary, is appropriated from the Road Fund to the Department of Transportation for engineering and construction costs of the extension of Oak Street between Hazelwood and Gerty Drives on the University of Illinois at Urbana-Champaign campus in Champaign County.

Section 99. This Act take effect immediately upon becoming law.”.

**AMENDMENT NO 2. TO SENATE BILL 241**

AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 241 by deleting everything after the enacting clause and inserting the following:

“ARTICLE 1

Section 1. The following appropriations in this Article 1 are in addition to all other amounts previously appropriated to the Court of Claims for fiscal year 2007 for the stated purposes and from the stated funds. The following appropriations are for fiscal year 2007.

Section 5. The sum of \$7,723,532.86, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Court of Claims for payment of line of duty awards.

Section 7. In addition to any amounts previously appropriated for such purposes, the amount of \$5,000,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Court of Claims to pay claims under the Crime Victims Compensation Act.

Section 8. In addition to any amounts previously appropriated for such purposes, the amount of \$2,000,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Court of Claims to pay claims other than Crime Victims.

Section 10. The following named amounts are appropriated from the General Revenue Fund to the Court of Claims to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 86-CC-3010, Louisa King, Administrator of the Estate of Christopher King, Jr. Personal Injury, against the Department of Mental Health.....	\$100,000.00
No. 97-CC-0462, Bianca Angela Principe. Tort, against the Department of Human Services .....	\$35,000.00
No. 98-CC-4809, Larry Reichert. Tort, against the University of Illinois.....	\$100,000.00
No. 99-CC-1445, Cynthia Kurelic, Administrator, of the Estate of George Kurelic, Jr. deceased. Tort, against the Illinois State Police.....	\$150,000.00
No. 00-CC-3374, Maryann Makkay. Tort, against the University of Illinois .....	\$51,708.45
No. 01-CC-0056, Joseph Linskey. Contract, against the Secretary of State .....	\$23,543.62
No. 03-CC-2437, Maurice Johnson. Personal Injury, against the Department of Corrections.....	\$8,500.00

No. 03-CC-5023, Mitch Hester, individually and as Next Friend of A.H., a minor. Tort, against the Department of Children and Family Services .....	\$5,000.00
No. 04-CC-0056, Antonio Cassanova. Personal Injury, against the Illinois State Police.....	\$50,335.00
No. 05-CC-0199, Dawn Marie McClure. Personal Injury and Property Damage, against Illinois State University. ....	\$6,000.00
No. 05-CC-2399, John F. Heckinger, Jr. Contract, against the Attorney General ...	\$37,164.74
No. 06-CC-1906, Wexford Health Sources, Inc. Debt, against the Department of Corrections. ....	\$153,528.81
No. 06-CC-1907, Wexford Health Sources, Inc. Debt, against the Department of Corrections. ....	\$115,104.70
No. 06-CC-3029, Miner, Barnhill & Galland, P.C.; Mexican-American Legal Defense and Education Fund; and Robins, Kaplan, Miller & Ciresi. Attorney Fees and Costs, or so much thereof as may be necessary, against the State Board of Elections .....	\$700,000.00
No. 06-CC-0020, Loyola University Medical Center. Debt, against The Department of Human Services s.....	\$283,029.26
No. 06-CC-0020, Loyola University Physicians Foundation. Debt, against The Department of Human Services .....	\$523,434.50
No. 07-CC-1151, Governors State University. Debt, against the Department of Children and Family Services .....	\$206,302.08
No. 03-CC-4051, Xellethlyn Williams, as independent administrator of the Estate of James Williams, Jr. deceased. Tort, against the Department of Human Services .....	\$90,000.00
No. 04-CC-1145, Dennis and Valerie Graue. Reimbursement of supplemental expenses, against the Department of Children and Family Services .....	\$10,336.29
Section 15. The following named amounts are appropriated to the Court of Claims from the Road Fund 011, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
No. 01-CC-2555, Jeffrey F. Bryan. Tort, against the Department of Transportation .....	\$34,565.66
No. 02-CC-2824, Katherine Pillow-Collins. Personal Injury, against the Department of Transportation.....	\$80,000.00
No. 04-CC-0719, Edith Gavin. Tort, against the Department of Transportation .....	\$5,500.00
No. 05-CC-0240, Allstate Insurance A/S/O Pagan et al. Subrogation, against the Department of Transportation .....	\$5,505.47
Section 20. The following named amounts are appropriated to the Court of Claims from Federal Fund 052, Title III Social Security and Employment Service Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
For payments of awards for lapsed appropriation claims less than \$50,000.....	\$17,624.17
Section 25. The following named amounts are appropriated to the Court of Claims from State Fund 288, Community Water Supply Laboratory Fund to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
No. 06-CC-2927, Board of Trustees of SIU. Debt, against the Environmental Protection Agency .....	\$76,579.30
Section 30. The following named amounts are appropriated to the Court of Claims from State Fund 301, Working Capital Revolving Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
For payments of awards for lapsed appropriation claims less than \$50,000.....	\$24,000.00
Section 35. The following named amounts are appropriated to the Court of Claims from State Fund 312, Communications Revolving Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:	
No. 06-CC-3271, Symphony Service Corporation. Debt, against the Department of Central Management Services.....	\$270,650.00
No. 06-CC-3400, SBC. Debt, against the Department of Central Management Services .....	\$568,801.81
For payments of awards for lapsed appropriation claims less	

than \$50,000.....\$21,731.84

Section 40. The following named amounts are appropriated to the Court of Claims from State Fund 314, Facilities Management Revolving Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation claims less than \$50,000.....\$58,572.19

Section 45. The following named amounts are appropriated to the Court of Claims from State Fund 344, Care Provider Fund for Persons With Developmental Disability, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation claims less than \$50,000.....\$14,808.44

Section 50. The following named amounts are appropriated to the Court of Claims from Federal Fund 488, Criminal Justice Trust Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 06-CC-3289, Department of Corrections. Debt, against the Criminal Justice Information Authority.....\$84,401.01

Section 55. The following named amounts are appropriated to the Court of Claims from Federal Fund 497, Civil Preparedness Administrative Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 06-CC-3461, University of Illinois. Debt, against the Emergency Management Agency \$144,401.84

Section 60. The following named amounts are appropriated to the Court of Claims from State Fund 614, Capital Litigation Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation claims less than \$50,000.....\$40,826.37

Section 65. The following named amounts are appropriated to the Court of Claims from State Fund 733, Tobacco Settlement Recovery Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation claims less than \$50,000.....\$13,331.63

Section 70. The following named amounts are appropriated to the Court of Claims from State Fund 849, Real Estate Research and Education Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation claims less than \$50,000.....\$17,000.00

Section 75. The following named amounts are appropriated to the Court of Claims from State Fund 870, Low Income Home Energy Assistance Block Grant Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 06-CC-0589, Community & Economic Development Association of Cook County. Debt, against the Department of Healthcare and Family Services.....\$305,475.00

Section 80. The following named amounts are appropriated to the Court of Claims from Federal Fund 876, Community Mental Health Services Block Grant Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation claims less than \$50,000.....\$15,000.00

Section 85. The following named amounts are appropriated to the Court of Claims from Federal Fund 063, Public Health Services Fund, to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 07-CC-0489, Aids Foundation of Chicago. Debt, against the Department of Public Health.....\$100,000.00

For payments of awards for lapsed Appropriation claims less than \$50,000.....\$26,689.29

Section 90. The following named amounts are appropriated to the Court of Claims from State Fund 304, Statistical Services Revolving Fund to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 06-CC-3189, Anchor Mechanical, Inc. Debt, against the Department of Central Management Services.....\$51,700.00

Section 95. The following named amounts are appropriated to the Court of Claims from Federal Fund 876, Community Mental Health Services Block Fund to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 07-CC-0168, Thresholds. Debt, against the Department of Human Services ..\$52,152.53

Section 100. The following named amounts are appropriated to the Court of Claims from State Fund 920, Metabolic Screening and Treatment Fund to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

For payments of awards for lapsed appropriation  
 Claims less than \$50,000..... \$26,020.00

ARTICLE 2

Section 10. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Sections 5 and 10 and by adding new Section 22 of Article 2, as follows:  
 (P.A. 94-798, Art. 2, Sec. 5)

Sec. 5. The following amounts, or so much of those amounts as may be necessary, respectively, for the objects and purposes named, are appropriated to the Illinois State Board of Education for the fiscal year beginning July 1, 2006:

FISCAL SUPPORT SERVICES

From the General Revenue Fund:

For Personal Services .....	3,325,200
For Employee Retirement Contributions	
Paid by Employer .....	90,900
For Retirement Contributions .....	118,900
For Social Security Contributions .....	168,700
For Contractual Services.....	2,425,000
For Travel.....	313,700
For Commodities .....	59,100
For Printing .....	85,200
For Equipment .....	70,900
For Telecommunications .....	468,600
For Operation of Auto Equipment.....	20,000
Total .....	\$7,146,200

From the Drivers Education Fund:

For Personal Services .....	48,200
For Employee Retirement Contributions	
Paid by Employer .....	2,500
For Retirement Contributions .....	500
For Social Security Contributions .....	1,700
For Group Insurance .....	17,500
For Refunds.....	55,000
Total .....	<u>\$75,400</u> <del>\$70,400</del>

From the SBE Federal Department of Agriculture Fund:

For Personal Services .....	<u>3,433,400</u> <del>3,133,400</del>
For Employee Retirement Contributions	
Paid by Employer .....	<u>215,000</u> <del>415,000</del>
For Retirement Contributions.....	<u>369,100</u> <del>269,100</del>
For Social Security Contributions .....	<u>244,700</u> <del>444,700</del>
For Group Insurance.....	714,100
For Contractual Services.....	2,180,500
For Travel.....	300,000
For Commodities .....	75,000
For Printing .....	75,000
For Equipment .....	75,000
For Telecommunications .....	50,000
Total .....	<u>\$7,731,800</u> <del>\$7,131,800</del>

From the SBE Federal Agency Services Fund:

For Contractual Services.....	12,000
For Travel.....	30,000
For Commodities .....	9,000
For Printing .....	2,000

For Equipment .....	11,000
For Telecommunications .....	9,000
Total .....	\$73,000
From the SBE Federal Department of Education Fund:	
For Personal Services .....	1,081,000
For Employee Retirement Contributions	
Paid by Employer .....	32,000
For Retirement Contributions .....	102,600
For Social Security Contributions .....	77,400
For Group Insurance .....	257,400
For Contractual Services.....	3,125,500
For Travel.....	1,350,000
For Commodities .....	305,000
For Printing .....	341,000
For Equipment .....	380,000
For Telecommunications .....	400,000
Total .....	\$7,451,900

## GENERAL OFFICE

From the General Revenue Fund:	
For Personal Services .....	2,268,100
For Employee Retirement Contributions	
Paid by Employer .....	81,400
For Retirement Contributions .....	109,800
For Social Security Contributions .....	103,700
For Contractual Services.....	815,000
Total .....	\$3,378,000
From the SBE Federal Department of Agriculture Fund:	
For Contractual Services.....	30,000
Total .....	\$30,000
From the SBE Federal Department of Education Fund:	
For Personal Services .....	385,100
For Employee Retirement Contributions	
Paid by Employer .....	15,300
For Retirement Contributions .....	29,200
For Social Security Contributions .....	8,700
For Group Insurance .....	87,000
For Contractual Services.....	225,000
Total .....	\$750,300

## HUMAN RESOURCES

From the General Revenue Fund:	
For Personal Services .....	559,900
For Employee Retirement Contributions	
Paid by Employer .....	27,700
For Retirement Contributions .....	37,700
For Social Security Contributions .....	38,800
For Contractual Services.....	50,000
Total .....	\$714,100
From the SBE Federal Department of Agriculture Fund:	
For Contractual Services.....	10,500
Total .....	\$10,500
From the SBE Federal Department of Education Fund:	
For Contractual Services.....	70,000
Total .....	\$70,000

## INTERNAL AUDIT

From the General Revenue Fund:	
For Personal Services .....	117,200
For Employee Retirement Contributions	
Paid by Employer .....	6,300
For Retirement Contributions .....	7,400

For Social Security Contributions .....	10,000
For Contractual Services.....	<u>3,000</u>
Total .....	\$143,900
SCHOOL SUPPORT SERVICES FOR ALL SCHOOLS	
From the General Revenue Fund:	
For Personal Services .....	4,191,900
For Employee Retirement Contributions	
Paid by Employer .....	170,700
For Retirement Contributions.....	146,600
For Social Security Contributions .....	216,300
For Contractual Services.....	<u>1,838,000</u>
Total .....	\$6,563,500
From the Teacher Certificate Fee Revolving Fund:	
For Personal Services .....	81,300
For Employee Retirement Contributions	
Paid by Employer .....	3,500
For Retirement Contributions.....	500
For Social Security Contributions .....	1,200
For Group Insurance .....	<u>14,500</u>
Total .....	\$101,000
From the SBE Federal Department of Agriculture Fund:	
For Personal Services .....	162,900
For Employee Retirement Contributions	
Paid by Employer .....	6,500
For Retirement Contributions.....	12,400
For Social Security Contributions .....	2,400
For Group Insurance .....	61,300
For Contractual Services.....	<u>279,000</u>
Total .....	\$524,500
From the SBE Federal Department of Education Fund:	
For Personal Services .....	2,174,400
For Employee Retirement Contributions	
Paid by Employer .....	90,000
For Retirement Contributions.....	183,400
For Social Security Contributions .....	104,400
For Group Insurance .....	464,000
For Contractual Services.....	<u>2,483,900</u>
Total .....	\$5,500,100
From the School Infrastructure Fund:	
For Personal Services .....	81,300
For Employee Retirement Contributions	
Paid by Employer .....	3,200
For Retirement Contributions.....	500
For Social Security Contributions .....	2,500
For Group Insurance .....	<u>17,500</u>
Total .....	\$105,000
SPECIAL EDUCATION SERVICES	
From the SBE Federal Department of Education Fund:	
For Personal Services .....	3,887,300
For Employee Retirement Contributions	
Paid by Employer .....	143,300
For Retirement Contributions.....	308,800
For Social Security Contributions .....	200,000
For Group Insurance.....	826,500
For Contractual Services.....	<u>1,850,000</u>
Total .....	\$7,215,900
TEACHING AND LEARNING SERVICES FOR ALL CHILDREN	
From the General Revenue Fund:	
For Personal Services .....	\$3,650,000

For Employee Retirement Contributions	
Paid by Employer .....	150,400
For Retirement Contributions .....	133,900
For Social Security Contributions .....	168,400
For Contractual Services.....	<u>726,200</u>
Total .....	\$4,828,900
From the Teacher Certificate Fee Revolving Fund:	
For Personal Services .....	699,800
For Employee Retirement Contributions	
Paid by Employer .....	20,200
For Retirement Contributions .....	37,200
For Social Security Contributions .....	51,700
For Group Insurance .....	<u>174,000</u>
Total .....	\$982,900
From the SBE Federal Agency Services Fund:	
For Personal Services .....	186,100
For Employee Retirement Contributions	
Paid by Employer .....	7,300
For Retirement Contributions .....	13,900
For Social Security Contributions .....	15,000
For Group Insurance .....	43,500
For Contractual Services.....	<u>203,000</u>
Total .....	\$468,800
From the SBE Federal Department of Education Fund:	
For Personal Services .....	5,684,100
For Employee Retirement Contributions	
Paid by Employer .....	204,700
For Retirement Contributions .....	488,800
For Social Security Contributions .....	237,600
For Group Insurance .....	1,174,500
For Contractual Services.....	<u>5,880,400</u>
Total .....	\$13,670,100
(P.A. 94-798, Art. 2, Sec. 10)	
Sec. 10. The following amounts or so much thereof as may be necessary, which shall be used by the Illinois State Board of Education exclusively for the foregoing purposes and not, under any circumstances, for personal services expenditures or other operational or administrative costs, are appropriated to the Illinois State Board of Education for the fiscal year beginning July 1, 2006:	
From the General Revenue Fund:	
For Mentoring, After School and Student Support Programs .....	<del>24,128,400</del> <u>25,823,400</u>
For Blind/Dyslexic Persons .....	518,800
For Charter Schools .....	3,421,500
For costs associated with the Chicago Aerospace Education Initiative .....	920,000
For Disabled Student Services/Materials .....	368,500,000
For Disabled Student Transportation Reimbursement.....	326,607,800
For Disabled Student Tuition, Private Tuition .....	109,080,000
For District Consolidation Costs/ Supplemental Payments to School Districts, 18-8.2, 18-18.3, 18-8.5, 18-8.05(l) of the School Code.....	7,850,000
For Extraordinary Special Education, 14-7.02 of the School Code.....	268,892,600
For the Illinois Governmental Internship Program .....	129,900
For Grants to Non-Profits and Community Organizations.....	3,260,000



For Grants for School Transportation.....	1,200,000
For Healthy Kids/Healthy Minds/ Expanded Vision .....	3,000,000
For Jobs for Illinois Grads .....	4,000,000
For the Metro East Consortium for Child Advocacy .....	217,100
For Parental Guardian Programs/ Transportation Reimbursement .....	14,454,700
For the Philip J. Rock Center and School .....	3,220,500
For Reimbursement for the Free Breakfast/ Lunch Program .....	21,000,000
For the School Breakfast Incentive Program.....	723,500
For South Cook Intermediate Service Center.....	300,000
For Standards, Assessments and Accountability .....	3,342,700
For Summer School Payments, 18-4.3 of the School Code .....	8,694,000
For Tax-Equivalent Grants, 18-4.4 of the School Code.....	222,600
For Textbook Loans, 18-17 of the School Code.....	29,126,500
For Transitional Assistance .....	11,800,000
For Transition of Minority Students.....	578,800
For Transportation-Regular/Vocational Common School Transportation Reimbursement, 29-5 of the School Code .....	286,118,000
For Visually Impaired/Educational Materials Coordinating Unit, 14-11.01 of the School Code .....	2,121,000
For Regular Education Reimbursement Per 18-3 of the School Code.....	13,130,000
For Special Education Reimbursement Per 14-7.03 of the School Code .....	79,400,000
For all costs associated with Alternative Education/Regional Safe Schools .....	18,535,500
For Truant Alternative and Optional Education Program .....	18,078,100
For costs associated with Teach for America.....	450,000
For grants to Local Education Agencies to conduct Agriculture Education Programs.....	<u>2,881,200</u>
Total.....	\$1,635,903,200
From the Education Assistance Fund:	
For Career and Technical Education .....	38,562,100
For the Early Childhood Block Grant .....	318,254,500
For General State Aid .....	833,560,000
For General State Aid – Hold Harmless.....	20,211,500
For the Reading Improvement Block Grant .....	76,139,800
For the School Safety and Educational Improvement Block Grant.....	74,841,000
For the Summer Bridges Program.....	22,238,100
For Teacher Education, <u>including prior year</u> <u>costs</u> .....	9,605,000
For the Illinois Teaching Excellence Program.....	135,000
For Technology for Success .....	<u>6,169,700</u>

Total .....	\$1,399,716,700
From the Common School Fund:	
For General State Aid .....	3,312,558,200
For Advanced Placement Classes .....	1,500,000
For Arts and Foreign Language Education, Pursuant to Section 105 ILCS 5/2-3.65a .....	4,000,000
For Grow Your Own Teachers .....	3,000,000
For Regional Superintendents' and Assistants' Compensation .....	8,150,000
Total .....	\$3,329,208,200
From the General Revenue Fund:	
For Regional Superintendent's Services .....	6,470,000
From the School District Emergency Financial Assistance Fund:	
For Emergency Financial Assistance, 1B-8 of the School Code .....	1,000,000
From the Drivers Education Fund:	
For Drivers Education .....	17,929,600
From the Charter Schools Revolving Loan Fund:	
For Charter Schools Loans .....	20,000
From the School Technology Revolving Loan Fund:	
For School Technology Loans, 2-3.117a of the School Code .....	5,000,000
From the Temporary Relocation Expenses Revolving Grant Fund:	
For Temporary Relocation Expenses, 2-3.77 of the School Code .....	1,400,000
From the State Board of Education Federal Agency Services Fund:	
For Learn and Serve America .....	2,500,000
From the State Board of Education Federal Agency Services Fund:	
For Refugee Services .....	2,000,000
From the State Board of Education Federal Department of Agriculture Fund:	
For Child Nutrition .....	475,000,000
From the State Board of Education Federal Department of Education Fund:	
For Title I .....	642,000,000
For Title I, Reading First .....	50,000,000
For Title II, Teacher/Principal Training .....	134,830,000
For Title III, English Language Acquisition .....	40,000,000
For Title IV, 21st Century/Community Service Programs .....	45,000,000
For Title IV, Safe and Drug Free Schools .....	20,000,000
For Title V, Innovation Programs .....	10,000,000
For Title VI, Rural and Low Income Students .....	1,500,000
For Title X, McKinney Homeless Assistance .....	3,250,000
For Enhancing Education through Technology .....	30,000,000
For Individuals with Disabilities Act, Deaf/Blind .....	380,000
For Individuals with Disabilities Act, IDEA .....	550,000,000
For Individuals with Disabilities Act, Improvement Program .....	2,500,000
For Individuals with Disabilities Act,	

Model Outreach Program Grants .....	400,000
For Individuals with Disabilities Act, Pre-School .....	25,000,000
For Grants for Vocational Education – Basic .....	50,000,000
For Grants for Vocational Education – Technical Preparation .....	5,000,000
For Charter Schools .....	2,500,000
For Transition to Teaching .....	1,000,000
For Advanced Placement Fee .....	2,000,000
For Math/Science Partnerships .....	9,000,000
For Special Federal Congressional Projects .....	5,000,000
Total .....	\$1,629,360,000

(P.A. 94-798, Art. 2, Sec. 22, new)

Sec. 22. The amount of \$863,000, or so much thereof as may be necessary and remains unexpended at the close of business on August 31, 2006, for appropriations heretofore made for such purpose in Article 82.1, Section 10 of Public Act 94-0015, is reappropriated from the Common School Fund to the Illinois State Board of Education for Arts Education.

Section 15. “AN ACT making appropriations,” Public Act 94-798, approved May 22, 2006, is amended by changing Section 120 of Article 6, as follows:

(P.A. 94-798, Art. 6, Sec. 120)

Sec. 120. The sum of \$300,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Illinois Community College Board for a grant to the Black United Fund of Illinois to provide assistance to minority students in completing their baccalaureate degrees for grants to community colleges for coordinators, recruiters, and related expenses.

Section 20. “AN ACT making appropriations,” Public Act 94-798, approved May 22, 2006, is amended by adding new Section 20 of Article 26, as follows:

(P.A. 94-798, Art. 26, Sec. 20, new)

Sec. 20. The amount of \$100,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Office of the State Treasurer for costs associated with transitional expenses.

Section 21. “AN ACT making appropriations,” Public Act 94-798, approved May 22, 2006, is amended by changing Sections 5, 10, 15, 20, and 25 of Article 28, as follows:

(P.A. 94-798, Art. 28, Sec. 5)

Sec. 5. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the State Comptroller to pay the elected State officers of the Executive Branch of the State Government, at various rates prescribed by law:

For the Governor .....	158,000	<del>450,700</del>
For the Lieutenant Governor .....	120,800	<del>415,300</del>
For the Secretary of State .....	139,400	<del>433,000</del>
For the Attorney General .....	139,400	<del>433,000</del>
For the Comptroller .....	120,800	<del>415,300</del>
For the State Treasurer .....	120,800	<del>415,300</del>
Total .....	\$799,200	<del>\$762,600</del>

(P.A. 94-798, Art. 28, Sec. 10)

Sec. 10. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the State Comptroller to pay certain appointed officers of the Executive Branch of the State Government, at the various rates prescribed by law:

	From General Revenue Fund	
	Department on Aging	
For the Director .....	105,000	102,200
	Department of Agriculture	
For the Director .....	121,000	117,800
For the Assistant Director .....	102,700	100,000
	Department of Central Management Services	
For the Director .....	129,200	125,800
For 2 Assistant Directors .....	219,700	213,900
	Department of Children and Family Services	
For the Director .....	134,000	<del>428,100</del>

Department of Corrections		
For the Director.....	<u>134,000</u>	<u>428,100</u>
For the Assistant Director.....	<u>116,000</u>	<u>412,900</u>
Department of Commerce and Economic Opportunity		
For the Director.....	<u>129,200</u>	<u>425,800</u>
For the Assistant Director.....	<u>109,900</u>	<u>407,000</u>
Environmental Protection Agency		
For the Director.....	<u>121,000</u>	<u>417,800</u>
Department of Financial and Professional Regulation		
For the Secretary.....		125,800
For the Director.....	<u>105,000</u>	<u>402,200</u>
For the Director.....	<u>121,000</u>	<u>417,800</u>
For the Director.....	<u>112,700</u>	<u>409,700</u>
Department of Human Services		
For the Secretary.....	<u>134,000</u>	<u>428,100</u>
For 2 Assistant Secretaries.....	<u>231,800</u>	<u>225,700</u>
Department of Juvenile Justice		
For the Director.....		112,900
Department of Labor		
For the Director.....	<u>112,700</u>	<u>409,700</u>
For the Assistant Director.....	<u>102,700</u>	<u>400,000</u>
For the Chief Factory Inspector.....	<u>46,500</u>	<u>44,400</u>
For the Superintendent of Safety Inspection and Education.....	<u>51,200</u>	<u>48,800</u>
Department of State Police		
For the Director.....	<u>120,300</u>	<u>417,200</u>
For the Assistant Director.....	<u>102,700</u>	<u>400,000</u>
Department of Military Affairs		
For the Adjutant General.....	<u>105,500</u>	<u>402,200</u>
For two Chief Assistants to the Adjutant General.....	<u>178,800</u>	<u>474,100</u>
Department of Natural Resources		
For the Director.....	<u>121,000</u>	<u>417,800</u>
For the Assistant Director.....	<u>102,700</u>	<u>400,000</u>
For six Mine Officers.....	<u>83,700</u>	<u>79,800</u>
For four Miners' Examining Officers.....	<u>46,000</u>	<u>43,900</u>
Illinois Labor Relations Board		
For the Chairman.....	<u>93,000</u>	<u>88,700</u>
For four State Labor Relations Board members.....	<u>334,500</u>	<u>319,200</u>
For two Local Labor Relations Board members.....	<u>167,300</u>	<u>159,600</u>
Department of Healthcare and Family Services		
For the Director.....	<u>129,200</u>	<u>425,800</u>
For the Assistant Director.....	<u>109,900</u>	<u>407,000</u>
Department of Public Health		
For the Director.....	<u>134,000</u>	<u>428,100</u>
For the Assistant Director.....	<u>116,000</u>	<u>412,900</u>
Department of Revenue		
For the Director.....	<u>129,200</u>	<u>425,800</u>
For the Assistant Director.....	<u>109,900</u>	<u>407,000</u>
Property Tax Appeal Board		
For the Chairman.....	<u>57,700</u>	<u>55,000</u>
For four members.....	<u>185,800</u>	<u>477,300</u>
Department of Veterans' Affairs		
For the Director.....	<u>105,000</u>	<u>402,200</u>
For the Assistant Director.....	<u>89,500</u>	<u>87,100</u>
Civil Service Commission		
For the Chairman.....	<u>27,700</u>	<u>26,900</u>

For four members .....	88,400	82,400
Commerce Commission		
For the Chairman .....	119,400	113,900
For four members .....	416,800	397,700
Court of Claims		
For the Chief Judge .....	57,900	55,200
For the six Judges .....	320,100	305,400
State Board of Elections		
For the Chairman .....	52,100	49,700
For the Vice-Chairman .....	42,800	40,800
For six members .....	200,700	191,500
Illinois Emergency Management Agency		
For the Director .....	105,000	102,200
For the Assistant Director .....	105,000	102,200
Department of Human Rights		
For the Director .....	105,000	102,200
Human Rights Commission		
For the Chairman .....	46,500	44,400
For twelve members .....	501,700	478,700
Illinois Workers' Compensation Commission		
For the Chairman .....	111,500	106,400
For nine members .....	960,100	916,200
Liquor Control Commission		
For the Chairman .....	34,700	33,100
For six members .....	181,900	173,600
For the Secretary .....	33,500	32,000
For the Chairman and one member as designated by law, \$200 per diem for work on a license appeal commission .....		55,000
Executive Ethics Commission		
For nine members .....	301,100	287,300
Pollution Control Board		
For the Chairman .....	107,800	102,900
For four members .....	416,800	397,700
Prisoner Review Board		
For the Chairman .....	85,400	81,500
For fourteen members of the Prisoner Review Board .....	1,070,300	1,021,300
Secretary of State Merit Commission		
For the Chairman .....	15,400	14,700
For four members .....	46,000	43,900
Educational Labor Relations Board		
For the Chairman .....	93,000	88,700
For four members .....	334,500	319,200
Department of State Police		
For five members of the State Police Merit Board, <del>\$212</del> <del>\$202</del> per diem, whichever is applicable in accordance with law, for a maximum of 100 days each .....	105,800	101,000
Department of Transportation		
For the Secretary .....	134,000	128,100
For the Assistant Secretary .....	116,000	112,900
Office of Small Business Utility Advocate		
For the small business utility advocate .....		0
Total, General Revenue Fund		<u>\$11,691,600</u>
Office of the State Fire Marshal		<u>\$11,243,900</u>
For the State Fire Marshal:		

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From Fire Prevention Fund.....	<u>105,000</u>	<u>102,200</u>
Illinois Racing Board		
For eleven members of the Illinois Racing Board, \$300 per diem to a maximum <u>\$11,155</u> <del>40,640</del> as prescribed by law:		
From the Horse Racing Fund.....	<u>122,700</u>	<u>117,100</u>
Department of Employment Security		
Payable from Title III Social Security and Employment Service Fund:		
For the Director.....	<u>129,200</u>	<u>125,800</u>
For five members of the Board of Review.....		<u>75,000</u>
Total.....	<u>\$204,200</u>	<u>\$200,800</u>
Department of Financial and Professional Regulation		
Payable from Bank and Trust Company Fund:		
For the Director.....	<u>123,600</u>	<u>120,400</u>
Subtotals:		
General Revenue.....	<u>11,691,600</u>	<u>11,243,900</u>
Fire Prevention.....	<u>105,000</u>	<u>102,200</u>
Horse Racing.....	<u>122,700</u>	<u>117,100</u>
Bank and Trust Company Fund.....	<u>123,600</u>	<u>120,400</u>
Title III Social Security and Employment Service Fund.....	<u>204,200</u>	<u>200,800</u>
Total.....	<u>\$12,247,100</u>	<u>\$11,784,400</u>
(P.A. 94-798, Art. 28, Sec. 15)		
Sec. 15. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the State Comptroller to pay certain officers of the Legislative Branch of the State Government, at the various rates prescribed by law:		
Office of Auditor General		
For the Auditor General.....	<u>118,000</u>	<u>112,600</u>
For two Deputy Auditor Generals.....	<u>219,300</u>	<u>209,300</u>
Total.....	<u>\$337,300</u>	<u>\$321,900</u>
Officers and Members of General Assembly		
For salaries of the 118 members of the House of Representatives <u>at a base salary of \$57,619 for members of the 94<sup>th</sup> General Assembly and \$63,143 for members of the 95<sup>th</sup> General Assembly that includes the cost of living adjustments recommended by the Compensation Review Board's 2006 Report.....</u>	<u>7,245,800</u>	<u>6,914,300</u>
For salaries of the 59 members Of the Senate <u>at a base salary of \$57,619 for members of the 94<sup>th</sup> General Assembly and \$63,143 for members of the 95<sup>th</sup> General Assembly that includes the cost of living adjustments recommended by the Compensation Review Board's 2006 Report.....</u>	<u>3,683,300</u>	<u>3,514,800</u>
Total.....	<u>\$10,929,100</u>	<u>\$10,429,100</u>
For additional amounts, as prescribed by law, for party leaders in both chambers as follows:		
For the Speaker of the House, the President of the Senate and Minority Leaders of both Chambers.....	<u>98,000</u>	<u>93,600</u>
For the Majority Leader of the House.....	<u>20,800</u>	<u>19,800</u>
For the eleven assistant majority and minority leaders in the Senate.....	<u>202,300</u>	<u>193,000</u>

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For the twelve assistant majority and minority leaders in the House .....	<u>193,100</u>	<u>184,200</u>
For the majority and minority caucus chairmen in the Senate.....	<u>36,800</u>	<u>35,100</u>
For the majority and minority conference chairmen in the House.....	<u>32,200</u>	<u>30,700</u>
For the two Deputy Majority and the two Deputy Minority leaders in the House.....	<u>70,500</u>	<u>67,300</u>
For chairmen and minority spokesmen of standing committees in the Senate except the Rules Committee, the Committee on Committees and the Committee on the Assignment of Bills .....	<u>398,200</u>	<u>315,800</u>
For chairmen and minority spokesmen of standing and select committees in the House.....	<u>852,400</u>	<u>666,600</u>
Total.....	<u>\$1,904,300</u>	<u>\$1,606,100</u>
For per diem allowances for the members of the Senate, as provided by law .....		324,000
For per diem allowances for the members of the House, as provided by law .....		709,000
For mileage for all members of the General Assembly, as provided by law.....		<u>405,000</u>
Total.....		<u>\$1,438,000</u>
(P.A. 94-798, Art. 28, Sec. 20)		
Sec. 20. The following named amounts, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated to the State Comptroller in connection with the payment of salaries for officers of the Executive and Legislative Branches of State Government:		
For State Contribution to State Employees'		
Retirement System:		
From General Revenue Fund.....	<u>1,385,600</u>	<u>1,332,500</u>
From Horse Racing Fund .....	<u>14,200</u>	<u>13,500</u>
From Fire Prevention Fund .....	<u>12,200</u>	<u>11,800</u>
From Bank and Trust Company Fund .....	<u>14,300</u>	<u>13,900</u>
From Title III Social Security and Employment Service Fund .....	<u>23,600</u>	<u>23,200</u>
Savings and Residential Finance Regulatory Fund .....		0
Real Estate License Administration Fund.....		<u>0</u>
Total.....	<u>\$1,449,900</u>	<u>\$1,394,900</u>
For State Contribution to Social Security:		
From General Revenue Fund.....	<u>1,017,300</u>	<u>953,500</u>
From Horse Racing Fund.....	<u>9,500</u>	<u>9,000</u>
From Fire Prevention Fund.....	<u>7,500</u>	<u>7,400</u>
From Bank and Trust Company Fund.....	<u>7,700</u>	<u>7,600</u>
From Title III Social Security and Employment Service Fund .....		13,500
From Savings and Residential Finance Regulatory Fund.....		0
From Real Estate License Administration Fund.....		<u>0</u>
Total.....	<u>\$1,055,500</u>	<u>\$991,000</u>
For Group Insurance:		
From Fire Prevention Fund.....		14,500

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From Bank and Trust Company Fund.....	14,500
From Title III Social Security and Employment Service Fund.....	87,000
Savings and Residential Finance Regulatory Fund.....	0
Real Estate License Administration Fund.....	0
Total.....	\$116,000

(P.A. 94-798, Art. 28, Sec. 25)

Sec. 25. The amount of ~~\$486,600~~ ~~\$440,000~~, or so much thereof as may be necessary, is appropriated to the State Comptroller for contingencies in the event that any amounts appropriated in Sections 5 through 20 of this Article are insufficient and other expenses associated with the administration of Sections 5 through 20.

Section 23. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 5 of Article 30, as follows:

(P.A. 94-798, Art. 30, Sec. 5)

Sec. 5. The following named amounts, or so much thereof as may be necessary, are appropriated to the Department of Commerce and Economic Opportunity ~~State Comptroller~~ in connection with the Illinois Global Partnership Act:

From General Revenue Fund.....	2,500,000
From Agricultural Premium Fund.....	1,006,200
From International Tourism Fund.....	2,500,000
Total.....	\$6,006,200

Section 24. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 5 of Article 32, as follows:

(P.A. 94-798, Art. 32, Sec. 5)

Sec. 5. The following named sums, or so much thereof as may be necessary, respectively, are appropriated to the Supreme Court to pay the ordinary and contingent expenses of certain officers of the court system of Illinois as follows:

For Personal Services:

Judges' Salaries..... 149,003,200 ~~147,859,600~~

For Travel:

Judicial Officers..... 1,208,900

For State Contributions

to Social Security..... 2,160,500 ~~2,143,900~~

Total, this Section..... \$152,372,600 ~~\$151,212,400~~

Section 25. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 25 of Article 37, as follows:

(P.A. 94-798, Art. 37, Sec. 25)

Sec. 25. The following named amounts, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named are appropriated to the Department of Central Management Services:

#### BUREAU OF BENEFITS

##### PAYABLE FROM GENERAL REVENUE FUND

For Group Insurance.....	32,349,200
For payment of claims under the Representation and Indemnification in Civil Lawsuits Act.....	1,347,400
For auto liability, adjusting and administration of claims, loss control and prevention services, and auto liability claims.....	1,600,200
Total.....	\$35,296,800

##### PAYABLE FROM GROUP INSURANCE PREMIUM FUND

For expenses of Cost Containment Program.....	288,000
For Life Insurance Coverage As Elected By Members Per The State Employees Group Insurance Act of 1971.....	85,919,400

##### PAYABLE FROM HEALTH INSURANCE RESERVE FUND

For Expenses of a Cost Containment Program.....	158,900
For provisions of Health Care Coverage	



As Elected by Eligible Members Per The State Employees Group Insurance Act of 1971 .....	13,752,000
PAYABLE FROM WORKERS' COMPENSATION REVOLVING FUND	
For Personal Services .....	1,731,600
For Employee Retirement Contributions Paid by Employer .....	0
For State Contributions to State Employees' Retirement System .....	199,600
For State Contributions to Social Security .....	132,500
For Group Insurance .....	507,500
For Contractual Services.....	90,100
For Travel.....	15,000
For Commodities .....	9,000
For Printing .....	3,000
For Equipment.....	2,000
For Electronic Data Processing .....	10,900
For Telecommunications Services.....	19,000
For Operation of Automotive Equipment .....	400
Total .....	\$2,720,600
For administrative costs of claims services and payment of temporary total disability claims of any state agency or university employee .....	650,000
For payment of Workers' Compensation Act claims and contractual services in connection with said claims payments .....	119,598,100
<del>connection with said claims payments .....</del>	<del>108,200,000</del>

PAYABLE FROM THE GENERAL REVENUE FUND

<u>For deposit into the Workers' Compensation Revolving Fund for payment of Workers' Compensation Act claims and contractual services in connection with said claims payments.....</u>	<u>11,398,100</u>
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Expenditures from appropriations for treatment and expense may be made after the Department of Central Management Services has certified that the injured person was employed and that the nature of the injury is compensable in accordance with the provisions of the Workers' Compensation Act or the Workers' Occupational Diseases Act, and then has determined the amount of such compensation to be paid to the injured person.

PAYABLE FROM STATE EMPLOYEES DEFERRED COMPENSATION FUND

For expenses related to the administration of the State Employees Deferred Compensation Plan.....	1,698,300
Section 30. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 5 of Article 38, as follows:	

(P.A. 94-798, Art. 38, Sec. 5)

Sec. 5. The following named amounts, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated from the General Revenue Fund to meet the ordinary and contingent expenses of the State Civil Service Commission:

For Personal Services .....	232,600
For Employee Retirement Contributions Paid by Employer .....	0
For State Contributions to State Employees' Retirement System .....	26,800
For State Contributions to Social Security .....	17,100
For Contractual Services.....	<u>77,400</u> <del>55,400</del>
For Travel.....	35,600

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For Commodities .....	3,900
For Printing .....	1,200
For Equipment .....	1,000
For Telecommunications Services.....	7,500
Total .....	<u>\$403,100</u> <del>\$381,100</del>

Section 33. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 135 of Article 39, as follows:

(P.A. 94-798, Art. 39, Sec. 135)

Sec. 135. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of Commerce and Economic Opportunity:

Payable from the General Revenue Fund:

<u>For all costs associated with the Southern Illinois</u>	
Economic Development Authority .....	500,000
For all costs associated with the Central Illinois Economic Development Authority .....	500,000
For all costs associated with Lifelong Learning Accounts.....	400,000
For a grant associated with Illinois Manufacturers' Association .....	2,000,000
For a grant associated with Chicago Rehabilitation Network Technical Assistance .....	200,000
For a grant associated with the Anticipatory Design Science Center .....	100,000
For all costs associated with the Mid-America Medical District .....	250,000
For a grant to the Coalition for United Community Action .....	400,000
For grants, contracts and administrative expenses associated with the expanding employment opportunities for minorities and targeted populations in construction trades	6,250,000
For grants to local governments for infrastructure improvements and economic development purposes .....	9,100,000
For grants to units of local government, for profit organizations, not-for-profit organizations, community organizations and educational facilities for all costs associated with operational expenses and infrastructure improvements including but not limited to planning, construction, reconstruction, renovation, equipment, vehicles, other capital and related expenses, and for all costs associated with economic development programs, educational and training programs, social service programs, and public health and safety programs.....	3,634,000
For grants to units of local government, for profit organizations, not-for-profit organizations, community organizations and educational facilities for all costs associated with operational expenses and infrastructure improvements including but not limited to planning, construction, reconstruction, renovation,	

equipment, vehicles, other capital and related expenses, and for all costs associated with economic development programs, educational and training programs, social service programs, and public health and safety programs..... 7,437,800

Total ..... \$30,271,800

(Source: P.A. 94-798, eff. 7-1-06.)

Section 35. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by adding new Section 45 of Article 40, as follows:

(P.A. 94-798, Art. 40, Sec. 45, new)

Section 45. The sum of \$300,000, or so much thereof as may be necessary, is appropriated from the Public Utility Fund to the Illinois Commerce Commission for costs associated with the implementation of House Bill 4977 of the 94<sup>th</sup> General Assembly, which establishes the Office of Retail Market Development. This Section is operative only if House Bill 4977 of the 94<sup>th</sup> General Assembly becomes law.

Section 37. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 5 of Article 48, as follows:

(P.A. 94-798, Art. 48, Sec. 5)

Sec. 5. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated for the objects and purposes hereinafter named, to meet the ordinary and contingent expenses of the Historic Preservation Agency:

FOR OPERATIONS  
EXECUTIVE OFFICE

PAYABLE FROM GENERAL REVENUE FUND

For Personal Services .....	1,263,600
For State Contributions to State	
Employees' Retirement System.....	145,700
For State Contributions to Social Security .....	96,400
For Contractual Services.....	101,800
For Contractual Services.....	90,300
For Travel.....	12,900
For Commodities .....	6,300
For Printing .....	68,900
For Electronic Data Processing .....	39,800
For Telecommunications Services.....	21,700
For expenses related to or in support	
of the Amistad Commission .....	<del>250,000</del> 450,000
For expenses related to or in support	
of the Lincoln Bicentennial .....	500,000
Total .....	\$2,497,400

PAYABLE FROM ILLINOIS HISTORIC SITES FUND

For Contractual Services.....	55,000
For Commodities .....	1,000
For Printing .....	16,300
For Equipment .....	1,000
Total.....	\$73,300
For historic preservation programs	
administered by the Executive Office,	
only to the extent that funds are received	
through grants, and awards, or gifts .....	90,000

Section 40. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 20 of Article 54, as follows:

(P.A. 94-798, Art. 54, Sec. 20)

Sec. 20. The following named amounts, or so much thereof as may be necessary, are appropriated to the Department of Revenue as follows:

Payable from General Revenue Fund:

For the State's Share of County Supervisors of Assessments' or

County Assessors' salaries, as provided by law .....	2,550,000	
For additional compensation for local assessors, as provided by Sections 2.3 and 2.6 of the "Revenue Act of 1939", as amended .....	500,000	
For additional compensation for local assessors, as provided by Section 2.7 of the "Revenue Act of 1939", as amended .....	702,000	
For additional compensation for county treasurers, pursuant to Public Act 84-1432, as amended .....	663,000	
For the State's Share of State's Attorneys' And Assistant State's Attorneys' salaries, Including prior years costs.....	12,372,700	
For the annual stipend for Sheriffs as Provided in subsection (d) of Section 4-6300 and Section 4-8002 of the Counties Code.....	663,000	
For the annual stipend to county Coroners pursuant to 55 ILCS 5/4-6002 Including prior years costs.....	663,000	
For the State's Share of county Public Defenders' salaries Pursuant to 55 ILCS 5/3-4007 .....	5,400,000	<del>3,700,000</del>
Total .....	<u>\$23,513,700</u>	<u><del>\$21,813,700</del></u>
Payable from State and Local Sales Tax Reform Fund:		
For Allocation to Chicago for additional 1.25% Use Tax Pursuant to P.A. 86-0928.....	46,386,400	
Payable from Local Government Distributive Fund:		
For Allocation to Local Governments of additional 1.25% Use Tax Pursuant to P.A. 86-0928 .....	123,489,700	
Payable from R.T.A. Occupation and Use Tax Replacement Fund:		
For Allocation to RTA for 10% of the 1.25% Use Tax Pursuant to P.A. 86-0928.....	23,193,200	
Payable from Senior Citizens' Real Estate Deferred Tax Revolving Fund:		
For Payments to Counties as Required by the Senior Citizens Real Estate Tax Deferral Act .....	5,900,000	
Payable from Illinois Tax Increment Fund:		
For Distribution to Local Tax Increment Finance Districts.....	21,076,600	
Section 45. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Sections 10, 70, and 80 by adding new Section 105 of Article 56, as follows: (P.A. 94-798, Art. 56, Sec. 10)		
Sec. 10. The sum of \$63,460,000, or so much thereof as may be necessary, is appropriated from the Department of Corrections Reimbursement and Education Fund to meet the ordinary and contingent expenses of the Department of Corrections described below and having the estimated cost as follows:		
For payment of expenses associated with School District Programs.....	15,000,000	

For payment of expenses associated with federal programs, including, but not limited to, construction of additional beds, treatment programs, and juvenile supervision .....	28,960,000
For payment of expenses associated with miscellaneous programs, including, but not limited to, medical costs, food expenditures, and various construction costs.....	19,500,000
Total .....	\$63,460,000

Payable From the General Revenue Fund:

For Sheriffs' Fees for Conveying Prisoners.....	374,900
For the State's share of Assistant State's Attorneys' salaries - reimbursement to counties pursuant to Chapter 53 of the Illinois Revised Statutes .....	418,200
For Repairs, Maintenance and Other Capital Improvements.....	1,087,300 1,323,300
Total .....	\$1,880,400 \$2,116,400

(P.A. 94-798, Art. 56, Sec. 70)

Sec. 70. The amount of \$6,250,000, or so much thereof as may be necessary, is appropriated to the Department of Corrections from the General Revenue Fund for a grant to Operation Ceasefire to be used in the following locations.

The City of Chicago:

The neighborhood of Auburn/Gresham .....	250,000
The neighborhood of Logan Square.....	250,000
The neighborhood of East Garfield .....	250,000
The neighborhood of Grand Boulevard.....	250,000
The neighborhood of Rogers Park.....	250,000
The neighborhood of Roseland .....	250,000
The neighborhood of Humboldt Park.....	250,000
The neighborhood of Pilsen and Little Village.....	250,000
The neighborhood of Lawndale and Garfield .....	250,000
The neighborhood of Woodlawn.....	250,000
The neighborhood of Englewood .....	250,000
The neighborhood of Westlawn .....	250,000
The neighborhood of Chicago Lawn.....	250,000
The neighborhood of Brighton Park .....	250,000
The neighborhood of Albany Park .....	250,000
<del>The neighborhood of Foss Park.....</del>	<del>250,000</del>
The neighborhood of Austin.....	250,000
Total .....	\$4,000,000
<u>The township of Waukegan.....</u>	<u>250,000</u>
The City of Decatur .....	250,000
The City of North Chicago <del>Zion</del> .....	250,000
The City of Aurora.....	250,000
The Cities of Cicero and Berwyn .....	250,000
The City of Rockford.....	250,000
The City of Bellwood .....	250,000
The City of Maywood.....	250,000
The City of East St. Louis .....	250,000
Total .....	\$2,250,000

(P.A. 94-798, Art. 56, Sec. 80)

Sec. 80. The amount of \$1,500,000, or so much thereof as may be necessary, is appropriated to the Department of Corrections from the General Revenue Fund for expenses associated with the operation of the Franklin County Juvenile Detention Center, including a juvenile methamphetamine pilot program a juvenile methamphetamine

pilot program at the Franklin County Juvenile Detention Center.

(P.A. 94-798, Art. 56, Sec. 105 new)

Sec. 105. The amount of \$500,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Corrections for a grant to the Cook County Sheriff's Office for programs administered through the Department of Women's Justice Services, including but not limited to, mental health and drug rehabilitation issues.

Section 50. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 30 of and adding new Section 45 to Article 57, as follows:

(P.A. 94-798, Art. 57, Sec. 30)

Sec. 30. The sum of \$9,500,000, or so much thereof as may be necessary, is appropriated from the Department of Corrections Reimbursement and Education Fund to meet the ordinary and contingent expenses of the Department of Juvenile Justice described below and having the estimated cost as follows:

For payment of expenses associated with School District Programs.....	5,000,000
For payment of expenses associated with federal programs, including, but not limited to, construction of additional beds, treatment programs, and juvenile supervision .....	2,000,000
For payment of expenses associated with miscellaneous programs, including, but not limited to, medical costs, food expenditures, and various construction costs.....	2,500,000
Total .....	\$9,500,000

Payable from the General Revenue Fund:

<u>For Repairs, Maintenance and Other Capital Improvements.....</u>	<u>236,000</u>
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(P.A. 94-798, Art. 57, Sec. 45, new)

Sec. 45. The amounts appropriated for repairs and maintenance, and other capital improvements in Section 30 for repairs and maintenance, roof repairs and/or replacements, and miscellaneous capital improvements at the Department's various institutions are to include construction, reconstruction, improvements, repairs and installation of capital facilities, costs of planning, supplies, materials and all other expenses required for roof and other types of repairs and maintenance, capital improvements, and purchase of land.

No contract shall be entered into or obligation incurred for repairs and maintenance and other capital improvements from appropriations made in Section 30 of this Article until after the purposes and amounts have been approved in writing by the Governor.

Section 55. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 5 of Article 59, as follows:

(P.A. 94-798, Art. 59, Sec. 5)

Sec. 5. The following named sums, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated to meet the ordinary and contingent expenses of the Department of Military Affairs:

FOR OPERATIONS  
OFFICE OF THE ADJUTANT GENERAL

Payable from General Revenue Fund:

For Personal Services .....	807,000
For State Contributions to State Employees' Retirement System.....	93,200
For State Contributions to Social Security .....	61,900
For Contractual Services.....	14,400
For Travel.....	23,000
For Commodities .....	19,800
For Printing.....	2,800
For Equipment .....	4,900
For Electronic Data Processing .....	13,500

For Telecommunications Services.....	37,400
For Operation of Auto Equipment.....	23,800
For State Officer's Candidate School .....	700
For Lincoln's Challenge.....	3,116,700
For Lincoln's Challenge Allowances .....	<u>506,900</u>
Total.....	\$4,726,000
Payable from Federal Support Agreement Revolving Fund:	
Lincoln's Challenge .....	4,889,700
Lincoln's Challenge Allowances .....	<u>1,200,000</u>
Total.....	\$6,089,700
FACILITIES OPERATIONS	
Payable from General Revenue Fund:	
For Personal Services .....	5,146,000
For State Contributions to State	
Employees' Retirement System .....	593,100
For State Contributions to	
Social Security .....	393,800
For Contractual Services.....	<u>3,192,400</u> <del>4,992,400</del>
For Commodities .....	<u>102,700</u> <del>57,700</del>
For Equipment .....	<u>24,800</u>
Total.....	<u>\$9,452,800</u> <del>\$8,207,800</del>
Payable from Federal Support Agreement Revolving Fund:	
Army/Air Reimbursable Positions .....	<u>8,836,300</u>
Total.....	\$8,836,300
Section 57. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by adding changing Section 5 of Article 60, as follows:	

(P.A. 94-798, Art. 60, Sec. 5)

Sec 5. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of State Police for the following purposes:

DIVISION OF ADMINISTRATION

Payable from General Revenue Fund:	
For Personal Services .....	5,137,700
For State Contributions to State	
Employees' Retirement System .....	592,200
For State Contributions to	
Social Security .....	323,500
For Contractual Services.....	3,352,400
For Travel.....	23,600
For Commodities .....	532,100
For Printing .....	90,000
For Equipment .....	34,700
For Telecommunications Services.....	112,400
For Operation of Auto Equipment.....	300,000
For Contractual Services:	
For Payment of Tort Claims .....	28,000
For Refunds.....	2,000
For Expenses regarding implementation of the Juvenile Justice Reform provisions.....	174,700
For costs and expenses related to or in support of a public safety shared services center .....	2,140,200
For grants to State's Attorneys for expenses incurred in the videotaping of interrogations pursuant to Public Act 93-517 .....	<u>3,100,000</u>
For Repairs and Maintenance and Permanent Improvements .....	30,000

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Total .....	\$12,873,500
Payable from the State Police Wireless Service Emergency Fund:	
For costs associated with the administration and fulfillment of its responsibilities under the Wireless Emergency Telephone Safety Act .....	1,800,000
Payable from the State Police Vehicle Fund:	
For purchase of vehicles and accessories .....	8,400,000
Payable from the State Police Vehicle Maintenance Fund:	
For Operation of Auto .....	2,000,000

(Source: P.A. 94-798, eff. 7-1-06.)

Section 60. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 280 of Article 61, as follows:

(P.A. 94-798, Art. 61, Sec. 280)

Sec. 280. The sum of ~~\$1,900,000~~ ~~\$1,650,000~~, or so much thereof as may be necessary, is appropriated from the I-FLY Fund to the Department of Transportation for grants to the Quincy Regional Airport, the Decatur Airport, and the Williamson County Regional Airport, pursuant to the I-FLY Act.

Section 65. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 30 of Article 82 and adding new Section 90, as follows:

(P.A. 94-798, Art. 82, Sec. 30)

Sec. 30. In addition to any amounts heretofore appropriated, the following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of Healthcare and Family Services for Medical Assistance and Administrative Expenditures:

FOR MEDICAL ASSISTANCE UNDER THE ILLINOIS PUBLIC AID CODE, THE CHILDREN'S HEALTH INSURANCE PROGRAM ACT, AND THE COVERING ALL KIDS HEALTH INSURANCE ACT

Payable from Care Provider Fund for Persons With A Developmental Disability:	
For Administrative Expenditures .....	94,200
Payable from Long Term Care Provider Fund:	
For Skilled, Intermediate, and Other Related Long Term Care Services .....	795,328,300
For Administrative Expenditures .....	2,033,000
Total .....	\$797,361,300
Payable from Hospital Provider Fund:	
For Hospitals .....	2,430,400,000 1,215,200,000
For Medical Assistance Providers .....	0
Total .....	\$2,430,400,000 \$1,215,200,000

(P.A. 94-798, Art. 82, Sec. 90 new)

Section 90. The sum of \$765,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Healthcare and Family Services for costs associated with a 3% cost of doing business adjustment for at least the following line items in the fiscal year 2007 State budget effective January 1, 2007:

Medicaid therapies for 0-3 year olds.

Section 67. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Sections 101 and adding new Section 315 of Article 83 as follows:

(P.A. 94-798, Art. 83, Sec. 101)

Section 101. ~~The sum of \$32,800,000, or so much thereof as may be necessary, is appropriated from the Health and Human Services Medicaid Trust Fund to the Department of Human Services for grants and administrative expenses for services for persons with a mental illness or developmental disability.~~

~~Prior to January 1, 2007, no contract shall be entered into or obligations incurred for any expenditure from appropriation made in this Section of the Article. The sum of \$15,000,000, or so much thereof as may be necessary, respectively, for the purposes hereinafter named, are appropriated to the Department of Human Services for the following purposes:~~



Payable from the Health and Human Services

<u>Medicaid Trust Fund:</u>	
<u>For the Home Based Support Services Program</u>	
for services to additional children .....	1,500,000
<u>For the Home Based Support Services Program</u>	
for services to additional adults.....	4,500,000
<u>For additional Community Integrated Living</u>	
<u>Arrangement Placements for persons with</u>	
<u>developmental disabilities .....</u>	<u>3,000,000</u>
<u>For Community Based Mobile Crisis</u>	
<u>Teams for persons with</u>	
<u>developmental disabilities .....</u>	<u>1,000,000</u>
<u>For diversion, transition, and</u>	
<u>aftercare from institutional settings</u>	
for persons with a mental illness .....	3,500,000
<u>For the Children’s Mental Health</u>	
Partnership .....	1,500,000

(P.A. 94-798, Article 83, Sec. 315 new)

Section 315. The sum of \$3,377,800, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Human Services for costs associated with a 3% cost of doing business adjustment for at least the following line items in the fiscal year 2007 State budget effective January 1, 2007:

Early intervention therapy services and service coordination;

- Family case management;
- Domestic violence;
- Rape victims/prevention;
- Intensive Prenatal Performance Project;
- School-based health centers;
- Lekotek; and
- Centers for Independent Living.

Section 70. “AN ACT making appropriations,” Public Act 94-798, approved May 22, 2006, is amended by changing Section 95 and adding new Section 120 to Article 84, as follows:

(P.A. 94-798, Art. 84, Sec. 95)

Sec. 95. The following named amounts, or so much thereof as may be necessary, are appropriated to the Department of Public Health for the objects and purposes hereinafter named:

OFFICE OF POLICY, PLANNING AND STATISTICS

Payable from the General Revenue Fund:

For Personal Services .....	1,752,400
For State Contributions to State	
Employees’ Retirement System .....	202,000
For State Contributions to Social	
Security .....	131,500
For Contractual Services.....	25,400
For Travel.....	32,600
For Commodities .....	2,600
For Printing .....	300
For Equipment .....	4,800
For Telecommunications Services.....	29,600
For Expenses to establish program	
to provide scholarships to Allied	
Health Professionals .....	91,100
For operating expenses of the Center	
for Rural Health .....	441,700
For grants to public and private agencies	
for Residency Programs pursuant to the	
Family Practice Residency Act .....	776,000

For matching grants to Community Based Organizations for Comprehensive Primary Care .....	392,600
For grants to assist Community and Migrant Health Centers to expand service capacity and develop additional sites .....	392,600
For hospital grants to diversify services and convert to facilities that are less dependent on Acute Care Bed capacity .....	392,600
For expenses of the Adverse Pregnancy Outcomes Reporting Systems (APORS) Program .....	348,600
For expenses of State Cancer Registry, Including matching funds for National Cancer Institute grants .....	163,200
For grants for the Community Health Center Expansion Program .....	2,991,000
For expenses related to Public Act 94-0242 and the establishment of an adverse health care event reporting system .....	952,350
For grants to units of local government, not-for-profit organizations, community organizations and educational facilities for all costs associated with operations expenses, infrastructure improvements, and for all costs associated with educational and training programs, programs to improve health access and disease prevention, and provision of health care and dental services.....	1,500,000
For grants to units of local government, not-for-profit organizations, community organizations and educational facilities for all costs associated with operations expenses, infrastructure improvements, and for all costs associated with educational and training programs, programs to improve health access, and provision of health care and dental services.....	1,500,000
For deposit into the Heartsaver AED Fund .....	100,000
Total .....	\$12,222,950
Payable from Rural/Downstate Health Access Fund:	
For expenses associated with the Rural/Downstate Health Access Program .....	100,000
Payable from the Public Health Services Fund;	
For expenses related to Epidemiological Health Outcomes Investigations and Database Development .....	4,130,000
For expenses for Rural Health Center to expand the availability of Primary Health Care .....	2,000,000
For operational expenses to develop a Health Care Provider Recruitment and Retention Program .....	300,000
For grants to develop a Health Care Provider Recruitment and Retention Program .....	450,000

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For grants to develop a Health Professional Educational Loan Repayment Program.....	900,000
Total.....	\$7,880,000
Payable from Community Health Center Care Fund:	
For expenses for access to Primary Health Care Services Program per Family Practice Residency Act.....	1,000,000
Payable from Illinois Health Facilities Planning Fund:	
For expenses, including refunds, for Health Facilities Planning Board.....	1,734,500
Payable from Nursing Dedicated and Professional Fund:	
For expenses of the Nursing Education Scholarship Law.....	1,200,000
Payable from the Regulatory Evaluation and Basic Enforcement Fund:	
For Expenses of the Alternative Health Care Delivery Systems Program.....	75,000
Payable from the Tobacco Settlement Recovery Fund:	
For grants for the Community Health Center Expansion Program.....	3,000,000
For grants to units of local government, not-for-profit organizations, community organizations and educational facilities for all costs associated with operations expenses, infrastructure improvements, and for all costs associated with educational and training programs, programs to improve health access and disease prevention, and provision of health care and dental services.....	1,500,000
For grants to units of local government, not-for-profit organizations, community organizations and educational facilities for all costs associated with operations expenses, infrastructure improvements, and for all costs associated with educational and training programs, programs to improve health access, and provision of health care and dental services.....	1,500,000
Total.....	\$6,000,000
Payable from the Preventive Health and Health Services Block Grant Fund:	
For expenses of Preventive Health and Health Services Needs Assessment.....	1,406,700
Payable from Public Health Special State Projects Fund:	
For expenses associated with Health Outcomes Investigations and other public health programs.....	500,000
Payable from Illinois State Podiatric Disciplinary Fund:	
For expenses of the Podiatric Scholarship And Residency Act.....	100,000
Payable from the Public Health Federal Projects Fund:	
For expenses of Health Outcomes, Research, Policy and Surveillance.....	612,000
Payable from the Heartsaver AED Fund:	
For expenses associated with the Heartsaver AED Program.....	<u>125,000</u> <del>400,000</del>
(P.A. 94-798, Art. 84, Sec. 120, new)	

Section 120. The sum of \$200,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Public Health for a grant to HRDI for the purposes of AIDS Prevention.

Section 75. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by changing Section 15 of and adding new Section 17 to Article 89, as follows:

(P.A. 94-798, Art. 89, Sec. 15)

Sec. 15. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of Human Rights for the objects and purposes hereinafter enumerated:

DIVISION OF CHARGE PROCESSING

Payable from General Revenue Fund:

For Personal Services .....	4,313,800	4,413,800
For Employee Retirement Contributions		
Paid by Employer .....		0
For State Contributions to State		
Employees' Retirement System .....	497,600	474,100
For State Contributions to		
Social Security .....	330,200	314,700
For Contractual Services.....		39,400
For Travel.....		29,300
For Commodities .....		13,000
For Printing .....		1,300
For Equipment .....		20,000
For Telecommunications Services.....		50,000
Total.....	\$5,294,600	\$5,055,600

Payable from Special Projects Division Fund:

For Personal Services .....		1,585,600
For Employee Retirement Contributions		
Paid by Employer .....		0
For State Contributions to State		
Employees' Retirement System .....		182,700
For State Contributions to		
Social Security .....		121,300
For Group Insurance.....		464,000
For Contractual Services.....		183,000
For Travel.....		37,000
For Commodities .....		6,800
For Printing .....		9,300
For Equipment .....		9,600
For Telecommunications Services.....		7,000
Total.....		\$2,606,300

(P.A. 94-798, Art. 89, Sec. 17, new)

Section 17. The amount of \$700,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Human Rights for expenses relating to the investigation and processing of human rights cases.

Section 80. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by adding new Section 71 to Article 101, as follows:

(P.A. 94-798, Art. 101, Sec. 17, new)

Section 17. The sum of \$500,000, or so much thereof as may be necessary, is appropriated from the Road Fund to the Department of Transportation for engineering and construction costs of the extension of Oak Street between Hazelwood and Gerty Drives on the University of Illinois at Urbana-Champaign campus in Champaign County.

Section 85. "AN ACT making appropriations," Public Act 94-798, approved May 22, 2006, is amended by adding new Section 237 to Article 104, as follows:

(P.A. 94-798, Art. 104, Sec. 237, new)

Section 237. The sum of \$150,000,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Capital Development Board for school construction grants

pursuant to the School Construction Law.

Section 999. This Act takes effect immediately upon becoming law.”.

Under the rules, the foregoing **Senate Bill 241**, with House Amendments numbered 1 and 2, was referred to the Secretary’s Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 435

A bill for AN ACT concerning transportation.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 435

House Amendment No. 3 to SENATE BILL NO. 435

House Amendment No. 4 to SENATE BILL NO. 435

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 435**

AMENDMENT NO. 1. Amend Senate Bill 435 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by changing Sections 18a-100, 18a-101, 18a-105, 18a-500, and 18a-501 and by adding Sections 18a-308, 18a-309, 18a-310, 18a-311, 18a-312, 18a-313, 18a-314, and 18a-315 as follows:

(625 ILCS 5/18a-100) (from Ch. 95 1/2, par. 18a-100)

Sec. 18a-100. Definitions. As used in this Chapter: (1) "Commercial vehicle relocater" or "relocater" means any person or entity engaged in the business of removing trespassing vehicles from private property or damaged or disabled vehicles from public or private property by means of towing or otherwise, and thereafter relocating and storing such vehicles;

(2) "Commission" means the Illinois Commerce Commission;

(3) "Operator" means any person who, as an employee of a commercial vehicle relocater, removes trespassing vehicles from private property or damaged or disabled vehicles from public or private property by means of towing or otherwise. This term includes the driver of any vehicle used in removing a trespassing vehicle from private property, as well as any person other than the driver who assists in the removal of a trespassing vehicle from private property;

(4) "Operator's employment permit" means a license issued to an operator in accordance with Sections 18a-403 or 18a-405 of this Chapter;

(5) "Relocator's license" means a license issued to a commercial vehicle relocater in accordance with Sections 18a-400 or 18a-401 of this Chapter;

(6) "Dispatcher" means any person who, as an employee or agent of a commercial vehicle relocater, dispatches vehicles to or from locations from which operators perform removal activities; and

(7) "Dispatcher's employment permit" means a license issued to a dispatcher in accordance with Sections 18a-407 or 18a-408 of this Chapter.

(Source: P.A. 85-923.)

(625 ILCS 5/18a-101) (from Ch. 95 1/2, par. 18a-101)

Sec. 18a-101. Declaration of policy and delegation of jurisdiction. It is hereby declared to be the policy of the State of Illinois to supervise and regulate the commercial removal of trespassing vehicles from private property and damaged or disabled vehicles from public or private property, and the subsequent relocation and storage of such vehicles in such manner as to fairly distribute rights and responsibilities among vehicle owners, private property owners and commercial vehicle relocaters, and for this purpose the power and authority to administer and to enforce the provisions of this Chapter shall be vested in the Illinois Commerce Commission.

The General Assembly finds and declares that commercial vehicle relocation in the State of Illinois fundamentally affects the public interest and public welfare. It is the intent of the General Assembly, in

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this amendatory Act of the 95th General Assembly, to promote the public interest and the public welfare by regulating those who engage in commercial vehicle relocation in Illinois, in order to provide maximum safety for all persons who travel or otherwise use the public highways of this State.

(Source: P.A. 80-1459.)

(625 ILCS 5/18a-105) (from Ch. 95 1/2, par. 18a-105)

Sec. 18a-105. Exemptions. This Chapter shall not apply to the relocation of motorcycles. †

~~(1) Vehicles registered for a gross weight in excess of 10,000 pounds, or if the vehicle is not registered, with a gross weight in excess of 10,000 pounds including vehicle weight and maximum load; or~~

~~(2) Motorcycles.~~

Such relocation shall be governed by the provisions of Section 4-203 of this Code.

(Source: P.A. 85-923.)

(625 ILCS 5/18a-308 new)

Sec. 18a-308. Disclosure to vehicle owner or operator before towing of damaged or disabled vehicle commences.

(a) A commercial vehicle relocator or operator shall not commence the towing of a damaged or disabled vehicle without specific authorization from the vehicle owner or operator after the disclosures set forth in this Section.

(b) Every commercial vehicle relocator or operator shall, before towing a damaged or disabled vehicle, give to each vehicle owner or operator a written disclosure providing:

(1) The formal business name of the commercial vehicle relocator or its operator, as registered with the Illinois Secretary of State, and its business address and telephone number.

(2) The address of the location to which the vehicle shall be relocated by the operator.

(3) The cost of all relocation, storage, and any other fees, without limitation, that the commercial vehicle relocator or operator will charge for its services.

(4) An itemized description of the vehicle owner or operator's rights under this Code, as follows:

"As a customer, you also have the following rights under Illinois law:

(1) This written disclosure must be provided to you before your vehicle is towed, providing the business name, business address, address where the vehicle will be towed, and a reliable telephone number;

(2) Before towing, you must be advised of the price of all services;

(3) Upon your demand, a final invoice itemizing all charges, as well as any damage to the vehicle upon its receipt and return to you, must be provided;

(4) Upon your demand, your vehicle must be returned during business hours, upon your prompt payment of all reasonable fees;

(5) You have the right to pay all charges in cash or by major credit card;

(6) Upon your demand, you must be provided with proof of the existence of mandatory insurance insuring against all risks associated with the transportation and storage of your vehicle."

(c) The commercial vehicle relocator or operator shall provide a copy of the completed disclosure required by this Section to the vehicle owner or operator, before towing the damaged or disabled vehicle, and shall maintain an identical copy of the completed disclosure in its records for a minimum of 5 years after the transaction concludes.

(d) If the vehicle owner or operator is incapacitated, incompetent, or otherwise unable to knowingly accept receipt of the disclosure described in this Section, the commercial vehicle relocator or operator shall provide a completed copy of the disclosure to local law enforcement and, if known, the vehicle owner or operator's automobile insurance company.

(e) If the commercial vehicle relocator or operator fails to comply with the requirements of this Section, the commercial vehicle relocator or operator shall be prohibited from seeking any compensation whatsoever from the vehicle owner or operator, including but not limited to any towing, storage, or other incidental fees. Furthermore, if the commercial vehicle relocator or operator fails to comply with the requirements of this Section, any contracts entered into by the commercial vehicle relocator or operator and the vehicle owner or operator shall be deemed null, void, and unenforceable.

(625 ILCS 5/18a-309 new)

Sec. 18a-309. Disclosures to vehicle owners or operators; invoices.

(a) Upon demand of the vehicle owner or operator, the commercial vehicle relocator or operator shall provide an itemized final invoice that fairly and accurately documents the charges owed by the vehicle owner or operator for relocation of damaged or disabled vehicles. The final estimate or invoice shall accurately record in writing all of the items set forth in this Section.

(b) The final invoice shall show the formal business name of the commercial vehicle relocator or its

operator, as registered with the Illinois Secretary of State, its business address and telephone number, the date of the invoice, the odometer reading at the time the final invoice was prepared, the name of the vehicle owner or operator, and the description of the motor vehicle, including the motor vehicle identification number. In addition, the invoice shall describe any modifications made to the vehicle by the commercial vehicle relocater or operator, any observable damage to the vehicle upon its initial receipt by the commercial vehicle relocater or operator, and any observable damage to the vehicle at the time of its release to the vehicle owner or operator. The invoice shall itemize any additional charges and include those charges in the total presented to the vehicle owner or operator.

(c) A legible copy of the invoice shall be given to the vehicle owner or operator, and a legible copy shall be retained by the collision repair facility for a period of 5 years from the date of release of the vehicle. The copy may be retained in electronic format. Records may be stored at a separate location.

(625 ILCS 5/18a-310 new)

Sec. 18a-310. Disclosures to vehicle owners or operators; required signs. Every commercial vehicle relocater's or operator's storage facility that relocates or stores damaged or disabled vehicles shall post, in a prominent place on the business premises, one or more signs, readily visible to customers, in the following form:

YOUR CUSTOMER RIGHTS, YOU ARE ENTITLED BY LAW TO:

1. BEFORE TOWING, A WRITTEN DISCLOSURE STATING THE NAME OF THE TOWING AND STORAGE SERVICE, ITS BUSINESS ADDRESS AND TELEPHONE NUMBER, AND THE ADDRESS WHERE THE VEHICLE WAS TO BE TOWED.

2. BEFORE TOWING, THE PRICE OF ALL CHARGES FOR THE TOWING AND STORAGE OF YOUR VEHICLE.

3. UPON YOUR DEMAND FOR THE RETURN OF YOUR VEHICLE, A FINAL INVOICE ITEMIZING ALL CHARGES FOR TOWING, STORAGE, OR ANY OTHER SERVICES PROVIDED, AS WELL AS ANY DAMAGE IDENTIFIED TO THE VEHICLE AT THE TIME IT WAS TAKEN BY THE TOWING AND STORAGE FACILITY, AS WELL AS ANY DAMAGE TO THE VEHICLE IDENTIFIED UPON ITS RELEASE TO YOU.

4. THE RETURN OF YOUR VEHICLE, UPON YOUR DEMAND FOR ITS RETURN DURING BUSINESS HOURS AND YOUR PROMPT PAYMENT OF ALL REASONABLE FEES.

5. PAY ALL CHARGES IN CASH OR BY MAJOR CREDIT CARD.

6. UPON YOUR DEMAND, PROOF OF THE EXISTENCE OF INSURANCE, WHICH THE COMMERCIAL VEHICLE RELOCATOR MUST MAINTAIN TO INSURE AGAINST RISK OF DAMAGE TO YOUR VEHICLE IN TRANSIT AND WHILE IN STORAGE.

IF THE COMMERCIAL VEHICLE RELOCATOR HAS COMPLIED WITH THE ABOVE RIGHTS, YOU ARE REQUIRED, BEFORE TAKING THE VEHICLE FROM THE PREMISES, TO PAY FOR THE SERVICES PROVIDED BY THE COMMERCIAL VEHICLE RELOCATOR.

The first line of each sign shall be in letters not less than 1.5 inches in height, and the remaining lines shall be in letters not less than one-half inch in height.

(625 ILCS 5/18a-311 new)

Sec. 18a-311. Record keeping. Every commercial vehicle relocater and operator engaged in relocation or storage of damaged or disabled vehicles shall maintain copies of (i) all disclosures provided to vehicle owners or operators as required under Section 18a-308 and (ii) all invoices provided to vehicle owners or operators as required under Section 18a-309. The copies may be maintained in an electronic format, shall be kept for 5 years, and shall be available for inspection by the Attorney General.

(625 ILCS 5/18a-312 new)

Sec. 18a-312. Waiver or limitation of liability prohibited.

(a) Commercial vehicle relocaters or operators engaged in the relocation or storage of damaged or disabled vehicles shall be prohibited from including a clause in contracts for the relocation or storage of vehicles purporting to waive or limit the commercial vehicle relocater's or operator's liability under this Code, in tort or contract, or under any other cognizable cause of action available to the vehicle owner or operator.

(b) Commercial vehicle relocaters or operators are prohibited from requiring the vehicle owner or operator to sign or agree to any document purporting to waive or limit the commercial vehicle relocater's and operator's liability under this Code, in tort or contract, or under any other cognizable cause of action available to the vehicle owner or operator.

(c) Any contract, release, or other document purporting to waive or limit the commercial vehicle relocater's or operator's liability under this Code, in tort or contract, or under any other cognizable cause of action available to the vehicle owner or operator, shall be deemed null, void, and unenforceable.

(625 ILCS 5/18a-313 new)

Sec. 18a-313. Unlawful practice. Any commercial vehicle relocater or operator engaged in the relocation or storage of damaged or disabled vehicles who fails to comply with Sections 18a-308, 18a-309, 18a-310, 18a-312, or 18a-500 of this Code commits an unlawful practice within the meaning of the Consumer Fraud and Deceptive Business Practices Act.

(625 ILCS 5/18a-314 new)

Sec. 18a-314. Charges payable in cash or by major credit card. Any towing or storage charges accrued by the vehicle owner or operator shall be payable by the use of any major credit card, in addition to being payable in cash.

(625 ILCS 5/18a-315 new)

Sec. 18a-315. Mandatory insurance coverage.

(a) A commercial vehicle relocater or operator shall provide insurance coverage for all risks associated with the transportation of vehicles towed under this Chapter, as well as for areas where vehicles towed under this Chapter are impounded or otherwise stored, and shall adequately cover loss by fire, theft, or other risks.

(b) Upon the demand of the vehicle owner or operator, a commercial vehicle relocater or operator shall promptly supply proof of the existence of this insurance.

(c) Any person who fails to comply with the conditions and restrictions of this subsection shall be guilty of a Class C misdemeanor and shall be fined not less than \$100 nor more than \$500.

(625 ILCS 5/18a-500) (from Ch. 95 1/2, par. 18a-500)

Sec. 18a-500. Posting of rates. Every commercial vehicle relocater shall print and keep open to the public, all authorized rates and charges for towing, otherwise moving, and storing vehicles in connection with removal of unauthorized vehicles from private property or damaged or disabled vehicles from public or private property. Such rates and charges shall be clearly stated in terms of lawful money of the United States, and shall be posted in such form and manner, and shall contain such information as the Commission shall by regulation prescribe.

(Source: P.A. 80-1459.)

(625 ILCS 5/18a-501) (from Ch. 95 1/2, par. 18a-501)

Sec. 18a-501. Liens against relocated vehicles.

(a) Except as otherwise provided in subsection (b), any vehicle ~~Unauthorized vehicles~~ removed and stored by a commercial vehicle relocater in compliance with this Chapter shall be subject to a possessory lien for services pursuant to the Labor and Storage Lien (Small Amount) Act, and the provisions of Section 1 of that Act relating to notice and implied consent shall be deemed satisfied by compliance with Section 18a-302 and item (10) of Section 18a-300. In no event shall such lien be greater than the rate or rates established in accordance with item (6) of Section 18a-200. In no event shall such lien be increased or altered to reflect any charge for services or materials rendered in addition to those authorized by this Act. Every such lien shall be payable by use of any major credit card, in addition to being payable in cash. Upon receipt of a properly signed credit card receipt, a relocater shall become a holder in due course, and neither the holder of the credit card nor the company which issued the credit card may thereafter refuse to remit payment in the amount shown on the credit card receipt minus the ordinary charge assessed by the credit card company for processing the charge. The Commission may adopt regulations governing acceptance of credit cards by a relocater.

(b) A commercial vehicle relocater or operator that fails to comply with Sections 18a-300, 18a-301, 18a-302, 18a-304, 18a-308, 18a-309, 18a-310, 18a-311, 18a-312, or 18a-500 of this Code is barred from asserting a possessory or chattel lien for the amount of any fees claimed for any towing, storage, or other services provided.

(Source: P.A. 91-357, eff. 7-29-99.)

Section 10. The Consumer Fraud and Deceptive Business Practices Act is amended by changing Section 2Z as follows:

(815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)

Sec. 2Z. Violations of other Acts. Any person who knowingly violates the Automotive Repair Act, the Automotive Collision Repair Act, the Home Repair and Remodeling Act, the Dance Studio Act, the Physical Fitness Services Act, the Hearing Instrument Consumer Protection Act, the Illinois Union Label Act, the Job Referral and Job Listing Services Consumer Protection Act, the Travel Promotion Consumer Protection Act, the Credit Services Organizations Act, the Automatic Telephone Dialers Act, the Pay-Per-Call Services Consumer Protection Act, the Telephone Solicitations Act, the Illinois Funeral or Burial Funds Act, the Cemetery Care Act, the Safe and Hygienic Bed Act, the Pre-Need Cemetery Sales Act, the High Risk Home Loan Act, the Payday Loan Reform Act, the Mortgage Rescue Fraud Act, subsection (a) or (b) of Section 3-10 of the Cigarette Tax Act, the Payday Loan Reform Act,

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subsection (a) or (b) of Section 3-10 of the Cigarette Use Tax Act, the Electronic Mail Act, paragraph (6) of subsection (k) of Section 6-305 of the Illinois Vehicle Code, Section 18a-308, 18a-309, 18a-310, 18a-312, or 18a-500 of the Illinois Vehicle Code as provided in Section 18a-313 of that Code, Article 3 of the Residential Real Property Disclosure Act, the Automatic Contract Renewal Act, or the Personal Information Protection Act commits an unlawful practice within the meaning of this Act. (Source: P.A. 93-561, eff. 1-1-04; 93-950, eff. 1-1-05; 94-13, eff. 12-6-05; 94-36, eff. 1-1-06; 94-280, eff. 1-1-06; 94-292, eff. 1-1-06; 94-822, eff. 1-1-07.)".

**AMENDMENT NO. 3 TO SENATE BILL 435**

AMENDMENT NO. 3. Amend Senate Bill 435, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by changing Sections 1-100, 4-203, and 18a-105 and by adding Chapter 18d as follows:

(625 ILCS 5/1-100) (from Ch. 95 1/2, par. 1-100)

Sec. 1-100. Short Title. This Act may be cited as the Illinois Vehicle Code.

Portions of this Act may likewise be cited by a short title as follows:

Chapters 2, 3, 4 and 5: the Illinois Vehicle Title & Registration Law.

Chapter 6: the Illinois Driver Licensing Law.

Chapter 7: the Illinois Safety and Family Financial Responsibility Law.

Chapter 11: the Illinois Rules of the Road.

Chapter 12: the Illinois Vehicle Equipment Law.

Chapter 13: the Illinois Vehicle Inspection Law.

Chapter 14: the Illinois Vehicle Equipment Safety Compact.

Chapter 15: the Illinois Size and Weight Law.

Chapter 17: the Illinois Highway Safety Law.

Chapter 18a: the Illinois Commercial Relocation of Trespassing Vehicles Law.

Chapter 18b: the Illinois Motor Carrier Safety Law.

Chapter 18c: the Illinois Commercial Transportation Law.

Chapter 18d: The Illinois Commercial Safety Towing Law.

(Source: P.A. 89-92, eff. 7-1-96.)

(625 ILCS 5/4-203) (from Ch. 95 1/2, par. 4-203)

Sec. 4-203. Removal of motor vehicles or other vehicles; Towing or hauling away.

(a) When a vehicle is abandoned, or left unattended, on a toll highway, interstate highway, or expressway for 2 hours or more, its removal by a towing service may be authorized by a law enforcement agency having jurisdiction.

(b) When a vehicle is abandoned on a highway in an urban district 10 hours or more, its removal by a towing service may be authorized by a law enforcement agency having jurisdiction.

(c) When a vehicle is abandoned or left unattended on a highway other than a toll highway, interstate highway, or expressway, outside of an urban district for 24 hours or more, its removal by a towing service may be authorized by a law enforcement agency having jurisdiction.

(d) When an abandoned, unattended, wrecked, burned or partially dismantled vehicle is creating a traffic hazard because of its position in relation to the highway or its physical appearance is causing the impeding of traffic, its immediate removal from the highway or private property adjacent to the highway by a towing service may be authorized by a law enforcement agency having jurisdiction.

(e) Whenever a peace officer reasonably believes that a person under arrest for a violation of Section 11-501 of this Code or a similar provision of a local ordinance is likely, upon release, to commit a subsequent violation of Section 11-501, or a similar provision of a local ordinance, the arresting officer shall have the vehicle which the person was operating at the time of the arrest impounded for a period of not more than 12 hours after the time of arrest. However, such vehicle may be released by the arresting law enforcement agency prior to the end of the impoundment period if:

(1) the vehicle was not owned by the person under arrest, and the lawful owner

requesting such release possesses a valid operator's license, proof of ownership, and would not, as determined by the arresting law enforcement agency, indicate a lack of ability to operate a motor vehicle in a safe manner, or who would otherwise, by operating such motor vehicle, be in violation of this Code; or

(2) the vehicle is owned by the person under arrest, and the person under arrest gives

permission to another person to operate such vehicle, provided however, that the other person possesses a valid operator's license and would not, as determined by the arresting law enforcement

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agency, indicate a lack of ability to operate a motor vehicle in a safe manner or who would otherwise, by operating such motor vehicle, be in violation of this Code.

(e-5) Whenever a registered owner of a vehicle is taken into custody for operating the vehicle in violation of Section 11-501 of this Code or a similar provision of a local ordinance or Section 6-303 of this Code, a law enforcement officer may have the vehicle immediately impounded for a period not less than:

- (1) 24 hours for a second violation of Section 11-501 of this Code or a similar provision of a local ordinance or Section 6-303 of this Code or a combination of these offenses; or
- (2) 48 hours for a third violation of Section 11-501 of this Code or a similar provision of a local ordinance or Section 6-303 of this Code or a combination of these offenses.

The vehicle may be released sooner if the vehicle is owned by the person under arrest and the person under arrest gives permission to another person to operate the vehicle and that other person possesses a valid operator's license and would not, as determined by the arresting law enforcement agency, indicate a lack of ability to operate a motor vehicle in a safe manner or would otherwise, by operating the motor vehicle, be in violation of this Code.

(f) Except as provided in Chapter 18a of this Code, the owner or lessor of privately owned real property within this State, or any person authorized by such owner or lessor, or any law enforcement agency in the case of publicly owned real property may cause any motor vehicle abandoned or left unattended upon such property without permission to be removed by a towing service without liability for the costs of removal, transportation or storage or damage caused by such removal, transportation or storage. The towing or removal of any vehicle from private property without the consent of the registered owner or other legally authorized person in control of the vehicle is subject to compliance with the following conditions and restrictions:

1. Any towed or removed vehicle must be stored at the site of the towing service's place of business. The site must be open during business hours, and for the purpose of redemption of vehicles, during the time that the person or firm towing such vehicle is open for towing purposes.

2. The towing service shall within 30 minutes of completion of such towing or removal, notify the law enforcement agency having jurisdiction of such towing or removal, and the make, model, color and license plate number of the vehicle, and shall obtain and record the name of the person at the law enforcement agency to whom such information was reported.

3. If the registered owner or legally authorized person entitled to possession of the vehicle shall arrive at the scene prior to actual removal or towing of the vehicle, the vehicle shall be disconnected from the tow truck and that person shall be allowed to remove the vehicle without interference, upon the payment of a reasonable service fee of not more than one half the posted rate of the towing service as provided in paragraph 6 of this subsection, for which a receipt shall be given.

4. The rebate or payment of money or any other valuable consideration from the towing service or its owners, managers or employees to the owners or operators of the premises from which the vehicles are towed or removed, for the privilege of removing or towing those vehicles, is prohibited. Any individual who violates this paragraph shall be guilty of a Class A misdemeanor.

5. Except for property appurtenant to and obviously a part of a single family residence, and except for instances where notice is personally given to the owner or other legally authorized person in control of the vehicle that the area in which that vehicle is parked is reserved or otherwise unavailable to unauthorized vehicles and they are subject to being removed at the owner or operator's expense, any property owner or lessor, prior to towing or removing any vehicle from private property without the consent of the owner or other legally authorized person in control of that vehicle, must post a notice meeting the following requirements:

- a. Except as otherwise provided in subparagraph a.1 of this subdivision (f)5, the notice must be prominently placed at each driveway access or curb cut allowing vehicular access to the property within 5 feet from the public right-of-way line. If there are no curbs or access barriers, the sign must be posted not less than one sign each 100 feet of lot frontage.

- a.1. In a municipality with a population of less than 250,000, as an alternative to the requirement of subparagraph a of this subdivision (f)5, the notice for a parking lot contained within property used solely for a 2-family, 3-family, or 4-family residence may be prominently placed at the perimeter of the parking lot, in a position where the notice is visible to the occupants of vehicles entering the lot.

- b. The notice must indicate clearly, in not less than 2 inch high light-reflective letters on a contrasting background, that unauthorized vehicles will be towed away at the owner's expense.

- c. The notice must also provide the name and current telephone number of the towing

service towing or removing the vehicle.

d. The sign structure containing the required notices must be permanently installed with the bottom of the sign not less than 4 feet above ground level, and must be continuously maintained on the property for not less than 24 hours prior to the towing or removing of any vehicle.

6. Any towing service that tows or removes vehicles and proposes to require the owner, operator, or person in control of the vehicle to pay the costs of towing and storage prior to redemption of the vehicle must file and keep on record with the local law enforcement agency a complete copy of the current rates to be charged for such services, and post at the storage site an identical rate schedule and any written contracts with property owners, lessors, or persons in control of property which authorize them to remove vehicles as provided in this Section. The towing and storage charges, however, shall not exceed the maximum allowed by the Illinois Commerce Commission under Section 18a-200.

7. No person shall engage in the removal of vehicles from private property as described in this Section without filing a notice of intent in each community where he intends to do such removal, and such notice shall be filed at least 7 days before commencing such towing.

8. No removal of a vehicle from private property shall be done except upon express written instructions of the owners or persons in charge of the private property upon which the vehicle is said to be trespassing.

9. Vehicle entry for the purpose of removal shall be allowed with reasonable care on the part of the person or firm towing the vehicle. Such person or firm shall be liable for any damages occasioned to the vehicle if such entry is not in accordance with the standards of reasonable care.

10. When a vehicle has been towed or removed pursuant to this Section, it must be released to its owner or custodian within one half hour after requested, if such request is made during business hours. Any vehicle owner or custodian or agent shall have the right to inspect the vehicle before accepting its return, and no release or waiver of any kind which would release the towing service from liability for damages incurred during the towing and storage may be required from any vehicle owner or other legally authorized person as a condition of release of the vehicle. A detailed, signed receipt showing the legal name of the towing service must be given to the person paying towing or storage charges at the time of payment, whether requested or not.

This Section shall not apply to law enforcement, firefighting, rescue, ambulance, or other emergency vehicles which are marked as such or to property owned by any governmental entity.

When an authorized person improperly causes a motor vehicle to be removed, such person shall be liable to the owner or lessee of the vehicle for the cost or removal, transportation and storage, any damages resulting from the removal, transportation and storage, attorney's fee and court costs.

Any towing or storage charges accrued shall be payable by the use of any major credit card, in addition to being payable in cash.

11. Towing companies shall also provide insurance coverage for areas where vehicles towed under the provisions of this Chapter will be impounded or otherwise stored, and shall adequately cover loss by fire, theft or other risks.

Any person who fails to comply with the conditions and restrictions of this subsection shall be guilty of a Class C misdemeanor and shall be fined not less than \$100 nor more than \$500.

(g) When a vehicle is determined to be a hazardous dilapidated motor vehicle pursuant to Section 11-40-3.1 of the Illinois Municipal Code, its removal and impoundment by a towing service may be authorized by a law enforcement agency with appropriate jurisdiction.

When a vehicle removal from either public or private property is authorized by a law enforcement agency, the owner of the vehicle shall be responsible for all towing and storage charges.

Vehicles removed from public or private property and stored by a commercial vehicle relocater or any other towing service in compliance with this Section and Sections 4-201 and 4-202 of this Code, or at the request of the vehicle owner or operator, shall be subject to a possessor lien for services pursuant to the Labor and Storage Lien (Small Amount) Act. The provisions of Section 1 of that Act relating to notice and implied consent shall be deemed satisfied by compliance with Section 18a-302 and subsection (6) of Section 18a-300. In no event shall such lien be greater than the rate or rates established in accordance with subsection (6) of Section 18a-200 of this Code. In no event shall such lien be increased or altered to reflect any charge for services or materials rendered in addition to those authorized by this Act. Every such lien shall be payable by use of any major credit card, in addition to being payable in cash.

Any personal property belonging to the vehicle owner in a vehicle subject to a lien under this subsection (g) shall likewise be subject to that lien, excepting only: food; medicine; perishable property;

any operator's licenses; any cash, credit cards, or checks or checkbooks; and any wallet, purse, or other property containing any operator's license or other identifying documents or materials, cash, credit cards, checks, or checkbooks.

No lien under this subsection (g) shall: exceed \$2,000 in its total amount; or be increased or altered to reflect any charge for services or materials rendered in addition to those authorized by this Act.

(Source: P.A. 94-522, eff. 8-10-05; 94-784, eff. 1-1-07.)

(625 ILCS 5/18a-105) (from Ch. 95 1/2, par. 18a-105)

Sec. 18a-105. Exemptions. This Chapter shall not apply to the relocation of motorcycles. ~~÷~~

~~(1) Vehicles registered for a gross weight in excess of 10,000 pounds, or if the vehicle is not registered, with a gross weight in excess of 10,000 pounds including vehicle weight and maximum load; or~~

~~(2) Motorcycles.~~

Such relocation shall be governed by the provisions of Section 4-203 of this Code.  
(Source: P.A. 85-923.)

(625 ILCS 5/Chapter 18d heading new)

#### CHAPTER 18d. ILLINOIS COMMERCIAL SAFETY TOWING LAW

(625 ILCS 5/18d-101 new)

Sec. 18d-101. Short title. This Chapter may be cited as the Illinois Commercial Safety Towing Law.

(625 ILCS 5/18d-105 new)

Sec. 18d-105. Definitions. As used in this Chapter:

(1) "Commercial vehicle safety relocater" or "safety relocater" means any person or entity engaged in the business of removing damaged or disabled vehicles from public or private property by means of towing or otherwise, and thereafter relocating and storing such vehicles.

(2) "Commission" means the Illinois Commerce Commission.

(625 ILCS 5/18d-110 new)

Sec. 18d-110. The General Assembly finds and declares that commercial vehicle towing service in the State of Illinois fundamentally affects the public interest and public welfare. It is the intent of the General Assembly, in this amendatory Act of the 95th General Assembly, to promote the public interest and the public welfare by requiring similar basic consumer protections and fraud prevention measures that are required of other marketplace participants, including the disclosure of material terms and conditions of the service to consumers before consumers accept the terms and conditions. The General Assembly also intends that the provisions in this amendatory Act of the 95th General Assembly promote safety for all persons and vehicles that travel or otherwise use the public highways of this State. The General Assembly finds that it is in the public interest that persons whose vehicles are towed from the public highways know important basic information, such as where they can retrieve their vehicles and the cost to retrieve their vehicles, so that they can avoid vehicle deterioration and arrange for a prompt repair of the vehicles.

(625 ILCS 5/18d-115 new)

Sec. 18d-115. It shall be unlawful for any commercial vehicle safety relocater to operate in any county in which this chapter is applicable without a valid, current safety relocater's registration certificate issued by the Illinois Commerce Commission. The Illinois Commerce Commission shall issue safety relocater's registration certificates in accordance with administrative rules adopted by the Commission. The Commission may, at any time during the term of the registration certificate, make inquiry, into the licensee's management or conduct of business or otherwise, to determine that the provisions of this Chapter and the rules of the Commission adopted under this Chapter are being observed.

(625 ILCS 5/18d-120 new)

Sec. 18d-120. Disclosure to vehicle owner or operator before towing of damaged or disabled vehicle commences.

(a) A commercial vehicle safety relocater shall not commence the towing of a damaged or disabled vehicle without specific authorization from the vehicle owner or operator after the disclosures set forth in this Section.

(b) Every commercial vehicle safety relocater shall, before towing a damaged or disabled vehicle, give to each vehicle owner or operator a written disclosure providing:

(1) The formal business name of the commercial vehicle Safety relocater, as registered with the Illinois Secretary of State, and its business address and telephone number.

(2) The address of the location to which the vehicle shall be relocated.

(3) The cost of all relocation, storage, and any other fees, without limitation, that the commercial vehicle safety relocater will charge for its services.

(4) An itemized description of the vehicle owner or operator's rights under this Code, as follows:

"As a customer, you also have the following rights under Illinois law:

(1) This written disclosure must be provided to you before your vehicle is towed, providing the business name, business address, address where the vehicle will be towed, and a reliable telephone number;

(2) Before towing, you must be advised of the price of all services;

(3) Upon your demand, a final invoice itemizing all charges, as well as any damage to the vehicle upon its receipt and return to you, must be provided;

(4) Upon your demand, your vehicle must be returned during business hours, upon your prompt payment of all reasonable fees;

(5) You have the right to pay all charges in cash or by major credit card;

(6) Upon your demand, you must be provided with proof of the existence of mandatory insurance insuring against all risks associated with the transportation and storage of your vehicle."

(c) The commercial vehicle safety relocater shall provide a copy of the completed disclosure required by this Section to the vehicle owner or operator, before towing the damaged or disabled vehicle, and shall maintain an identical copy of the completed disclosure in its records for a minimum of 5 years after the transaction concludes.

(d) If the vehicle owner or operator is incapacitated, incompetent, or otherwise unable to knowingly accept receipt of the disclosure described in this Section, the commercial vehicle safety relocater shall provide a completed copy of the disclosure to local law enforcement and, if known, the vehicle owner or operator's automobile insurance company.

(e) If the commercial vehicle safety relocater fails to comply with the requirements of this Section, the commercial vehicle safety relocater shall be prohibited from seeking any compensation whatsoever from the vehicle owner or operator, including but not limited to any towing, storage, or other incidental fees. Furthermore, if the commercial vehicle Safety relocater or operator fails to comply with the requirements of this Section, any contracts entered into by the commercial Vehicle safety relocater and the vehicle owner or operator shall be deemed null, void, and unenforceable.

(625 ILCS 5/18d-125 new)

Sec. 18d-125. Disclosures to vehicle owners or operators; invoices.

(a) Upon demand of the vehicle owner or operator, the commercial vehicle safety relocater shall provide an itemized final invoice that fairly and accurately documents the charges owed by the vehicle owner or operator for relocation of damaged or disabled vehicles. The final estimate or invoice shall accurately record in writing all of the items set forth in this Section.

(b) The final invoice shall show the formal business name of the commercial vehicle safety relocater, as registered with the Illinois Secretary of State, its business address and telephone number, the date of the invoice, the odometer reading at the time the final invoice was prepared, the name of the vehicle owner or operator, and the description of the motor vehicle, including the motor vehicle identification number. In addition, the invoice shall describe any modifications made to the vehicle by the commercial vehicle safety relocater, any observable damage to the vehicle upon its initial receipt by the commercial vehicle safety relocater, and any observable damage to the vehicle at the time of its release to the vehicle owner or operator. The invoice shall itemize any additional charges and include those charges in the total presented to the vehicle owner or operator.

(c) A legible copy of the invoice shall be given to the vehicle owner or operator, and a legible copy shall be retained by the collision repair facility for a period of 5 years from the date of release of the vehicle. The copy may be retained in electronic format. Records may be stored at a separate location.

(d) Disclosure forms required in accordance with this Section 18d-120 must be approved by the Commission.

(625 ILCS 5/18d-130 new)

Sec. 18d-130. Disclosures to vehicle owners or operators; required signs. Every commercial vehicle safety relocater's storage facility that relocates or stores damaged or disabled vehicles shall post, in a prominent place on the business premises, one or more signs, readily visible to customers, in the following form:

YOUR CUSTOMER RIGHTS. YOU ARE ENTITLED BY LAW TO:

1. BEFORE TOWING, A WRITTEN DISCLOSURE STATING THE NAME OF THE TOWING AND STORAGE SERVICE, ITS BUSINESS ADDRESS AND TELEPHONE NUMBER, AND THE ADDRESS WHERE THE VEHICLE WAS TO BE TOWED.

2. BEFORE TOWING, THE PRICE OF ALL CHARGES FOR THE TOWING AND STORAGE OF YOUR VEHICLE.

3. UPON YOUR DEMAND FOR THE RETURN OF YOUR VEHICLE, A FINAL INVOICE

ITEMIZING ALL CHARGES FOR TOWING, STORAGE, OR ANY OTHER SERVICES PROVIDED, AS WELL AS ANY DAMAGE IDENTIFIED TO THE VEHICLE AT THE TIME IT WAS TAKEN BY THE TOWING AND STORAGE FACILITY, AS WELL AS ANY DAMAGE TO THE VEHICLE IDENTIFIED UPON ITS RELEASE TO YOU.

4. THE RETURN OF YOUR VEHICLE, UPON YOUR DEMAND FOR ITS RETURN DURING BUSINESS HOURS AND YOUR PROMPT PAYMENT OF ALL REASONABLE FEES.

5. PAY ALL CHARGES IN CASH OR BY MAJOR CREDIT CARD.

6. UPON YOUR DEMAND, PROOF OF THE EXISTENCE OF INSURANCE, WHICH THE COMMERCIAL VEHICLE SAFETY RELOCATOR MUST MAINTAIN TO INSURE AGAINST RISK OF DAMAGE TO YOUR VEHICLE IN TRANSIT AND WHILE IN STORAGE. IF THE COMMERCIAL VEHICLE SAFETY RELOCATOR HAS COMPLIED WITH THE ABOVE RIGHTS, YOU ARE REQUIRED, BEFORE TAKING THE VEHICLE FROM THE PREMISES, TO PAY FOR THE SERVICES PROVIDED BY THE COMMERCIAL VEHICLE RELOCATOR.

The first line of each sign shall be in letters not less than 1.5 inches in height, and the remaining lines shall be in letters not less than one-half inch in height.

(625 ILCS 5/18d-135 new)

Sec. 18d-135. Record keeping. Every commercial vehicle safety relocater engaged in relocation or storage of damaged or disabled vehicles shall maintain copies of (i) all disclosures provided to vehicle owners or operators as required under this Chapter and (ii) all invoices provided to vehicle owners or operators as required under this Chapter. The copies may be maintained in an electronic format, shall be kept for 5 years, and shall be available for inspection by the Illinois Commerce Commission.

Failure to provide requested documentation to the Illinois Commerce Commission within 3 business days of a request received from the Illinois Commerce Commission shall subject the commercial vehicle safety relocater to penalties imposed by the Illinois Commercial Commission. Penalties may include suspension of registration certificate and monetary fines up to \$1,000 for each violation.

(625 ILCS 5/18d-140 new)

Sec. 18d-140. Any vehicle used in connection with any commercial vehicle safety relocation service must have painted or firmly affixed to the vehicle on both sides of the vehicle in a color or colors vividly contrasting to the color of the vehicle the name, address, and telephone number of the safety relocater. The Commission shall prescribe reasonable rules and regulations pertaining to insignia to be painted or firmly affixed to vehicles.

(625 ILCS 5/18d-145 new)

Sec. 18d-145. Any vehicle used in connection with any commercial vehicle safety relocation service must carry in the power unit of the vehicle a certified copy of the currently effective safety relocater's registration certificate. Copies may be photographed, photocopied, or reproduced or printed by any other legible and durable process. Any person guilty of not causing to be displayed a copy of the safety relocater's registration certificate may in any hearing concerning the violation be excused from the payment of the penalty hereinafter provided upon a showing that the registration certificate was issued by the Commission, but was subsequently lost or destroyed.

(625 ILCS 5/18d-150 new)

Sec. 18d-150. Waiver or limitation of liability prohibited.

(a) Commercial vehicle safety relocaters engaged in the relocation or storage of damaged or disabled vehicles shall be prohibited from including a clause in contracts for the relocation or storage of vehicles purporting to waive or limit the commercial vehicle safety relocater's liability under this Code, in tort or contract, or under any other cognizable cause of action available to the vehicle owner or operator.

(b) Commercial vehicle safety relocaters are prohibited from requiring the vehicle owner or operator to sign or agree to any document purporting to waive or limit the commercial vehicle safety relocater's liability under this Code, in tort or contract, or under any other cognizable cause of action available to the vehicle owner or operator.

(c) Any contract, release, or other document purporting to waive or limit the commercial vehicle safety relocater's liability under this Code, in tort or contract, or under any other cognizable cause of action available to the vehicle owner or operator, shall be deemed null, void, and unenforceable.

(625 ILCS 5/18d-155 new)

Sec. 18d-155. The Illinois Commerce Commission may request documentation or investigate business practices by a commercial vehicle safety relocater to determine compliance with this Chapter. Failure to comply with any Section of this Chapter, as determined by the Illinois Commerce Commission shall subject a commercial vehicle safety relocater to penalties imposed by the Illinois Commercial Commission. Penalties may include suspension of registration certificate and monetary fines up to \$1,000 for each violation.

(625 ILCS 5/18d-160 new)

Sec. 18d-160. Unlawful practice. Any commercial vehicle Safety relocater engaged in the relocation or storage of damaged or disabled vehicles who fails to comply with Sections 18d-115, 18d-120, 18d-125, 18d-130, 18d-135, or 18d-150 of this Code commits an unlawful practice within the meaning of the Consumer Fraud and Deceptive Business Practices Act.

(625 ILCS 5/18d-165 new)

Sec. 18d-165. Charges payable in cash or by major credit card. Any towing or storage charges accrued by the vehicle owner or operator shall be payable by the use of any major credit card, in addition to being payable in cash.

(625 ILCS 5/18d-170 new)

Sec. 18d-170. Mandatory insurance coverage.

(a) A commercial vehicle safety relocater shall provide insurance coverage for all risks associated with the transportation of vehicles towed under this Chapter, as well as for areas where vehicles towed under this Chapter are impounded or otherwise stored, and shall adequately cover loss by fire, theft, or other risks.

(b) Upon the demand of the vehicle owner or operator, a commercial vehicle safety relocater shall promptly supply proof of the existence of this insurance.

(c) Any person who fails to comply with the conditions and restrictions of this subsection shall be fined not less than \$100 nor more than \$500.

(625 ILCS 5/18d-175 new)

Sec. 18d-175. Disposition of funds. All fees and fines collected by the Commission under this Chapter shall be paid into the Transportation Regulatory Fund in the State Treasury. The money in that fund shall be used to defray the expenses of the administration of this Chapter.

(625 ILCS 5/18d-180 new)

Sec. 18d-180. The provisions of this Chapter apply to all the activities of safety relocaters in any jurisdiction to which Chapter 18a of this Code applies in accordance with Section 18a-700.

Section 10. The Consumer Fraud and Deceptive Business Practices Act is amended by changing Section 2Z as follows:

(815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)

Sec. 2Z. Violations of other Acts. Any person who knowingly violates the Automotive Repair Act, the Automotive Collision Repair Act, the Home Repair and Remodeling Act, the Dance Studio Act, the Physical Fitness Services Act, the Hearing Instrument Consumer Protection Act, the Illinois Union Label Act, the Job Referral and Job Listing Services Consumer Protection Act, the Travel Promotion Consumer Protection Act, the Credit Services Organizations Act, the Automatic Telephone Dialers Act, the Pay-Per-Call Services Consumer Protection Act, the Telephone Solicitations Act, the Illinois Funeral or Burial Funds Act, the Cemetery Care Act, the Safe and Hygienic Bed Act, the Pre-Need Cemetery Sales Act, the High Risk Home Loan Act, the Payday Loan Reform Act, the Mortgage Rescue Fraud Act, subsection (a) or (b) of Section 3-10 of the Cigarette Tax Act, the Payday Loan Reform Act, subsection (a) or (b) of Section 3-10 of the Cigarette Use Tax Act, the Electronic Mail Act, paragraph (6) of subsection (k) of Section 6-305 of the Illinois Vehicle Code, Section 18d-115, 18d-120, 18d-125, 18d-135, or 18d-150 of the Illinois Vehicle Code, Article 3 of the Residential Real Property Disclosure Act, the Automatic Contract Renewal Act, or the Personal Information Protection Act commits an unlawful practice within the meaning of this Act.

(Source: P.A. 93-561, eff. 1-1-04; 93-950, eff. 1-1-05; 94-13, eff. 12-6-05; 94-36, eff. 1-1-06; 94-280, eff. 1-1-06; 94-292, eff. 1-1-06; 94-822, eff. 1-1-07.)

Section 99. Effective date. This Act takes effect July 1, 2008."

#### **AMENDMENT NO. 4 TO SENATE BILL 435**

AMENDMENT NO. 4. Amend Senate Bill 435, AS AMENDED, with reference to page and line numbers of House Amendment No. 3, on page 18, line 7, by replacing "collision repair facility" with "commercial vehicle safety relocater".

Under the rules, the foregoing **Senate Bill 435**, with House Amendments numbered 1, 3 and 4, was referred to the Secretary's Desk.

A message from the House by

[May 31, 2007]

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 705

A bill for AN ACT concerning criminal law.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 705

House Amendment No. 2 to SENATE BILL NO. 705

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 705**

AMENDMENT NO. 1. Amend Senate Bill 705 on page 1, line 17, by deleting "of or attempted use"; and

on page 1, by inserting immediately below line 21 the following:

"(2) Prescription theft is a Class 3 felony if the person has previously been convicted of theft or retail theft."; and

on page 1, line 22, by replacing "(2)" with "(3)"; and

on page 2, line 1, by replacing "3" with "2".

**AMENDMENT NO. 2 TO SENATE BILL 705**

AMENDMENT NO. 2. Amend Senate Bill 705, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Controlled Substances Act is amended by changing Sections 406 and 410 and by adding Section 406.2 as follows:

(720 ILCS 570/406) (from Ch. 56 1/2, par. 1406)

Sec. 406. (a) It is unlawful for any person:

(1) who is subject to Article III knowingly to distribute or dispense a controlled substance in violation of Sections 308 through 314 of this Act; or

(2) who is a registrant, to manufacture a controlled substance not authorized by his registration, or to distribute or dispense a controlled substance not authorized by his registration to another registrant or other authorized person; or

(3) to refuse or fail to make, keep or furnish any record, notification, order form, statement, invoice or information required under this Act; or

(4) to refuse an entry into any premises for any inspection authorized by this Act; or

(5) knowingly to keep or maintain any store, shop, warehouse, dwelling, building, vehicle, boat, aircraft, or other structure or place, which is resorted to by a person unlawfully possessing controlled substances, or which is used for possessing, manufacturing, dispensing or distributing controlled substances in violation of this Act.

Any person who violates this subsection (a) is guilty of a Class A misdemeanor for the first offense and a Class 4 felony for each subsequent offense. The fine for each subsequent offense shall not be more than \$100,000. In addition, any practitioner who is found guilty of violating this subsection (a) is subject to suspension and revocation of his professional license, in accordance with such procedures as are provided by law for the taking of disciplinary action with regard to the license of said practitioner's profession.

(b) It is unlawful for any person knowingly:

(1) to distribute, as a registrant, a controlled substance classified in Schedule I or II, except pursuant to an order form as required by Section 307 of this Act; or

(2) to use, in the course of the manufacture or distribution of a controlled substance, a registration number which is fictitious, revoked, suspended, or issued to another person; or

(3) to acquire or obtain possession of a controlled substance by misrepresentation, fraud, forgery, deception or subterfuge; or

(4) to furnish false or fraudulent material information in, or omit any material

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information from, any application, report or other document required to be kept or filed under this Act, or any record required to be kept by this Act; or

(5) to make, distribute or possess any punch, die, plate, stone or other thing designed to print, imprint or reproduce the trademark, trade name or other identifying mark, imprint or device of another, or any likeness of any of the foregoing, upon any controlled substance or container or labeling thereof so as to render the drug a counterfeit substance; or

(6) ~~(blank) to possess without authorization, blank prescription forms or counterfeit prescription forms; or~~

(7) (Blank).

Any person who violates this subsection (b) is guilty of a Class 4 felony for the first offense and a Class 3 felony for each subsequent offense. The fine for the first offense shall be not more than \$100,000. The fine for each subsequent offense shall not be more than \$200,000.

(c) A person who knowingly or intentionally violates Section 316, 317, 318, or 319 is guilty of a Class A misdemeanor.

(Source: P.A. 91-576, eff. 4-1-00.)

(720 ILCS 570/406.2 new)

Sec. 406.2. Unauthorized possession of prescription form.

(a) A person commits the offense of unauthorized possession of prescription form when he or she knowingly:

(1) alters a properly issued prescription form;

(2) possesses without authorization a blank prescription form or counterfeit prescription form; or

(3) possesses a prescription form not issued by a licensed prescriber.

(b) Knowledge shall be determined by an evaluation of all circumstances surrounding possession of a blank prescription or possession of a prescription altered or not issued by a licensed prescriber.

(c) Sentence. Any person who violates subsection (a) is guilty of a Class 4 felony for the first offense and a Class 3 felony for each subsequent offense. The fine for the first offense shall be not more than \$100,000. The fine for each subsequent offense shall not be more than \$200,000.

(d) For the purposes of this Section, "licensed prescriber" means a prescriber as defined in this Act or an optometrist licensed under the Illinois Optometric Practice Act of 1987.

(720 ILCS 570/410) (from Ch. 56 1/2, par. 1410)

Sec. 410. (a) Whenever any person who has not previously been convicted of, or placed on probation or court supervision for any offense under this Act or any law of the United States or of any State relating to cannabis or controlled substances, pleads guilty to or is found guilty of possession of a controlled or counterfeit substance under subsection (c) of Section 402 or of unauthorized possession of prescription form under Section 406.2, the court, without entering a judgment and with the consent of such person, may sentence him to probation.

(b) When a person is placed on probation, the court shall enter an order specifying a period of probation of 24 months and shall defer further proceedings in the case until the conclusion of the period or until the filing of a petition alleging violation of a term or condition of probation.

(c) The conditions of probation shall be that the person: (1) not violate any criminal statute of any jurisdiction; (2) refrain from possessing a firearm or other dangerous weapon; (3) submit to periodic drug testing at a time and in a manner as ordered by the court, but no less than 3 times during the period of the probation, with the cost of the testing to be paid by the probationer; and (4) perform no less than 30 hours of community service, provided community service is available in the jurisdiction and is funded and approved by the county board.

(d) The court may, in addition to other conditions, require that the person:

(1) make a report to and appear in person before or participate with the court or such courts, person, or social service agency as directed by the court in the order of probation;

(2) pay a fine and costs;

(3) work or pursue a course of study or vocational training;

(4) undergo medical or psychiatric treatment; or treatment or rehabilitation approved by the Illinois Department of Human Services;

(5) attend or reside in a facility established for the instruction or residence of defendants on probation;

(6) support his dependents;

(6-5) refrain from having in his or her body the presence of any illicit drug prohibited by the Cannabis Control Act, the Illinois Controlled Substances Act, or the Methamphetamine Control and Community Protection Act, unless prescribed by a physician, and submit samples of his or her blood or urine or both for tests to determine the presence of any illicit

drug;

(7) and in addition, if a minor:

- (i) reside with his parents or in a foster home;
- (ii) attend school;
- (iii) attend a non-residential program for youth;
- (iv) contribute to his own support at home or in a foster home.

(e) Upon violation of a term or condition of probation, the court may enter a judgment on its original finding of guilt and proceed as otherwise provided.

(f) Upon fulfillment of the terms and conditions of probation, the court shall discharge the person and dismiss the proceedings against him.

(g) A disposition of probation is considered to be a conviction for the purposes of imposing the conditions of probation and for appeal, however, discharge and dismissal under this Section is not a conviction for purposes of this Act or for purposes of disqualifications or disabilities imposed by law upon conviction of a crime.

(h) There may be only one discharge and dismissal under this Section, Section 10 of the Cannabis Control Act, or Section 70 of the Methamphetamine Control and Community Protection Act with respect to any person.

(i) If a person is convicted of an offense under this Act, the Cannabis Control Act, or the Methamphetamine Control and Community Protection Act within 5 years subsequent to a discharge and dismissal under this Section, the discharge and dismissal under this Section shall be admissible in the sentencing proceeding for that conviction as evidence in aggravation.

(Source: P.A. 94-556, eff. 9-11-05.)"

Under the rules, the foregoing **Senate Bill No. 705**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1201

A bill for AN ACT concerning local government.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1201

House Amendment No. 2 to SENATE BILL NO. 1201

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1201**

AMENDMENT NO. 1. Amend Senate Bill 1201 on page 1, line 18, after the period, by inserting the following:

"Any property sold under this Section must be sold for fair market value."

**AMENDMENT NO. 2 TO SENATE BILL 1201**

AMENDMENT NO. 2. Amend Senate Bill 1201, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 3. The State Finance Act is amended by adding Sections 5.675 and 6z-69 as follows:

(30 ILCS 105/5.675 new)

Sec. 5.675. Comprehensive Regional Planning Fund.

(30 ILCS 105/6z-69 new)

Sec. 6z-69. Comprehensive Regional Planning Fund.

(a) As soon as possible after July 1, 2007, and on each July 1 thereafter, the State Treasurer shall transfer \$5,000,000 from the General Revenue Fund to the Comprehensive Regional Planning Fund.

(b) Subject to appropriation, the Illinois Department of Transportation shall make lump sum

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distributions from the Comprehensive Regional Planning Fund as soon as possible after each July 1 to the recipients and in the amounts specified in subsection (c). The recipients must use the moneys for comprehensive regional planning purposes.

(c) Each year's distribution under subsection (b) shall be as follows: (i) 70% to the Chicago Metropolitan Agency for Planning (CMAP); (ii) 25% to the State's other Metropolitan Planning Organizations (exclusive of CMAP), each Organization receiving a percentage equal to the percent its area population represents to the total population of the areas of all the State's Metropolitan Planning Organizations (exclusive of CMAP); and (iii) 5% to the State's Rural Planning Agencies, each Agency receiving a percentage equal to the percent its area population represents to the total population of the areas of all the State's Rural Planning Agencies.

Section 5. The Illinois Pension Code is amended by changing Sections 7-132 and 14-103.05 and by adding Sections 7-139.12 and 14-104.13 as follows:

(40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)

Sec. 7-132. Municipalities, instrumentalities and participating instrumentalities included and effective dates.

(A) Municipalities and their instrumentalities.

(a) The following described municipalities, but not including any with more than 1,000,000 inhabitants, and the instrumentalities thereof, shall be included within and be subject to this Article beginning upon the effective dates specified by the Board:

(1) Except as to the municipalities and instrumentalities thereof specifically excluded under this Article, every county shall be subject to this Article, and all cities, villages and incorporated towns having a population in excess of 5,000 inhabitants as determined by the last preceding decennial or subsequent federal census, shall be subject to this Article following publication of the census by the Bureau of the Census. Within 90 days after publication of the census, the Board shall notify any municipality that has become subject to this Article as a result of that census, and shall provide information to the corporate authorities of the municipality explaining the duties and consequences of participation. The notification shall also include a proposed date upon which participation by the municipality will commence.

However, for any city, village or incorporated town that attains a population over 5,000 inhabitants after having provided social security coverage for its employees under the Social Security Enabling Act, participation under this Article shall not be mandatory but may be elected in accordance with subparagraph (3) or (4) of this paragraph (a), whichever is applicable.

(2) School districts, other than those specifically excluded under this Article, shall be subject to this Article, without election, with respect to all employees thereof.

(3) Towns and all other bodies politic and corporate which are formed by vote of, or are subject to control by, the electors in towns and are located in towns which are not participating municipalities on the effective date of this Act, may become subject to this Article by election pursuant to Section 7-132.1.

(4) Any other municipality (together with its instrumentalities), other than those specifically excluded from participation and those described in paragraph (3) above, may elect to be included either by referendum under Section 7-134 or by the adoption of a resolution or ordinance by its governing body. A copy of such resolution or ordinance duly authenticated and certified by the clerk of the municipality or other appropriate official of its governing body shall constitute the required notice to the board of such action.

(b) A municipality that is about to begin participation shall submit to the Board an application to participate, in a form acceptable to the Board, not later than 90 days prior to the proposed effective date of participation. The Board shall act upon the application within 90 days, and if it finds that the application is in conformity with its requirements and the requirements of this Article, participation by the applicant shall commence on a date acceptable to the municipality and specified by the Board, but in no event more than one year from the date of application.

(c) A participating municipality which succeeds to the functions of a participating municipality which is dissolved or terminates its existence shall assume and be transferred the net accumulation balance in the municipality reserve and the municipality account receivable balance of the terminated municipality.

(d) In the case of a Veterans Assistance Commission whose employees were being treated by the Fund on January 1, 1990 as employees of the county served by the Commission, the Fund may continue to treat the employees of the Veterans Assistance Commission as county employees for the purposes of this Article, unless the Commission becomes a participating instrumentality in accordance with subsection

(B) of this Section.

(B) Participating instrumentalities.

(a) The participating instrumentalities designated in paragraph (b) of this subsection shall be included within and be subject to this Article if:

(1) an application to participate, in a form acceptable to the Board and adopted by a two-thirds vote of the governing body, is presented to the Board not later than 90 days prior to the proposed effective date; and

(2) the Board finds that the application is in conformity with its requirements, that the applicant has reasonable expectation to continue as a political entity for a period of at least 10 years and has the prospective financial capacity to meet its current and future obligations to the Fund, and that the actuarial soundness of the Fund may be reasonably expected to be unimpaired by approval of participation by the applicant.

The Board shall notify the applicant of its findings within 90 days after receiving the application, and if the Board approves the application, participation by the applicant shall commence on the effective date specified by the Board.

(b) The following participating instrumentalities, so long as they meet the requirements of Section 7-108 and the area served by them or within their jurisdiction is not located entirely within a municipality having more than one million inhabitants, may be included hereunder:

i. Township School District Trustees.

ii. Multiple County and Consolidated Health Departments created under Division 5-25 of the Counties Code or its predecessor law.

iii. Public Building Commissions created under the Public Building Commission Act, and located in counties of less than 1,000,000 inhabitants.

iv. A multitype, consolidated or cooperative library system created under the Illinois

Library System Act. Any library system created under the Illinois Library System Act that has one or more predecessors that participated in the Fund may participate in the Fund upon application. The Board shall establish procedures for implementing the transfer of rights and obligations from the predecessor system to the successor system.

v. Regional Planning Commissions created under Division 5-14 of the Counties Code or its predecessor law.

vi. Local Public Housing Authorities created under the Housing Authorities Act, located in counties of less than 1,000,000 inhabitants.

vii. Illinois Municipal League.

viii. Northeastern Illinois Metropolitan Area Planning Commission.

ix. Southwestern Illinois Metropolitan Area Planning Commission.

x. Illinois Association of Park Districts.

xi. Illinois Supervisors, County Commissioners and Superintendents of Highways Association.

xii. Tri-City Regional Port District.

xiii. An association, or not-for-profit corporation, membership in which is authorized under Section 85-15 of the Township Code.

xiv. Drainage Districts operating under the Illinois Drainage Code.

xv. Local mass transit districts created under the Local Mass Transit District Act.

xvi. Soil and water conservation districts created under the Soil and Water Conservation Districts Law.

xvii. Commissions created to provide water supply or sewer services or both under Division 135 or Division 136 of Article 11 of the Illinois Municipal Code.

xviii. Public water districts created under the Public Water District Act.

xix. Veterans Assistance Commissions established under Section 9 of the Military Veterans Assistance Act that serve counties with a population of less than 1,000,000.

xx. The governing body of an entity, other than a vocational education cooperative, created under an intergovernmental cooperative agreement established between participating municipalities under the Intergovernmental Cooperation Act, which by the terms of the agreement is the employer of the persons performing services under the agreement under the usual common law rules determining the employer-employee relationship. The governing body of such an intergovernmental cooperative entity established prior to July 1, 1988 may make participation retroactive to the effective date of the agreement and, if so, the effective date of participation shall be the date the required application is filed with the fund. If any such entity is unable to pay the required

employer contributions to the fund, then the participating municipalities shall make payment of the required contributions and the payments shall be allocated as provided in the agreement or, if not so provided, equally among them.

xxi. The Illinois Municipal Electric Agency.

xxii. The Waukegan Port District.

xxiii. The Fox Waterway Agency created under the Fox Waterway Agency Act.

xxiv. The Illinois Municipal Gas Agency.

xxv. The Kaskaskia Regional Port District.

xxvi. The Southwestern Illinois Development Authority.

xxvii. The Cairo Public Utility Company.

xxviii. Except with respect to employees who elect to participate in the State Employees' Retirement System of Illinois under Section 14-104.13 of this Code, the Chicago Metropolitan Agency for Planning created under the Regional Planning Act, provided that, with respect to the benefits payable pursuant to Sections 7-146, 7-150, and 7-164 and the requirement that eligibility for such benefits is conditional upon satisfying a minimum period of service or a minimum contribution, any employee of the Chicago Metropolitan Agency for Planning that was immediately prior to such employment an employee of the Chicago Area Transportation Study or the Northeastern Illinois Planning Commission, such employee's service at the Chicago Area Transportation Study or the Northeastern Illinois Planning Commission and contributions to the State Employees' Retirement System of Illinois established under Article 14 and the Illinois Municipal Retirement Fund shall count towards the satisfaction of such requirements.

(c) The governing boards of special education joint agreements created under Section 10-22.31 of the School Code without designation of an administrative district shall be included within and be subject to this Article as participating instrumentalities when the joint agreement becomes effective. However, the governing board of any such special education joint agreement in effect before September 5, 1975 shall not be subject to this Article unless the joint agreement is modified by the school districts to provide that the governing board is subject to this Article, except as otherwise provided by this Section.

The governing board of the Special Education District of Lake County shall become subject to this Article as a participating instrumentality on July 1, 1997. Notwithstanding subdivision (a)1 of Section 7-139, on the effective date of participation, employees of the governing board of the Special Education District of Lake County shall receive creditable service for their prior service with that employer, up to a maximum of 5 years, without any employee contribution. Employees may establish creditable service for the remainder of their prior service with that employer, if any, by applying in writing and paying an employee contribution in an amount determined by the Fund, based on the employee contribution rates in effect at the time of application for the creditable service and the employee's salary rate on the effective date of participation for that employer, plus interest at the effective rate from the date of the prior service to the date of payment. Application for this creditable service must be made before July 1, 1998; the payment may be made at any time while the employee is still in service. The employer may elect to make the required contribution on behalf of the employee.

The governing board of a special education joint agreement created under Section 10-22.31 of the School Code for which an administrative district has been designated, if there are employees of the cooperative educational entity who are not employees of the administrative district, may elect to participate in the Fund and be included within this Article as a participating instrumentality, subject to such application procedures and rules as the Board may prescribe.

The Boards of Control of cooperative or joint educational programs or projects created and administered under Section 3-15.14 of the School Code, whether or not the Boards act as their own administrative district, shall be included within and be subject to this Article as participating instrumentalities when the agreement establishing the cooperative or joint educational program or project becomes effective.

The governing board of a special education joint agreement entered into after June 30, 1984 and prior to September 17, 1985 which provides for representation on the governing board by less than all the participating districts shall be included within and subject to this Article as a participating instrumentality. Such participation shall be effective as of the date the joint agreement becomes effective.

The governing boards of educational service centers established under Section 2-3.62 of the School Code shall be included within and subject to this Article as participating instrumentalities. The governing boards of vocational education cooperative agreements created under the Intergovernmental Cooperation Act and approved by the State Board of Education shall be included within and be subject to this Article as participating instrumentalities. If any such governing boards or boards of control are

unable to pay the required employer contributions to the fund, then the school districts served by such boards shall make payment of required contributions as provided in Section 7-172. The payments shall be allocated among the several school districts in proportion to the number of students in average daily attendance for the last full school year for each district in relation to the total number of students in average attendance for such period for all districts served. If such educational service centers, vocational education cooperatives or cooperative or joint educational programs or projects created and administered under Section 3-15.14 of the School Code are dissolved, the assets and obligations shall be distributed among the districts in the same proportions unless otherwise provided.

(d) The governing boards of special recreation joint agreements created under Section 8-10b of the Park District Code, operating without designation of an administrative district or an administrative municipality appointed to administer the program operating under the authority of such joint agreement shall be included within and be subject to this Article as participating instrumentalities when the joint agreement becomes effective. However, the governing board of any such special recreation joint agreement in effect before January 1, 1980 shall not be subject to this Article unless the joint agreement is modified, by the districts and municipalities which are parties to the agreement, to provide that the governing board is subject to this Article.

If the Board returns any employer and employee contributions to any employer which erroneously submitted such contributions on behalf of a special recreation joint agreement, the Board shall include interest computed from the end of each year to the date of payment, not compounded, at the rate of 7% per annum.

(e) Each multi-township assessment district, the board of trustees of which has adopted this Article by ordinance prior to April 1, 1982, shall be a participating instrumentality included within and subject to this Article effective December 1, 1981. The contributions required under Section 7-172 shall be included in the budget prepared under and allocated in accordance with Section 2-30 of the Property Tax Code.

(f) The Illinois Medical District Commission created under the Illinois Medical District Act may be included within and subject to this Article as a participating instrumentality, notwithstanding that the location of the District is entirely within the City of Chicago. To become a participating instrumentality, the Commission must apply to the Board in the manner set forth in paragraph (a) of this subsection (B). If the Board approves the application, under the criteria and procedures set forth in paragraph (a) and any other applicable rules, criteria, and procedures of the Board, participation by the Commission shall commence on the effective date specified by the Board.

(C) Prospective participants.

Beginning January 1, 1992, each prospective participating municipality or participating instrumentality shall pay to the Fund the cost, as determined by the Board, of a study prepared by the Fund or its actuary, detailing the prospective costs of participation in the Fund to be expected by the municipality or instrumentality.

(Source: P.A. 93-777, eff. 7-21-04; 94-1046, eff. 7-24-06.)

(40 ILCS 5/7-139.12 new)

Sec. 7-139.12. Transfer of creditable service to Article 14. A person employed by the Chicago Metropolitan Agency for Planning (formerly the Regional Planning Board) on the effective date of this Section who was a member of the State Employees' Retirement System of Illinois as an employee of the Chicago Area Transportation Study may apply for transfer of his or her creditable service as an employee of the Chicago Metropolitan Agency for Planning upon payment of (1) the amounts accumulated to the credit of the applicant for such service on the books of the Fund on the date of transfer and (2) the corresponding municipality credits, including interest, on the books of the Fund on the date of transfer. Participation in this Fund with respect to the transferred credits shall terminate on the date of transfer.

(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.

A person employed by the Chicago Metropolitan Agency for Planning on the effective date of this amendatory Act of the 95th General Assembly who was a member of this System as an employee of the Chicago Area Transportation Study and makes an election under Section 14-104.13 to participate in this System for his or her employment with the Chicago Metropolitan Agency for Planning.

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;

(3.1) any person serving as a commissioner of an ethics commission created under the State Officials and Employees Ethics Act unless that person elects to participate in this system with respect to that service as a commissioner;

(3.2) any person serving as a part-time employee in any of the following positions:

Legislative Inspector General, Special Legislative Inspector General, employee of the Office of the Legislative Inspector General, Executive Director of the Legislative Ethics Commission, or staff of the Legislative Ethics Commission, regardless of whether he or she is in active service on or after July 8, 2004 (the effective date of Public Act 93-685), unless that person elects to participate in this System with respect to that service; in this item (3.2), a "part-time employee" is a person who is not required to work at least 35 hours per week;

(3.3) any person who has made an election under Section 1-123 and who is serving either as legal counsel in the Office of the Governor or as Chief Deputy Attorney General;

(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;

(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.

(c) An individual who represents or is employed as an officer or employee of a statewide labor organization that represents members of this System 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 within 6 months after the effective date of this amendatory Act of the 94th General Assembly, and (3) the individual does not receive credit for that employment under any other provisions of this Code. An employee under this subsection (c) is responsible for paying to the System both (i) employee contributions based on the actual compensation received for service with the labor organization and (ii) employer contributions based on the percentage of payroll certified by the board; 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 labor organization.

A person who is an employee as defined in this subsection (c) 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 (c) 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.

(Source: P.A. 93-685, eff. 7-8-04; 93-839, eff. 7-30-04; 93-1069, eff. 1-15-05; 94-1111, eff. 2-27-07.)

(40 ILCS 5/14-104.13 new)

Sec. 14-104.13. Chicago Metropolitan Agency for Planning; employee election.

(a) Within one year after the effective date of this Section, a person employed by the Chicago Metropolitan Agency for Planning (formerly the Regional Planning Board) on the effective date of this Section who was a member of this System as an employee of the Chicago Area Transportation Study may elect to participate in this System for his or her employment with the Chicago Metropolitan Agency for Planning.

(b) An employee who elects to participate in the System pursuant to subsection (a) may elect to transfer any creditable service earned by the employee under the Illinois Municipal Retirement Fund for his or her employment with the Chicago Metropolitan Agency for Planning (formerly the Regional Planning Board) upon payment to this System of the amount by which (1) the employer and employee contributions that would have been required if the employee had participated in this System during the period for which the credit under Section 7-139.12 is being transferred, plus interest thereon from the date of such participation to the date of payment, exceeds (2) the amounts actually transferred under Section 7-139.12 to this System.

Section 10. The Regional Planning Act is amended by changing Sections 5, 10, 15, 20, 25, 45, 55, 60, and 65 and by adding Sections 44, 47, 48, 51, 55, 61, 62, 63, and 65 as follows:

(70 ILCS 1707/5)

Sec. 5. Purpose. The General Assembly declares and determines that a streamlined, consolidated regional planning agency is necessary in order to plan for the most effective public and private investments in the northeastern Illinois region and to better integrate plans for land use and transportation. The purpose of this Act is to define and describe the powers and responsibilities of the Chicago Metropolitan Agency for Planning, a unit of government whose purpose it is to effectively address the development and transportation challenges in the northeastern Illinois region. It is the intent of the General Assembly to consolidate, through an orderly transition, the functions of the Northeastern Illinois Planning Commission (NIPC) and the Chicago Area Transportation Study (CATS) in order to address the development and transportation challenges in the northeastern Illinois region.

(Source: P.A. 94-510, eff. 8-9-05.)

(70 ILCS 1707/10)

Sec. 10. Definitions.

"Board" means the ~~Regional Planning Board~~ Chicago Metropolitan Agency for Planning.

"CMAP" means the Chicago Metropolitan Agency for Planning.

"CATS" means the ~~Chicago Area Transportation Study.~~

"CATS Policy Committee" means the ~~policy board of the Chicago Area Transportation Study.~~

"Chief elected county official" means the Board Chairman in DuPage, Kane, Kendall, Lake, and



McHenry Counties and the County Executive in Will County.

"Fiscal year" means the fiscal year of the State.

"IDOT" means the Illinois Department of Transportation.

"MPO" means the metropolitan planning organization designated under 23 U.S.C. 134.

"Members" means the members of the ~~Regional Planning Board~~.

~~"NIPC" means the Northeastern Illinois Planning Commission.~~

"Person" means an individual, partnership, firm, public or private corporation, State agency, transportation agency, or unit of local government.

~~"Policy Committee" means the decision-making body of the MPO.~~

"Region" or "northeastern Illinois region" means Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will Counties.

"State agency" means "agency" as defined in Section 1-20 of the Illinois Administrative Procedure Act.

~~"Transition period" means the period of time the Regional Planning Board takes to fully implement the funding and implementation strategy described under subsection (a) of Section 15.~~

"Transportation agency" means the Regional Transportation Authority and its Service Boards; the Illinois Toll Highway Authority; the Illinois Department of Transportation; and the transportation functions of units of local government.

"Unit of local government" means a unit of local government, as defined in Section 1 of Article VII of the Illinois Constitution, that is located within the jurisdiction and area of operation of the Board.

"USDOT" means the United States Department of Transportation.

(Source: P.A. 94-510, eff. 8-9-05.)

(70 ILCS 1707/15)

Sec. 15. ~~Chicago Metropolitan Agency for Planning; structure Regional Planning Board; powers.~~

(a) ~~The Chicago Metropolitan Agency for Planning Regional Planning Board is established as a political subdivision, body politic, and municipal corporation. The Board shall be responsible for developing and adopting a funding and implementation strategy for an integrated land use and transportation planning process for the northeastern Illinois region. The strategy shall include a process for the orderly transition of the CATS Policy Committee to be a standing transportation planning body of the Board and NIPC to be a standing comprehensive planning body of the Board. The CATS Policy Committee and NIPC shall continue to exist and perform their duties throughout the transition period. The strategy must also include recommendations for legislation for transition, which must contain a complete description of recommended comprehensive planning functions of the Board and an associated funding strategy and recommendations related to consolidating the functions of the Board, the CATS Policy Committee, and NIPC. The Board shall submit its strategy to the General Assembly no later than September 1, 2006.~~

(b) ~~(Blank.) The Regional Planning Board shall, in addition to those powers enumerated elsewhere in this Act:~~

- ~~(1) Provide a policy framework under which all regional plans are developed.~~
- ~~(2) Coordinate regional transportation and land use planning.~~
- ~~(3) Identify and promote regional priorities.~~
- ~~(4) Serve as a single point of contact and direct all public involvement activities.~~
- ~~(5) Create a Citizens' Advisory Committee.~~

(c) The Board shall consist of 15 voting members as follows:

- (1) One member from DuPage County appointed cooperatively by the mayors of DuPage County and the chief elected county official of DuPage County.
- (2) One member representing both Kane and Kendall Counties appointed cooperatively by the mayors of Kane County and Kendall County and the chief elected county officials of Kane County and Kendall County.
- (3) One member from Lake County appointed cooperatively by the mayors of Lake County and the chief elected county official of Lake County.
- (4) One member from McHenry County appointed cooperatively by the mayors of McHenry County and the chief elected county official of McHenry County.
- (5) One member from Will County appointed cooperatively by the mayors of Will County and the chief elected county official of Will County.
- (6) Five members from the City of Chicago appointed by the Mayor of the City of Chicago.
- (7) One member from that portion of Cook County outside of the City of Chicago appointed by the President of the Cook County Board of Commissioners.

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(8) Four members from that portion of Cook County outside of the City of Chicago appointed, with the consent of the President of the Cook County Board of Commissioners, as follows:

(i) One by the mayors representing those communities in Cook County that are outside of the City of Chicago and north of Devon Avenue.

(ii) One by the mayors representing those communities in Cook County that are outside of the City of Chicago, south of Devon Avenue, and north of Interstate 55, and in addition the Village of Summit.

(iii) One by the mayors representing those communities in Cook County that are outside of the City of Chicago, south of Interstate 55, and west of Interstate 57, excluding the communities of Summit, Dixmoor, Posen, Robbins, Midlothian, Oak Forest, and Tinley Park.

(iv) One by the mayors representing those communities in Cook County that are outside of the City of Chicago and east of Interstate 57, and, in addition, the communities of Dixmoor, Posen, Robbins, Midlothian, Oak Forest, and Tinley Park.

The terms of the members initially appointed to the Board shall begin within 60 days after this Act takes effect.

~~(d) The CMAP Board may CATS Policy Committee and NIPC shall each appoint one of their members to serve as a non-voting members member of the Regional Planning Board.~~

(e) (1) The CMAP Board shall create a Wastewater Committee with the responsibility of recommending directly to the Illinois Environmental Protection Agency (IEPA) the appropriateness of proposed requests for modifications and amendments to the established boundaries of wastewater facility planning areas, requests for the creation of new wastewater facility planning areas, requests for the elimination of existing wastewater facility planning areas, requests for new or expanded sewage treatment facilities, or any other amendments to the State of Illinois Water Quality Management Plan required under the federal Clean Water Act. The Chairmanship of the Wastewater Committee shall rotate every 24 months between the individuals described in subsections (e)(2)(iv) and (e)(2)(v) with the individual identified in subsection (e)(2)(v) serving as chairman for the initial 24-month period commencing on the effective date of this amendatory Act of the 95th General Assembly.

(2) The Wastewater Committee shall consist of 5 members of the CMAP Board designated as follows:

(i) One member of the Wastewater Committee shall be one of the CMAP Board members designated in subsection (c)(1) through (c)(5).

(ii) One member of the Wastewater Committee shall be one of the CMAP Board members designated in subsection (c)(6).

(iii) One member of the Wastewater Committee shall be one of the CMAP Board members designated in subsection (c)(7) or (c)(8).

(iv) One member of the Wastewater Committee shall be a person appointed by the President of the Metropolitan Water Reclamation District of Greater Chicago (and who does not need to serve on the CMAP Board).

(v) One member of the Wastewater Committee shall be a person appointed by the President of the largest statewide association of wastewater agencies (and who does not need to serve on the CMAP Board).

(3) Terms of the members of the Wastewater Committee shall be consistent with those identified in Section 25, except that the term of the member of the Wastewater Committee appointed by the President of the Metropolitan Water Reclamation District of Greater Chicago shall expire on July 1, 2009, and the term of the member of the Wastewater Committee appointed by the President of the largest statewide association of wastewater agencies shall expire on July 1, 2009.

(f) With the exception of matters considered and recommended by the Wastewater Committee directly to the IEPA, which shall require only a concurrence of a simple majority of the Wastewater Committee members in office, concurrence Concurrence of four-fifths of the Board members in office is necessary for the Board to take any action

, including remanding regional plans with comments to the CATS Policy Committee and NIPC.  
(Source: P.A. 94-510, eff. 8-9-05.)

(70 ILCS 1707/20)

Sec. 20. Duties. In addition to those duties enumerated elsewhere in this Act, the ~~Regional Planning~~ Board shall:

(a) (H) Hire an executive director to act as the chief administrative officer and to direct and coordinate all staff work.

(b) Provide a policy framework under which all regional plans are developed.

(c) Coordinate regional transportation and land use planning.

~~(d) Identify and promote regional priorities, to coordinate staff work of CATS and NIPC. The executive director shall hire a deputy for comprehensive planning and a deputy for transportation planning with the approval of NIPC and the CATS Policy Committee, respectively.~~

~~(2) Merge the staffs of CATS and NIPC into a single staff over a transition period that protects current employees' benefits.~~

~~(3) Secure agreements with funding agencies to provide support for Board operations.~~

~~(4) Develop methods to handle operational and administrative matters relating to the transition, including labor and employment matters, pension benefits, equipment and technology, leases and contracts, office space, and excess property.~~

~~(5) Notwithstanding any other provision of law to the contrary, within 180 days after this Act becomes law, locate the staffs of CATS and NIPC within the same office.~~

(Source: P.A. 94-510, eff. 8-9-05.)

(70 ILCS 1707/25)

Sec. 25. Operations.

(a) Each appointing authority shall give notice of its Board appointments to each other appointing authority, to the Board, and to the Secretary of State. Within 30 days after his or her appointment and before entering upon the duties of the office, each Board member shall take and subscribe to the constitutional oath of office and file it with the Secretary of State. Board members shall hold office for a term of 4 years or until successors are appointed and qualified. The terms of the initial Board members shall expire as follows:

(1) The terms of the member from DuPage County and the member representing both Kane and Kendall Counties shall expire on July 1, 2007.

(2) The terms of those members from Lake, McHenry, and Will Counties shall expire on July 1, 2009.

(3) As designated at the time of appointment, the terms of 2 members from the City of Chicago shall expire on July 1, 2007 and the terms of 3 members from the City of Chicago shall expire on July 1, 2009.

(4) The term of the member appointed by the President of the Cook County Board of Commissioners shall expire on July 1, 2007.

(5) The terms of those members appointed, with the consent of the President of the Cook County Board of Commissioners, by the mayors representing those communities in Cook County that are outside of the City of Chicago and north of Devon Avenue shall expire on July 1, 2007.

(6) The terms of those members appointed, with the consent of the President of the Cook County Board of Commissioners, by the mayors representing those communities in Cook County that are outside of the City of Chicago, south of Interstate 55, and west of Interstate 57, excluding the communities of Summit, Dixmoor, Posen, Robbins, Midlothian, Oak Forest, and Tinley Park, shall expire on July 1, 2007.

(7) The terms of those members appointed, with the consent of the President of the Cook County Board of Commissioners, by the mayor representing those communities in Cook County that are outside of the City of Chicago, south of Devon Avenue, and north of Interstate 55, and, in addition, the Village of Summit, shall expire on July 1, 2009.

(8) The terms of those members appointed, with the consent of the President of the Cook County Board of Commissioners, by the mayors representing those communities in Cook County that are outside of the City of Chicago and east of Interstate 57, and, in addition, the communities of Dixmoor, Posen, Robbins, Midlothian, Oak Forest, and Tinley Park, shall expire on July 1, 2009.

(b) If a vacancy occurs, the appropriate appointing authority shall fill the vacancy by an appointment for the unexpired term. Board members shall receive no compensation, but shall be reimbursed for expenses incurred in the performance of their duties.

(c) The Board shall be so appointed as to represent the City of Chicago, that part of Cook County outside the City of Chicago, and that part of the metropolitan region outside of Cook County on a one man one vote basis. Within 6 months after the release of each certified federal decennial census, the Board shall review its composition and, if a change is necessary in order to comply with the representation requirements of this subsection (c), shall recommend the necessary revision for approval by the General Assembly.

(d) Regular meetings of the Board shall be held at least once in each calendar quarter. The time and place of Board meetings shall be fixed by resolution of the Board. Special meetings of the Board may be called by the chairman or a majority of the Board members. A written notice of the time and place of any special meeting shall be provided to all Board members at least 3 days prior to the date fixed for the meeting, except that if the time and place of a special meeting is fixed at a regular meeting at which all

Board members are present, no such written notice is required. A majority of the Board members in office constitutes a quorum for the purpose of convening a meeting of the Board.

(e) The meetings of the Board shall be held in compliance with the Open Meetings Act. The Board shall maintain records in accordance with the provisions of the State Records Act.

(f) At its initial meeting and its first regular meeting after July 1 of each year thereafter, the Board ~~shall appoint~~ from its membership shall appoint a chairman and may appoint vice ~~chairmen~~ chairman and shall provide the term and duties of those officers pursuant to its bylaws. ~~The vice chairman shall act as chairman during the absence or disability of the chairman and in case of resignation or death of the chairman.~~ Before entering upon duties of office, the chairman shall execute a bond with corporate sureties to be approved by the Board and shall file it with the principal office of the Board. The bond shall be payable to the Board in whatever penal sum may be directed and shall be conditioned upon the faithful performance of the duties of office and the payment of all money received by the chairman according to law and the orders of the Board. The Board may appoint, from time to time, an executive committee and standing and ad hoc committees to assist in carrying out its responsibilities.

(Source: P.A. 94-510, eff. 8-9-05.)

(70 ILCS 1707/44 new)

Sec. 44. Regional Data and Information Program. CMAP shall be the authoritative source for regional data collection, exchange, dissemination, analysis, evaluation, forecasting and modeling. With the involvement of state, regional, and local governments and agencies, CMAP shall create and maintain a timely, ongoing, and coordinated data and information sharing program that will provide the best available data on the region. This program shall include a publicly accessible mechanism for data access and distribution. CMAP's official forecasts shall be the foundation for all planning in the region.

(70 ILCS 1707/45)

Sec. 45. Regional comprehensive plan. At intervals not to exceed every 5 years, or as needed to be consistent with federal law, the Board shall develop a regional comprehensive plan that integrates land use and transportation. The regional comprehensive plan and any modifications to it shall be developed cooperatively by the Board, ~~the CATS Policy Committee, and NIPC~~ with the involvement of citizens, units of local government, business and labor organizations, environmental organizations, transportation and planning agencies, State agencies, private and civic organizations, public and private providers of transportation, and land preservation agencies. Any elements of the regional comprehensive plan or modifications that relate to transportation shall be developed cooperatively with the Policy Committee. Units of local government shall continue to maintain control over land use and zoning decisions.

Scope of Regional Comprehensive Plan. The Regional Comprehensive Plan shall present the goals, policies, guidelines, and recommendations to guide the physical development of the Region. It shall include, but shall not be limited to:

(a) Official forecasts for overall growth and change and an evaluation of alternative scenarios for the future of the Region including alternatives for public and private investments in housing, economic development, preservation of natural resources, transportation, water supply, flood control, sewers, and other physical infrastructure. It shall present a preferred plan that makes optimum use of public and private resources to achieve the goals of the Plan.

(b) Land use and transportation policies that reflect the relationship of transportation to land use, economic development, the environment, air quality, and energy consumption; foster the efficient movement of people and goods; coordinate modes of transportation; coordinate planning among federal agencies, state agencies, transportation agencies, and local governments; and address the safety and equity of transportation services across the Region.

(c) A plan for a coordinated and integrated transportation system for the region consisting of a multimodal network of facilities and services to be developed over a 20-year period to support efficient movement of people and goods. The transportation system plan shall include statements of minimum levels of service that describe the performance for each mode in order to meet the goals and policies of the Plan.

(d) A listing of proposed public investment priorities in transportation and other public facilities and utilities of regional significance. The list shall include a project description, an identification of the responsible agency, the timeframe that the facility or utility is proposed for construction or installation, an estimate of costs, and sources of public and private revenue for covering such costs.

(e) The criteria and procedures proposed for evaluating and ranking projects in the Plan and for the allocation of transportation funds.

(f) Measures to best coordinate programs of local governments, transportation agencies, and State agencies to promote the goals and policies of the Regional Comprehensive Plan.

(g) Proposals for model ordinances and agreements that may be enacted by local governments.

(h) Recommendations for legislation as may be necessary to fully implement the Regional Comprehensive Plan.

(i) Developing components for regional functional issues including:

(1) A regional housing component that documents the needs for housing in the region and the extent to which private-sector and public-sector programs are meeting those needs; provides the framework for and facilitates planning for the housing needs of the region, including the need for affordable housing, especially as it relates to the location of such housing proximate to job sites, and develops sound strategies, programs and other actions to address the need for housing choice throughout the region.

(2) A regional freight component, the purpose of which is to create an efficient system of moving goods that supports economic growth of the region and sound regional and community development by identifying investments in freight facilities of regional, State, and national significance that will be needed to eliminate existing and forecasted bottlenecks and inefficiencies in the functioning of the region's freight network; recommending improvements in the operation and management of the freight network; and recommending policies to effect the efficient multi-modal movement of goods to, through, and from the region.

(3) A component for protecting and enhancing the environment and the region's natural resources the purpose of which is to improve the region's environmental health, quality of life, and community well-being by defining and protecting environmentally critical areas; encouraging development that does not harm environmentally critical areas; promoting sustainable land use and transportation practices and policies by local governments.

(4) Optionally, other regional components for services and facilities, including, but not limited to: water, sewer, transportation, solid waste, historic preservation, and flood control. Such plans shall provide additional goals, policies, guidelines, and supporting analyses that add detail, and are consistent with, the adopted Regional Comprehensive Plan.

(Source: P.A. 94-510, eff. 8-9-05.)

(70 ILCS 1707/47 new)

Sec. 47. Developments of Regional Importance. The Board shall consider the regional and intergovernmental impacts of proposed major developments, infrastructure investments and major policies and actions by public and private entities on natural resources, neighboring communities, and residents. The Board shall:

(a) Define the Scope of Developments of Regional Importance (DRI) and create an efficient process for reviewing them.

(b) Require any DRI project sponsor, which can be either a public or private entity, to submit information about the proposed DRI to CMAP and neighboring communities, counties, and regional planning and transportation agencies for review.

(c) Review and comment on a proposed DRI regarding consistency with regional plans and intergovernmental and regional impacts.

The Board shall complete a review under this Section within a timeframe established when creating the DRI process. A delay in the review process either requested or agreed to by the applicant shall toll the running of the review period. If the Board fails to complete the review within the required period, the review fee paid by the applicant under this Section shall be refunded in full to the applicant. If, however, the applicant withdraws the application at any time after the Board commences its review, no part of the review fee shall be refunded to the applicant.

(70 ILCS 1707/48 new)

Sec. 48. Incentives for Creating More Sustainable Communities. CMAP shall establish an incentive program to enable local governments and developers to: create more affordable workforce housing options near jobs and transit; create jobs near existing affordable workforce housing; create transit-oriented development; integrate transportation and land use planning; provide a range of viable transportation choices in addition to the car; encourage compact and mixed-use development; and support neighborhood revitalization. CMAP shall work with federal, State, regional, and local agencies to identify funding opportunities for these incentives from existing and proposed programs.

(70 ILCS 1707/51 new)

Sec. 51. Certification: cooperation between local and regional plans: plan review.

Certification of regional plan and forecasts. Upon the adoption of a Regional Plan or segment of a Regional Plan, the Board shall certify a copy thereof to the State, each transportation agency and each local government affected by such plan. CMAP's official forecasts and plans shall be the foundation for all planning in the region.

Agencies to provide information and cooperate. Each local government, transportation agency, and State agency shall cooperate with and assist the Board in carrying out its functions and shall provide to

the Board all information requested by the Board. Counties and municipalities shall submit copies of any official plans to CMAP, including but not limited to comprehensive, transportation, housing, and capital improvement plans.

Review of county and municipal plans. The Board may review and comment on proposed county and municipal plans and plan amendments within its jurisdiction for consistency with the regional comprehensive plan and maintain a copy of such plans.

(70 ILCS 1707/55)

Sec. 55. Transportation financial plan.

(a) Concurrent with preparation of the regional transportation and comprehensive plans, the Board shall prepare and adopt, in cooperation with the CATS Policy Committee, a transportation financial plan for the region in accordance with federal and State laws, rules, and regulations.

(b) The transportation financial plan shall address the following matters related to the transportation agencies: (i) adequacy of funding to meet identified needs; and (ii) allocation of funds to regional priorities.

(c) The transportation financial plan may propose recommendations for additional funding by the federal government, the State, or units of local government that may be necessary to fully implement regional plans.

(Source: P.A. 94-510, eff. 8-9-05.)

(70 ILCS 1707/60)

Sec. 60. Transportation decision-making Metropolitan planning organization.

(a) ~~It is the intent of this Act that the CATS Policy Committee is, as the Transportation Planning Committee for the Board, remain~~ the federally designated Metropolitan Planning Organization for the Chicago region under the requirements of federal regulations promulgated by USDOT. The CATS Policy Committee shall ~~prepare and~~ approve all plans, reports, and programs required of an MPO, including the federally mandated Regional Transportation Plan, Transportation Improvement Program and Unified Work Program.

(b) It is the intent of this Act that the transportation planning and investment decision-making process be fully integrated into the regional planning process.

(c) The Board, in cooperation with local governments and transportation providers, shall develop and adopt a process for making the transportation decisions that require final MPO approval pursuant to federal law. That process shall comply with all applicable federal requirements. The adopted process shall ensure that all MPO plans, reports, and programs shall be approved by the CMAP Board prior to final approval by the MPO.

(d) The Board shall continue directly involving local elected officials in federal program allocation decisions for the Surface Transportation Program and Congestion Mitigation and Air Quality funds and in addressing other regional transportation issues.

~~(b) The processes previously established by the CATS Policy Committee shall be continued as the means by which local elected officials program federal Surface Transportation Program and Congestion Mitigation, and Air Quality funds and address other regional transportation issues.~~

(Source: P.A. 94-510, eff. 8-9-05.)

(70 ILCS 1707/61 new)

Sec. 61. Agency Designated Planning Grant Recipient and Other Designations. The Board is eligible to apply for and receive federal grants for regional planning in the northeastern Illinois region. The Board shall review applications requesting significant federal grants to transportation agencies and local governments based on criteria including conformity with the Regional Comprehensive Plan and relevant functional components.

(70 ILCS 1707/62 new)

Sec. 62. Board Funding. In order to carry out any of the powers or purposes of CMAP, the Board shall be involved in the allocation of traditional sources of funds such as those from the federal Metropolitan Planning Program and CMAQ as well as non-traditional federal funds consistent with the Board's broader mission. These funds may be supplemented by fees for services and by grants from nongovernmental agencies. The Board may also pursue and accept funding from State, regional, and local sources in order to meet its planning objectives.

Additional funding shall be provided to CMAP to support those functions and programs authorized by this Act.

(70 ILCS 1707/63 new)

Sec. 63. Succession; Transfers Related to NIPC. CMAP shall succeed to all rights and interests of NIPC. Such transfer and succession shall not limit or restrict any power or authority of CMAP exercised pursuant to this Act and shall not limit any rights or obligations of CMAP with respect to any contracts.

agreements, bonds or other indebtedness, right or interest relating to any cause of action then in existence of NIPC that shall continue and shall be assumed by CMAP. Funds appropriated or otherwise made available to NIPC shall become available to CMAP for the balance of the current State fiscal year for interim use as determined by CMAP. NIPC shall transfer all of the records, documents, property, and assets of NIPC to CMAP.

(70 ILCS 1707/65)

Sec. 65. Annual report. The Board shall prepare, publish, and distribute a concise annual report on the region's progress toward achieving its priorities and on the degree to which consistency exists between local and regional plans. Any and any other reports and plans that relate to the purpose of this Act may also be included.

(Source: P.A. 94-510, eff. 8-9-05.)

(70 ILCS 1705/Act rep.)

Section 15. The Northeastern Illinois Planning Act is repealed.

Section 90. The State Mandates Act is amended by adding Section 8.31 as follows:

(30 ILCS 805/8.31 new)

Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 95th General Assembly.

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill 1201**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1244

A bill for AN ACT concerning local government.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1244

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

#### **AMENDMENT NO. 1 TO SENATE BILL 1244**

AMENDMENT NO. 1. Amend Senate Bill 1244 by replacing everything after the enacting clause with the following:

"Section 5. The Township Code is amended by adding Section 14a as follows:

(60 ILCS 1/14a new)

Sec. 14a. Reimbursement for specialized rescue services. A township that provides fire protection services may fix, charge, and collect reasonable fees for specialized rescue services provided by the township. The total amount collected may not exceed the reasonable cost of providing those specialized rescue services and may not, in any event, exceed \$125 per hour per vehicle and \$35 per hour per firefighter. The fee may be charged to any of the following parties, but only after there has been a finding of fault against that party by the Occupational Safety and Health Administration or the Illinois Department of Labor:

(a) the owner of the property on which the specialized rescue services occurred;

(b) any person involved in an activity that caused or contributed to the emergency;

(c) an individual who is rescued during the emergency and his or her employer if the person was acting in furtherance of the employer's interests;

(d) in cases involving the recovery of property, any person having control or custody of the property at the time of the emergency.

For the purposes of this Section, the term "specialized rescue services" includes, but is not limited to,

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structural collapse, tactical rescue, high angle rescue, underwater rescue and recovery, confined space rescue, below grade rescue, and trench rescue.

Section 10. The Illinois Municipal Code is amended by adding Section 11-6-5 as follows:

(65 ILCS 5/11-6-5 new)

Sec. 11-6-5. Reimbursement for specialized rescue services. The corporate authorities of a municipality that operates a fire department may fix, charge, and collect reasonable fees for specialized rescue services provided by the department. The total amount collected may not exceed the reasonable cost of providing those specialized rescue services and may not, in any event, exceed \$125 per hour per vehicle and \$35 per hour per firefighter. The fee may be charged to any of the following parties, but only after there has been a finding of fault against that party by the Occupational Safety and Health Administration or the Illinois Department of Labor:

- (a) the owner of the property on which the specialized rescue services occurred;
- (b) any person involved in an activity that caused or contributed to the emergency;
- (c) an individual who is rescued during the emergency and his or her employer if the person was acting in furtherance of the employer's interests;
- (d) in cases involving the recovery of property, any person having control or custody of the property at the time of the emergency.

For the purposes of this Section, the term "specialized rescue services" includes, but is not limited to, structural collapse, tactical rescue, high angle rescue, underwater rescue and recovery, confined space rescue, below grade rescue, and trench rescue.

Section 15. The Fire Protection District Act is amended by changing Section 22 and by adding Section 25 as follows:

(70 ILCS 705/22) (from Ch. 127 1/2, par. 38.5)

Sec. 22. The Board of Trustees of any fire protection district incorporated under this Act is authorized under the terms and conditions hereinafter set out, to provide emergency ambulance service to or from points within or without the district; to contract with providers of ambulance service; to combine with other units of governments for the purpose of providing ambulance service; to levy a tax for the provision of such service and to adopt rules and regulations relating to ambulance service within their jurisdiction.

(a) It is declared as a matter of public policy:

- (1) That, in order to preserve, protect and promote the public health, safety and general welfare, adequate and continuing emergency ambulance service should be available to every citizen of Illinois;
- (2) That, insofar as it is economically feasible, emergency ambulance service should be provided by private enterprise; and
- (3) That, in the event adequate and continuing emergency ambulance services do not exist, fire protection districts should be authorized to provide, and shall cause to be provided, ambulance service as a public responsibility.

(b) Whenever the Board of Trustees of a fire protection district desires to levy a special tax to provide an ambulance service, it shall certify the question to the proper election officials, who shall submit that question at an election to the voters of the district. The result of such referendum shall be entered upon the records of the district. If a majority of the votes on the proposition are in favor of such proposition, the Board of Trustees may thereafter levy a special tax at a rate not to exceed .30% of the value of all taxable property within the district as equalized or assessed by the Department of Revenue. The proposition shall be in substantially the following form:

-----

Shall the .... Fire Protection  
District levy a special tax at a rate YES  
not to exceed .30% of the value of all  
taxable property within the district as -----  
equalized or assessed by the Department  
of Revenue for the purpose of providing NO  
an ambulance service?

-----

(c) If it appears that a majority of all valid votes cast on the proposition are in favor of levying a special tax to pay for an ambulance, the Board of Trustees may levy and collect an annual tax for the purpose of providing ambulance service under this Act to be extended at a rate not to exceed .30% of the



full fair cash value of the taxable property within the governmental unit as assessed or equalized by the Department of Revenue. Such annual tax shall be in addition to the other taxes a fire protection district may levy for its corporate purposes.

(d) Any Board of trustees may:

1. Provide or operate an emergency ambulance service;
2. Contract with a private person, hospital, corporation or another governmental unit for the provision and operation of emergency ambulance service or subsidize the service thereof;
3. Limit the number of ambulance services;
4. Within its jurisdiction, fix, charge and collect fees for emergency ambulance service within or outside of the fire protection district not exceeding the reasonable cost of the service;
5. Establish necessary regulations not inconsistent with the statutes or regulations of the Department of Public Health relating to ambulance service;
6. The trustees shall have the power identified in paragraphs 3 and 5 only if the district shall have passed the referendum provided for herein.

(e) When any Board of Trustees is authorized prior to January 1, 1978 to levy and collect an annual tax, for the purpose of providing ambulance service, at any rate not exceeding .25% of the full fair cash value of the taxable property within the governmental unit as equalized or assessed by the Department of Revenue, such Board of Trustees may by resolution increase its authority to tax for ambulance purposes to a rate not to exceed .30%. Such resolution shall be effective 30 days after its adoption. Notice of such resolution shall be published twice in a newspaper having a general circulation within the district at least 20 days and again at least 10 days prior to the effective date of the resolution. Such notice shall state that the voters of that fire protection district, which district shall be described in the notice, have until 30 days after the adoption of the resolution to file a petition with the Board of Trustees praying that the question of the adoption of the resolution be submitted to a vote of the electors of such territory, and that, if no such petition is filed, the resolution shall become effective 30 days after its adoption. The notice also shall state the specific number of voters required to sign the petition and the date of the prospective referendum. The district secretary shall provide a petition form to any individual requesting one. If such a petition, signed by the voters of the district equal to 10% or more of the registered voters of the district, is so filed with the Board of Trustees, then the question of the adoption of the resolution shall be certified to the proper election officials, who shall submit the question to a vote of the electors of the district at an election in accordance with the general election law. If such a petition is filed, the resolution does not take effect unless a majority of the votes cast upon the question of the adoption of the resolution is in favor of adoption. However, if such a petition is determined to be invalid, the resolution shall take effect.

The result of the election shall be entered upon the records of the district. If a majority of the voters vote in favor of such resolution, the resolution shall be effective immediately. The proposition shall be in substantially the following form:

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Shall the Board of Trustees of the .... Fire Protection District be authorized to increase the special tax for ambulance service to a rate not to exceed .30% of the value of all taxable property within the district as equalized or assessed by the Department of Revenue for the purpose of providing such service?	YES	
	NO	

-----

In this Section, "ambulance service" includes, without limitation, pre-hospital medical services. "Pre-hospital medical services" includes emergency services performed by a paramedic or other on-board emergency personnel that are within the scope of the provider's license. This amendatory Act of the 95th General Assembly is declarative of existing law.

(Source: P.A. 86-1253; 87-767.)

(70 ILCS 705/25 new)

Sec. 25. Reimbursement for specialized rescue services. A fire protection district may fix, charge, and collect reasonable fees for specialized rescue services provided by the district. The total amount collected may not exceed the reasonable cost of providing those specialized rescue services and may not, in any event, exceed \$125 per hour per vehicle and \$35 per hour per firefighter. The fee may be charged to any of the following parties, but only after there has been a finding of fault against that party by the

Occupational Safety and Health Administration or the Illinois Department of Labor:

(a) the owner of the property on which the specialized rescue services occurred;

(b) any person involved in an activity that caused or contributed to the emergency;

(c) an individual who is rescued during the emergency and his or her employer if the person was acting in furtherance of the employer's interests;

(d) in cases involving the recovery of property, any person having control or custody of the property at the time of the emergency.

For the purposes of this Section, the term "specialized rescue services" includes, but is not limited to, structural collapse, tactical rescue, high angle rescue, underwater rescue and recovery, confined space rescue, below grade rescue, and trench rescue."

Under the rules, the foregoing **Senate Bill No. 1244**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1245

A bill for AN ACT concerning State government.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1245

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1245**

AMENDMENT NO. 1. Amend Senate Bill 1245 as follows:

on page 1, lines 11 and 12, by replacing "including unannounced visits." with "that shall occur at least annually"; and

on page 2, by replacing lines 13 through 19 with "potential uses of electronic monitoring and recording for the purpose of preventing and identifying abuse and neglect within State-operated developmental centers and developmental disabilities services programs funded, certified, or licensed by the Department of Human Services but not those centers or programs licensed by another State agency, and shall report to the General Assembly on or before January 1, 2008, with recommendations on the feasibility of increasing utilization of electronic monitoring and recording for purposes of preventing and identifying abuse and neglect."

Under the rules, the foregoing **Senate Bill No. 1245**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1346

A bill for AN ACT concerning criminal law.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1346

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

[May 31, 2007]

**AMENDMENT NO. 1 TO SENATE BILL 1346**

AMENDMENT NO. 1. Amend Senate Bill 1346 by replacing everything after the enacting clause with the following:

"Section 5. The Criminal Identification Act is amended by adding Section 9.5 as follows:  
(20 ILCS 2630/9.5 new)

Sec. 9.5. Material for DNA fingerprint analysis. Every county medical examiner and coroner shall provide to the Department a sample of dried blood and buccal specimens (tissue may be submitted if no uncontaminated blood or buccal specimens can be obtained) from a dead body for DNA fingerprint analysis if the Department notifies the medical examiner or coroner that the Department has determined that providing that sample may be useful for law enforcement purposes in a criminal investigation. In addition, if a local law enforcement agency notifies a county medical examiner or coroner that such a sample would be useful in a criminal examination, the county medical examiner or coroner shall provide a sample to the local law enforcement agency for submission to the Department."

Under the rules, the foregoing **Senate Bill No. 1346**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1348

A bill for AN ACT concerning criminal law.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1348

House Amendment No. 2 to SENATE BILL NO. 1348

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1348**

AMENDMENT NO. 1. Amend Senate Bill 1348 by replacing everything after the enacting clause with the following:

"Section 5. The Code of Criminal Procedure of 1963 is amended by changing Section 110-7 as follows:

(725 ILCS 5/110-7) (from Ch. 38, par. 110-7)

Sec. 110-7. Deposit of Bail Security.

(a) The person for whom bail has been set shall execute the bail bond and deposit with the clerk of the court before which the proceeding is pending a sum of money equal to 10% of the bail, but in no event shall such deposit be less than \$25. The clerk of the court shall provide a space on each form for a person other than the accused who has provided the money for the posting of bail to so indicate and a space signed by an accused who has executed the bail bond indicating whether a person other than the accused has provided the money for the posting of bail. The form shall also include a written notice to such person who has provided the defendant with the money for the posting of bail indicating that the bail may be used to pay costs, attorney's fees, fines, or other purposes authorized by the court and if the defendant fails to comply with the conditions of the bail bond, the court shall enter an order declaring the bail to be forfeited. The written notice must be: (1) distinguishable from the surrounding text; (2) in bold type or underscored; and (3) in a type size at least 2 points larger than the surrounding type. When a person for whom bail has been set is charged with an offense under the Illinois Controlled Substances Act or the Methamphetamine Control and Community Protection Act which is a Class X felony, the court may require the defendant to deposit a sum equal to 100% of the bail. Where any person is charged with a forcible felony while free on bail and is the subject of proceedings under Section 109-3 of this Code the judge conducting the preliminary examination may also conduct a hearing upon the application of the State pursuant to the provisions of Section 110-6 of this Code to increase or revoke the bail for that person's prior alleged offense.

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(b) Upon depositing this sum and any bond fee authorized by law, the person shall be released from custody subject to the conditions of the bail bond.

(c) Once bail has been given and a charge is pending or is thereafter filed in or transferred to a court of competent jurisdiction the latter court shall continue the original bail in that court subject to the provisions of Section 110-6 of this Code.

(d) After conviction the court may order that the original bail stand as bail pending appeal or deny, increase or reduce bail subject to the provisions of Section 110-6.2.

(e) After the entry of an order by the trial court allowing or denying bail pending appeal either party may apply to the reviewing court having jurisdiction or to a justice thereof sitting in vacation for an order increasing or decreasing the amount of bail or allowing or denying bail pending appeal subject to the provisions of Section 110-6.2.

(f) When the conditions of the bail bond have been performed and the accused has been discharged from all obligations in the cause the clerk of the court shall return to the accused or to the defendant's designee by an assignment executed at the time the bail amount is deposited, unless the court orders otherwise, 80% ~~90%~~ of the sum which had been deposited for bail bonds not exceeding \$30,000 and 90% of the sum which had been deposited for bail bonds exceeding \$30,000 and shall retain as bail bond costs 10% of the amount deposited. However, in no event shall the amount retained by the clerk as bail bond costs be less than \$5. Of the remaining 10%, the Circuit Court Clerk shall retain \$1 to be deposited into the Circuit Court Clerk Operation and Administrative Fund. Of the remaining 10% of the amount deposited, the Circuit Court Clerk shall remit 70% to the sheriff for bail bond costs and 30% to the State's Attorney for bail bond costs. Bail bond deposited by or on behalf of a defendant in one case may be used, in the court's discretion, to satisfy financial obligations of that same defendant incurred in a different case due to a fine, court costs, restitution or fees of the defendant's attorney of record. In counties with a population of 3,000,000 or more, the court shall not order bail bond deposited by or on behalf of a defendant in one case to be used to satisfy financial obligations of that same defendant in a different case until the bail bond is first used to satisfy court costs and attorney's fees in the case in which the bail bond has been deposited and any other unpaid child support obligations are satisfied. In counties with a population of less than 3,000,000, the court shall not order bail bond deposited by or on behalf of a defendant in one case to be used to satisfy financial obligations of that same defendant in a different case until the bail bond is first used to satisfy court costs in the case in which the bail bond has been deposited.

At the request of the defendant the court may order such 80% ~~90%~~ of defendant's bail deposit, or whatever amount is repayable to defendant from such deposit, to be paid to defendant's attorney of record.

(g) If the accused does not comply with the conditions of the bail bond the court having jurisdiction shall enter an order declaring the bail to be forfeited. Notice of such order of forfeiture shall be mailed forthwith to the accused at his last known address. If the accused does not appear and surrender to the court having jurisdiction within 30 days from the date of the forfeiture or within such period satisfy the court that appearance and surrender by the accused is impossible and without his fault the court shall enter judgment for the State if the charge for which the bond was given was a felony or misdemeanor, or if the charge was quasi-criminal or traffic, judgment for the political subdivision of the State which prosecuted the case, against the accused for the amount of the bail and costs of the court proceedings; however, in counties with a population of less than 3,000,000, instead of the court entering a judgment for the full amount of the bond the court may, in its discretion, enter judgment for the cash deposit on the bond, less costs, retain the deposit for further disposition or, if a cash bond was posted for failure to appear in a matter involving enforcement of child support or maintenance, the amount of the cash deposit on the bond, less outstanding costs, may be awarded to the person or entity to whom the child support or maintenance is due. The deposit made in accordance with paragraph (a) shall be applied to the payment of costs. If judgment is entered and any amount of such deposit remains after the payment of costs it shall be applied to payment of the judgment and transferred to the treasury of the municipal corporation wherein the bond was taken if the offense was a violation of any penal ordinance of a political subdivision of this State, or to the treasury of the county wherein the bond was taken if the offense was a violation of any penal statute of this State. The balance of the judgment may be enforced and collected in the same manner as a judgment entered in a civil action.

(h) After a judgment for a fine and court costs or either is entered in the prosecution of a cause in which a deposit had been made in accordance with paragraph (a) the balance of such deposit, after deduction of bail bond costs, shall be applied to the payment of the judgment.

(Source: P.A. 93-371, eff. 1-1-04; 93-760, eff. 1-1-05; 94-556, eff. 9-11-05.)

Section 99. Effective date. This Act takes effect upon becoming law."

**AMENDMENT NO. 2 TO SENATE BILL 1348**

AMENDMENT NO. 2. Amend Senate Bill 1348, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The County Jail Act is amended by changing Section 17 as follows:  
(730 ILCS 125/17) (from Ch. 75, par. 117)

Sec. 17. Bedding, clothing, fuel, and medical aid; reimbursement for medical ~~or hospital~~ expenses. The Warden of the jail shall furnish necessary bedding, clothing, fuel, and medical services aid for all prisoners under his charge, and keep an accurate account of the same. When services that result in qualified medical expenses or hospital services are required by any person held in custody, the county, private hospital, physician or any public agency which provides such services shall be entitled to obtain reimbursement from the county ~~or from the Arrestee's Medical Costs Fund to the extent that moneys in the Fund are available~~ for the cost of such services. The county board of a county may adopt an ordinance or resolution providing for reimbursement for the cost of those services at the Department of Healthcare and Family Services' rates for medical assistance. To the extent that such person is reasonably able to pay for such care, including reimbursement from any insurance program or from other medical benefit programs available to such person, he or she shall reimburse the county or arresting authority. If such person ~~is has already been~~ determined eligible for medical assistance under the Illinois Public Aid Code at the time the person is ~~initially detained pending trial,~~ the cost of such services, to the extent such cost exceeds \$500, shall be reimbursed by the Department of Healthcare and Family Services under that Code. A reimbursement under any public or private program authorized by this Section shall be paid to the county or arresting authority to the same extent as would have been obtained had the services been rendered in a non-custodial environment.

~~Unless the arrestee is eligible for medical assistance under the Illinois Public Aid Code or reimbursement under a public or private program authorized by this Section, an~~ An arresting authority shall be responsible for any incurred medical expenses relating to the arrestee until such time as the arrestee is placed in the custody of the sheriff. However, the arresting authority shall not be so responsible if the arrest was made pursuant to a request by the sheriff. When ~~medical expenses or hospital services~~ are required by any person held in custody, the county ~~or arresting authority~~ shall be entitled to obtain reimbursement from the County Jail Arrestee's Medical Costs Fund to the extent moneys are available from the Fund. To the extent that the person is reasonably able to pay for that care, including reimbursement from any insurance program or from other medical benefit programs available to the person, he or she shall reimburse the county.

The county shall be entitled to a \$10 fee for each conviction or order of supervision for a criminal violation, other than a petty offense or business offense. The fee shall be taxed as costs to be collected from the defendant, if possible, upon conviction or entry of an order of supervision. The fee shall not be considered a part of the fine for purposes of any reduction in the fine.

All such fees collected shall be deposited by the county in a fund to be established and known as the County Jail Arrestee's Medical Costs Fund. Moneys in the Fund shall be used solely for reimbursement ~~to the county~~ of costs for medical expenses ~~relating to the arrestee while he or she is in the custody of the sheriff~~ and administration of the Fund.

For the purposes of this Section, "arresting authority" means a unit of local government, other than a county, which employs peace officers and whose peace officers have made the arrest of a person. For the purposes of this Section, ~~"qualified medical expenses relating to the arrestee"~~ include medical and hospital services but do not include ~~means only those~~ expenses incurred for medical care or treatment provided to a person ~~an arrestee~~ on account of a ~~self-inflicted an~~ injury ~~incurred prior to or in the course of an arrest or suffered by the arrestee during the course of his or her arrest unless such injury is self-inflicted;~~ the term does not include any expenses incurred for medical care or treatment provided to a person ~~an arrestee~~ on account of a health condition of ~~that person the arrestee~~ which existed prior to the time of his or her arrest.

(Source: P.A. 94-494, eff. 8-8-05; 94-962, eff. 1-1-07.)

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 1348**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

[May 31, 2007]

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1350

A bill for AN ACT concerning public aid.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1350

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1350**

AMENDMENT NO. 1. Amend Senate Bill 1350 on page 3, after line 9, by inserting the following:

"Notwithstanding the requirements above, any public transportation provider of medi-car and service car transportation that receives federal funding under 49 U.S.C. 5307 and 5311 need not certify its drivers and employee attendants under this Section, since safety training is already federally mandated."

Under the rules, the foregoing **Senate Bill No. 1350**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1360

A bill for AN ACT concerning revenue.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1360

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1360**

AMENDMENT NO. 1. Amend Senate Bill 1360 as follows:

on page 15, line 10, by changing "construction, maintenance, or operation" to "construction or maintenance"; and

on page 27, line 5, by changing "construction, maintenance, or operation" to "construction or maintenance"; and

on page 37, line 17, by changing "construction, maintenance, or operation" to "construction or maintenance"; and

on page 53, line 11, by changing "construction, maintenance, or operation" to "construction or maintenance".

Under the rules, the foregoing **Senate Bill No. 1360**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

[May 31, 2007]

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1368

A bill for AN ACT concerning State government.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1368

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1368**

AMENDMENT NO. 1. Amend Senate Bill 1368 on page 2, line 9, after "State.", by inserting the following: "The Inspector General shall also have the authority to investigate alleged or suspected cases of abuse, neglect, and exploitation of adults with disabilities living in domestic settings in the community pursuant to the Abuse of Adults with Disabilities Intervention Act (20 ILCS 2435/).".

Under the rules, the foregoing **Senate Bill No. 1368**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1379

A bill for AN ACT concerning children.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1379

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1379**

AMENDMENT NO. 1. Amend Senate Bill 1379 on page 1, after line 3, by inserting the following:

"Section 2. The Children and Family Services Act is amended by changing Section 5 as follows:  
(20 ILCS 505/5) (from Ch. 23, par. 5005)

Sec. 5. Direct child welfare services; Department of Children and Family Services. To provide direct child welfare services when not available through other public or private child care or program facilities.

(a) For purposes of this Section:

(1) "Children" means persons found within the State who are under the age of 18 years.

The term also includes persons under age 19 who:

(A) were committed to the Department pursuant to the Juvenile Court Act or the Juvenile Court Act of 1987, as amended, prior to the age of 18 and who continue under the jurisdiction of the court; or

(B) were accepted for care, service and training by the Department prior to the age of 18 and whose best interest in the discretion of the Department would be served by continuing that care, service and training because of severe emotional disturbances, physical disability, social adjustment or any combination thereof, or because of the need to complete an educational or vocational training program.

(2) "Homeless youth" means persons found within the State who are under the age of 19, are not in a safe and stable living situation and cannot be reunited with their families.

(3) "Child welfare services" means public social services which are directed toward the accomplishment of the following purposes:

(A) protecting and promoting the health, safety and welfare of children, including homeless, dependent or neglected children;

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(B) remedying, or assisting in the solution of problems which may result in, the neglect, abuse, exploitation or delinquency of children;

(C) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing the breakup of the family where the prevention of child removal is desirable and possible when the child can be cared for at home without endangering the child's health and safety;

(D) restoring to their families children who have been removed, by the provision of services to the child and the families when the child can be cared for at home without endangering the child's health and safety;

(E) placing children in suitable adoptive homes, in cases where restoration to the biological family is not safe, possible or appropriate;

(F) assuring safe and adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption. At the time of placement, the Department shall consider concurrent planning, as described in subsection (l-1) of this Section so that permanency may occur at the earliest opportunity. Consideration should be given so that if reunification fails or is delayed, the placement made is the best available placement to provide permanency for the child;

(G) (blank);

(H) (blank); and

(I) placing and maintaining children in facilities that provide separate living quarters for children under the age of 18 and for children 18 years of age and older, unless a child 18 years of age is in the last year of high school education or vocational training, in an approved individual or group treatment program, in a licensed shelter facility, or secure child care facility. The Department is not required to place or maintain children:

(i) who are in a foster home, or

(ii) who are persons with a developmental disability, as defined in the Mental Health and Developmental Disabilities Code, or

(iii) who are female children who are pregnant, pregnant and parenting or parenting, or

(iv) who are siblings, in facilities that provide separate living quarters for children 18 years of age and older and for children under 18 years of age.

(b) Nothing in this Section shall be construed to authorize the expenditure of public funds for the purpose of performing abortions.

(c) The Department shall establish and maintain tax-supported child welfare services and extend and seek to improve voluntary services throughout the State, to the end that services and care shall be available on an equal basis throughout the State to children requiring such services.

(d) The Director may authorize advance disbursements for any new program initiative to any agency contracting with the Department. As a prerequisite for an advance disbursement, the contractor must post a surety bond in the amount of the advance disbursement and have a purchase of service contract approved by the Department. The Department may pay up to 2 months operational expenses in advance. The amount of the advance disbursement shall be prorated over the life of the contract or the remaining months of the fiscal year, whichever is less, and the installment amount shall then be deducted from future bills. Advance disbursement authorizations for new initiatives shall not be made to any agency after that agency has operated during 2 consecutive fiscal years. The requirements of this Section concerning advance disbursements shall not apply with respect to the following: payments to local public agencies for child day care services as authorized by Section 5a of this Act; and youth service programs receiving grant funds under Section 17a-4.

(e) (Blank).

(f) (Blank).

(g) The Department shall establish rules and regulations concerning its operation of programs designed to meet the goals of child safety and protection, family preservation, family reunification, and adoption, including but not limited to:

(1) adoption;

(2) foster care;

(3) family counseling;

(4) protective services;

(5) (blank);

(6) homemaker service;

(7) return of runaway children;



(8) (blank);

(9) placement under Section 5-7 of the Juvenile Court Act or Section 2-27, 3-28, 4-25 or 5-740 of the Juvenile Court Act of 1987 in accordance with the federal Adoption Assistance and Child Welfare Act of 1980; and

(10) interstate services.

Rules and regulations established by the Department shall include provisions for training Department staff and the staff of Department grantees, through contracts with other agencies or resources, in alcohol and drug abuse screening techniques approved by the Department of Human Services, as a successor to the Department of Alcoholism and Substance Abuse, for the purpose of identifying children and adults who should be referred to an alcohol and drug abuse treatment program for professional evaluation.

(h) If the Department finds that there is no appropriate program or facility within or available to the Department for a ward and that no licensed private facility has an adequate and appropriate program or none agrees to accept the ward, the Department shall create an appropriate individualized, program-oriented plan for such ward. The plan may be developed within the Department or through purchase of services by the Department to the extent that it is within its statutory authority to do.

(i) Service programs shall be available throughout the State and shall include but not be limited to the following services:

- (1) case management;
- (2) homemakers;
- (3) counseling;
- (4) parent education;
- (5) day care; and
- (6) emergency assistance and advocacy.

In addition, the following services may be made available to assess and meet the needs of children and families:

- (1) comprehensive family-based services;
- (2) assessments;
- (3) respite care; and
- (4) in-home health services.

The Department shall provide transportation for any of the services it makes available to children or families or for which it refers children or families.

(j) The Department may provide categories of financial assistance and education assistance grants, and shall establish rules and regulations concerning the assistance and grants, to persons who adopt physically or mentally handicapped, older and other hard-to-place children who (i) immediately prior to their adoption were legal wards of the Department or (ii) were determined eligible for financial assistance with respect to a prior adoption and who become available for adoption because the prior adoption has been dissolved and the parental rights of the adoptive parents have been terminated or because the child's adoptive parents have died. The Department may, subject to federal financial participation in the cost, continue to provide financial assistance and education assistance grants for a child who was determined eligible for financial assistance under this subsection (j) in the interim period beginning when the child's adoptive parents died and ending with the finalization of the new adoption of the child by another adoptive parent or parents. The Department may also provide categories of financial assistance and education assistance grants, and shall establish rules and regulations for the assistance and grants, to persons appointed guardian of the person under Section 5-7 of the Juvenile Court Act or Section 2-27, 3-28, 4-25 or 5-740 of the Juvenile Court Act of 1987 for children who were wards of the Department for 12 months immediately prior to the appointment of the guardian.

The amount of assistance may vary, depending upon the needs of the child and the adoptive parents, as set forth in the annual assistance agreement. Special purpose grants are allowed where the child requires special service but such costs may not exceed the amounts which similar services would cost the Department if it were to provide or secure them as guardian of the child.

Any financial assistance provided under this subsection is inalienable by assignment, sale, execution, attachment, garnishment, or any other remedy for recovery or collection of a judgment or debt.

(j-5) The Department shall not deny or delay the placement of a child for adoption if an approved family is available either outside of the Department region handling the case, or outside of the State of Illinois.

(k) The Department shall accept for care and training any child who has been adjudicated neglected or abused, or dependent committed to it pursuant to the Juvenile Court Act or the Juvenile Court Act of 1987.

(l) Before July 1, 2000, the Department may provide, and beginning July 1, 2000, the Department

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shall offer family preservation services, as defined in Section 8.2 of the Abused and Neglected Child Reporting Act, to help families, including adoptive and extended families. Family preservation services shall be offered (i) to prevent the placement of children in substitute care when the children can be cared for at home or in the custody of the person responsible for the children's welfare, (ii) to reunite children with their families, or (iii) to maintain an adoptive placement. Family preservation services shall only be offered when doing so will not endanger the children's health or safety. With respect to children who are in substitute care pursuant to the Juvenile Court Act of 1987, family preservation services shall not be offered if a goal other than those of subdivisions (A), (B), or (B-1) of subsection (2) of Section 2-28 of that Act has been set. Nothing in this paragraph shall be construed to create a private right of action or claim on the part of any individual or child welfare agency.

The Department shall notify the child and his family of the Department's responsibility to offer and provide family preservation services as identified in the service plan. The child and his family shall be eligible for services as soon as the report is determined to be "indicated". The Department may offer services to any child or family with respect to whom a report of suspected child abuse or neglect has been filed, prior to concluding its investigation under Section 7.12 of the Abused and Neglected Child Reporting Act. However, the child's or family's willingness to accept services shall not be considered in the investigation. The Department may also provide services to any child or family who is the subject of any report of suspected child abuse or neglect or may refer such child or family to services available from other agencies in the community, even if the report is determined to be unfounded, if the conditions in the child's or family's home are reasonably likely to subject the child or family to future reports of suspected child abuse or neglect. Acceptance of such services shall be voluntary.

The Department may, at its discretion except for those children also adjudicated neglected or dependent, accept for care and training any child who has been adjudicated addicted, as a truant minor in need of supervision or as a minor requiring authoritative intervention, under the Juvenile Court Act or the Juvenile Court Act of 1987, but no such child shall be committed to the Department by any court without the approval of the Department. A minor charged with a criminal offense under the Criminal Code of 1961 or adjudicated delinquent shall not be placed in the custody of or committed to the Department by any court, except a minor less than 13 years of age committed to the Department under Section 5-710 of the Juvenile Court Act of 1987.

(l-1) The legislature recognizes that the best interests of the child require that the child be placed in the most permanent living arrangement as soon as is practically possible. To achieve this goal, the legislature directs the Department of Children and Family Services to conduct concurrent planning so that permanency may occur at the earliest opportunity. Permanent living arrangements may include prevention of placement of a child outside the home of the family when the child can be cared for at home without endangering the child's health or safety; reunification with the family, when safe and appropriate, if temporary placement is necessary; or movement of the child toward the most permanent living arrangement and permanent legal status.

When determining reasonable efforts to be made with respect to a child, as described in this subsection, and in making such reasonable efforts, the child's health and safety shall be the paramount concern.

When a child is placed in foster care, the Department shall ensure and document that reasonable efforts were made to prevent or eliminate the need to remove the child from the child's home. The Department must make reasonable efforts to reunify the family when temporary placement of the child occurs unless otherwise required, pursuant to the Juvenile Court Act of 1987. At any time after the dispositional hearing where the Department believes that further reunification services would be ineffective, it may request a finding from the court that reasonable efforts are no longer appropriate. The Department is not required to provide further reunification services after such a finding.

A decision to place a child in substitute care shall be made with considerations of the child's health, safety, and best interests. At the time of placement, consideration should also be given so that if reunification fails or is delayed, the placement made is the best available placement to provide permanency for the child.

The Department shall adopt rules addressing concurrent planning for reunification and permanency. The Department shall consider the following factors when determining appropriateness of concurrent planning:

- (1) the likelihood of prompt reunification;
- (2) the past history of the family;
- (3) the barriers to reunification being addressed by the family;
- (4) the level of cooperation of the family;
- (5) the foster parents' willingness to work with the family to reunite;

- (6) the willingness and ability of the foster family to provide an adoptive home or long-term placement;
- (7) the age of the child;
- (8) placement of siblings.
- (m) The Department may assume temporary custody of any child if:
  - (1) it has received a written consent to such temporary custody signed by the parents of the child or by the parent having custody of the child if the parents are not living together or by the guardian or custodian of the child if the child is not in the custody of either parent, or
  - (2) the child is found in the State and neither a parent, guardian nor custodian of the child can be located.

If the child is found in his or her residence without a parent, guardian, custodian or responsible caretaker, the Department may, instead of removing the child and assuming temporary custody, place an authorized representative of the Department in that residence until such time as a parent, guardian or custodian enters the home and expresses a willingness and apparent ability to ensure the child's health and safety and resume permanent charge of the child, or until a relative enters the home and is willing and able to ensure the child's health and safety and assume charge of the child until a parent, guardian or custodian enters the home and expresses such willingness and ability to ensure the child's safety and resume permanent charge. After a caretaker has remained in the home for a period not to exceed 12 hours, the Department must follow those procedures outlined in Section 2-9, 3-11, 4-8, or 5-415 of the Juvenile Court Act of 1987.

The Department shall have the authority, responsibilities and duties that a legal custodian of the child would have pursuant to subsection (9) of Section 1-3 of the Juvenile Court Act of 1987. Whenever a child is taken into temporary custody pursuant to an investigation under the Abused and Neglected Child Reporting Act, or pursuant to a referral and acceptance under the Juvenile Court Act of 1987 of a minor in limited custody, the Department, during the period of temporary custody and before the child is brought before a judicial officer as required by Section 2-9, 3-11, 4-8, or 5-415 of the Juvenile Court Act of 1987, shall have the authority, responsibilities and duties that a legal custodian of the child would have under subsection (9) of Section 1-3 of the Juvenile Court Act of 1987.

The Department shall ensure that any child taken into custody is scheduled for an appointment for a medical examination.

A parent, guardian or custodian of a child in the temporary custody of the Department who would have custody of the child if he were not in the temporary custody of the Department may deliver to the Department a signed request that the Department surrender the temporary custody of the child. The Department may retain temporary custody of the child for 10 days after the receipt of the request, during which period the Department may cause to be filed a petition pursuant to the Juvenile Court Act of 1987. If a petition is so filed, the Department shall retain temporary custody of the child until the court orders otherwise. If a petition is not filed within the 10 day period, the child shall be surrendered to the custody of the requesting parent, guardian or custodian not later than the expiration of the 10 day period, at which time the authority and duties of the Department with respect to the temporary custody of the child shall terminate.

(m-1) The Department may place children under 18 years of age in a secure child care facility licensed by the Department that cares for children who are in need of secure living arrangements for their health, safety, and well-being after a determination is made by the facility director and the Director or the Director's designate prior to admission to the facility subject to Section 2-27.1 of the Juvenile Court Act of 1987. This subsection (m-1) does not apply to a child who is subject to placement in a correctional facility operated pursuant to Section 3-15-2 of the Unified Code of Corrections, unless the child is a ward who was placed under the care of the Department before being subject to placement in a correctional facility and a court of competent jurisdiction has ordered placement of the child in a secure care facility.

(n) The Department may place children under 18 years of age in licensed child care facilities when in the opinion of the Department, appropriate services aimed at family preservation have been unsuccessful and cannot ensure the child's health and safety or are unavailable and such placement would be for their best interest. Payment for board, clothing, care, training and supervision of any child placed in a licensed child care facility may be made by the Department, by the parents or guardians of the estates of those children, or by both the Department and the parents or guardians, except that no payments shall be made by the Department for any child placed in a licensed child care facility for board, clothing, care, training and supervision of such a child that exceed the average per capita cost of maintaining and of caring for a child in institutions for dependent or neglected children operated by the Department. However, such restriction on payments does not apply in cases where children require specialized care and treatment for

problems of severe emotional disturbance, physical disability, social adjustment, or any combination thereof and suitable facilities for the placement of such children are not available at payment rates within the limitations set forth in this Section. All reimbursements for services delivered shall be absolutely inalienable by assignment, sale, attachment, garnishment or otherwise.

(o) The Department shall establish an administrative review and appeal process for children and families who request or receive child welfare services from the Department. Children who are wards of the Department and are placed by private child welfare agencies, and foster families with whom those children are placed, shall be afforded the same procedural and appeal rights as children and families in the case of placement by the Department, including the right to an initial review of a private agency decision by that agency. The Department shall insure that any private child welfare agency, which accepts wards of the Department for placement, affords those rights to children and foster families. The Department shall accept for administrative review and an appeal hearing a complaint made by (i) a child or foster family concerning a decision following an initial review by a private child welfare agency or (ii) a prospective adoptive parent who alleges a violation of subsection (j-5) of this Section. An appeal of a decision concerning a change in the placement of a child shall be conducted in an expedited manner.

(p) There is hereby created the Department of Children and Family Services Emergency Assistance Fund from which the Department may provide special financial assistance to families which are in economic crisis when such assistance is not available through other public or private sources and the assistance is deemed necessary to prevent dissolution of the family unit or to reunite families which have been separated due to child abuse and neglect. The Department shall establish administrative rules specifying the criteria for determining eligibility for and the amount and nature of assistance to be provided. The Department may also enter into written agreements with private and public social service agencies to provide emergency financial services to families referred by the Department. Special financial assistance payments shall be available to a family no more than once during each fiscal year and the total payments to a family may not exceed \$500 during a fiscal year.

(q) The Department may receive and use, in their entirety, for the benefit of children any gift, donation or bequest of money or other property which is received on behalf of such children, or any financial benefits to which such children are or may become entitled while under the jurisdiction or care of the Department.

The Department shall set up and administer no-cost, interest-bearing accounts in appropriate financial institutions for children for whom the Department is legally responsible and who have been determined eligible for Veterans' Benefits, Social Security benefits, assistance allotments from the armed forces, court ordered payments, parental voluntary payments, Supplemental Security Income, Railroad Retirement payments, Black Lung benefits, or other miscellaneous payments. Interest earned by each account shall be credited to the account, unless disbursed in accordance with this subsection.

In disbursing funds from children's accounts, the Department shall:

(1) Establish standards in accordance with State and federal laws for disbursing money from children's accounts. In all circumstances, the Department's "Guardianship Administrator" or his or her designee must approve disbursements from children's accounts. The Department shall be responsible for keeping complete records of all disbursements for each account for any purpose.

(2) Calculate on a monthly basis the amounts paid from State funds for the child's board and care, medical care not covered under Medicaid, and social services; and utilize funds from the child's account, as covered by regulation, to reimburse those costs. Monthly, disbursements from all children's accounts, up to 1/12 of \$13,000,000, shall be deposited by the Department into the General Revenue Fund and the balance over 1/12 of \$13,000,000 into the DCFS Children's Services Fund.

(3) Maintain any balance remaining after reimbursing for the child's costs of care, as specified in item (2). The balance shall accumulate in accordance with relevant State and federal laws and shall be disbursed to the child or his or her guardian, or to the issuing agency.

(r) The Department shall promulgate regulations encouraging all adoption agencies to voluntarily forward to the Department or its agent names and addresses of all persons who have applied for and have been approved for adoption of a hard-to-place or handicapped child and the names of such children who have not been placed for adoption. A list of such names and addresses shall be maintained by the Department or its agent, and coded lists which maintain the confidentiality of the person seeking to adopt the child and of the child shall be made available, without charge, to every adoption agency in the State to assist the agencies in placing such children for adoption. The Department may delegate to an agent its duty to maintain and make available such lists. The Department shall ensure that such agent maintains the confidentiality of the person seeking to adopt the child and of the child.

(s) The Department of Children and Family Services may establish and implement a program to

reimburse Department and private child welfare agency foster parents licensed by the Department of Children and Family Services for damages sustained by the foster parents as a result of the malicious or negligent acts of foster children, as well as providing third party coverage for such foster parents with regard to actions of foster children to other individuals. Such coverage will be secondary to the foster parent liability insurance policy, if applicable. The program shall be funded through appropriations from the General Revenue Fund, specifically designated for such purposes.

(t) The Department shall perform home studies and investigations and shall exercise supervision over visitation as ordered by a court pursuant to the Illinois Marriage and Dissolution of Marriage Act or the Adoption Act only if:

(1) an order entered by an Illinois court specifically directs the Department to perform such services; and

(2) the court has ordered one or both of the parties to the proceeding to reimburse the

Department for its reasonable costs for providing such services in accordance with Department rules, or has determined that neither party is financially able to pay.

The Department shall provide written notification to the court of the specific arrangements for supervised visitation and projected monthly costs within 60 days of the court order. The Department shall send to the court information related to the costs incurred except in cases where the court has determined the parties are financially unable to pay. The court may order additional periodic reports as appropriate.

(u) In addition to other information that must be provided, whenever the Department places a child with a prospective adoptive parent or parents or in a licensed foster home, group home, child care institution, or in a relative home, the Department shall provide to the prospective adoptive parent or parents or other caretaker:

(1) available detailed information concerning the child's educational and health history, copies of immunization records (including insurance and medical card information), a history of the child's previous placements, if any, and reasons for placement changes excluding any information that identifies or reveals the location of any previous caretaker;

(2) a copy of the child's portion of the client service plan, including any visitation arrangement, and all amendments or revisions to it as related to the child; and

(3) information containing details of the child's individualized educational plan when the child is receiving special education services.

The caretaker shall be informed of any known social or behavioral information (including, but not limited to, criminal background, fire setting, perpetuation of sexual abuse, destructive behavior, and substance abuse) necessary to care for and safeguard the children to be placed or currently in the home. The Department may prepare a written summary of the information required by this paragraph, which may be provided to the foster or prospective adoptive parent in advance of a placement. The foster or prospective adoptive parent may review the supporting documents in the child's file in the presence of casework staff. In the case of an emergency placement, casework staff shall at least provide known information verbally, if necessary, and must subsequently provide the information in writing as required by this subsection.

The information described in this subsection shall be provided in writing. In the case of emergency placements when time does not allow prior review, preparation, and collection of written information, the Department shall provide such information as it becomes available. Within 10 business days after placement, the Department shall obtain from the prospective adoptive parent or parents or other caretaker a signed verification of receipt of the information provided. Within 10 business days after placement, the Department shall provide to the child's guardian ad litem a copy of the information provided to the prospective adoptive parent or parents or other caretaker. The information provided to the prospective adoptive parent or parents or other caretaker shall be reviewed and approved regarding accuracy at the supervisory level.

(u-5) Effective July 1, 1995, only foster care placements licensed as foster family homes pursuant to the Child Care Act of 1969 shall be eligible to receive foster care payments from the Department. Relative caregivers who, as of July 1, 1995, were approved pursuant to approved relative placement rules previously promulgated by the Department at 89 Ill. Adm. Code 335 and had submitted an application for licensure as a foster family home may continue to receive foster care payments only until the Department determines that they may be licensed as a foster family home or that their application for licensure is denied or until September 30, 1995, whichever occurs first.

(v) The Department shall access criminal history record information as defined in the Illinois Uniform Conviction Information Act and information maintained in the adjudicatory and dispositional record system as defined in Section 2605-355 of the Department of State Police Law (20 ILCS 2605/2605-355)

if the Department determines the information is necessary to perform its duties under the Abused and Neglected Child Reporting Act, the Child Care Act of 1969, and the Children and Family Services Act. The Department shall provide for interactive computerized communication and processing equipment that permits direct on-line communication with the Department of State Police's central criminal history data repository. The Department shall comply with all certification requirements and provide certified operators who have been trained by personnel from the Department of State Police. In addition, one Office of the Inspector General investigator shall have training in the use of the criminal history information access system and have access to the terminal. The Department of Children and Family Services and its employees shall abide by rules and regulations established by the Department of State Police relating to the access and dissemination of this information.

(v-1) Prior to final approval for placement of a child, the Department shall conduct a criminal records background check of the prospective foster or adoptive parent, including fingerprint-based checks of national crime information databases. Final approval for placement shall not be granted if the record check reveals a felony conviction for child abuse or neglect, for spousal abuse, for a crime against children, or for a crime involving violence, including rape, sexual assault, or homicide, but not including other physical assault or battery, or if there is a felony conviction for physical assault, battery, or a drug-related offense committed within the past 5 years.

(v-2) Prior to final approval for placement of a child, the Department shall check its child abuse and neglect registry for information concerning prospective foster and adoptive parents, and any adult living in the home. If any prospective foster or adoptive parent or other adult living in the home has resided in another state in the preceding 5 years, the Department shall request a check of that other state's child abuse and neglect registry.

(w) Within 120 days of August 20, 1995 (the effective date of Public Act 89-392), the Department shall prepare and submit to the Governor and the General Assembly, a written plan for the development of in-state licensed secure child care facilities that care for children who are in need of secure living arrangements for their health, safety, and well-being. For purposes of this subsection, secure care facility shall mean a facility that is designed and operated to ensure that all entrances and exits from the facility, a building or a distinct part of the building, are under the exclusive control of the staff of the facility, whether or not the child has the freedom of movement within the perimeter of the facility, building, or distinct part of the building. The plan shall include descriptions of the types of facilities that are needed in Illinois; the cost of developing these secure care facilities; the estimated number of placements; the potential cost savings resulting from the movement of children currently out-of-state who are projected to be returned to Illinois; the necessary geographic distribution of these facilities in Illinois; and a proposed timetable for development of such facilities.

(Source: P.A. 94-215, eff. 1-1-06; 94-1010, eff. 10-1-06.); and

on page 6, after line 3, by inserting the following:

"Section 10. The Juvenile Court Act of 1987 is amended by changing Section 2-28 as follows:  
(705 ILCS 405/2-28) (from Ch. 37, par. 802-28)

Sec. 2-28. Court review.

(1) The court may require any legal custodian or guardian of the person appointed under this Act to report periodically to the court or may cite him into court and require him or his agency, to make a full and accurate report of his or its doings in behalf of the minor. The custodian or guardian, within 10 days after such citation, shall make the report, either in writing verified by affidavit or orally under oath in open court, or otherwise as the court directs. Upon the hearing of the report the court may remove the custodian or guardian and appoint another in his stead or restore the minor to the custody of his parents or former guardian or custodian. However, custody of the minor shall not be restored to any parent, guardian or legal custodian in any case in which the minor is found to be neglected or abused under Section 2-3 or dependent under Section 2-4 of this Act, unless the minor can be cared for at home without endangering the minor's health or safety and it is in the best interests of the minor, and if such neglect, abuse, or dependency is found by the court under paragraph (1) of Section 2-21 of this Act to have come about due to the acts or omissions or both of such parent, guardian or legal custodian, until such time as an investigation is made as provided in paragraph (5) and a hearing is held on the issue of the fitness of such parent, guardian or legal custodian to care for the minor and the court enters an order that such parent, guardian or legal custodian is fit to care for the minor.

(2) The first permanency hearing shall be conducted by the judge. Subsequent permanency hearings may be heard by a judge or by hearing officers appointed or approved by the court in the manner set forth in Section 2-28.1 of this Act. The initial hearing shall be held (a) within 12 months from the date

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temporary custody was taken, (b) if the parental rights of both parents have been terminated in accordance with the procedure described in subsection (5) of Section 2-21, within 30 days of the order for termination of parental rights and appointment of a guardian with power to consent to adoption, or (c) in accordance with subsection (2) of Section 2-13.1. Subsequent permanency hearings shall be held every 6 months or more frequently if necessary in the court's determination following the initial permanency hearing, in accordance with the standards set forth in this Section, until the court determines that the plan and goal have been achieved. Once the plan and goal have been achieved, if the minor remains in substitute care, the case shall be reviewed at least every 6 months thereafter, subject to the provisions of this Section, unless the minor is placed in the guardianship of a suitable relative or other person and the court determines that further monitoring by the court does not further the health, safety or best interest of the child and that this is a stable permanent placement. The permanency hearings must occur within the time frames set forth in this subsection and may not be delayed in anticipation of a report from any source or due to the agency's failure to timely file its written report (this written report means the one required under the next paragraph and does not mean the service plan also referred to in that paragraph).

The public agency that is the custodian or guardian of the minor, or another agency responsible for the minor's care, shall ensure that all parties to the permanency hearings are provided a copy of the most recent service plan prepared within the prior 6 months at least 14 days in advance of the hearing. If not contained in the plan, the agency shall also include a report setting forth (i) any special physical, psychological, educational, medical, emotional, or other needs of the minor or his or her family that are relevant to a permanency or placement determination and (ii) for any minor age 16 or over, a written description of the programs and services that will enable the minor to prepare for independent living. The agency's written report must detail what progress or lack of progress the parent has made in correcting the conditions requiring the child to be in care; whether the child can be returned home without jeopardizing the child's health, safety, and welfare, and if not, what permanency goal is recommended to be in the best interests of the child, and why the other permanency goals are not appropriate. The caseworker must appear and testify at the permanency hearing. If a permanency hearing has not previously been scheduled by the court, the moving party shall move for the setting of a permanency hearing and the entry of an order within the time frames set forth in this subsection.

At the permanency hearing, the court shall determine the future status of the child. The court shall set one of the following permanency goals:

(A) The minor will be returned home by a specific date within 5 months.

(B) The minor will be in short-term care with a continued goal to return home within a period not to exceed one year, where the progress of the parent or parents is substantial giving particular consideration to the age and individual needs of the minor.

(B-1) The minor will be in short-term care with a continued goal to return home pending a status hearing. When the court finds that a parent has not made reasonable efforts or reasonable progress to date, the court shall identify what actions the parent and the Department must take in order to justify a finding of reasonable efforts or reasonable progress and shall set a status hearing to be held not earlier than 9 months from the date of adjudication nor later than 11 months from the date of adjudication during which the parent's progress will again be reviewed.

(C) The minor will be in substitute care pending court determination on termination of parental rights.

(D) Adoption, provided that parental rights have been terminated or relinquished.

(E) The guardianship of the minor will be transferred to an individual or couple on a permanent basis provided that goals (A) through (D) have been ruled out.

(F) The minor over age 15 will be in substitute care pending independence.

(G) The minor will be in substitute care because he or she cannot be provided for in a home environment due to developmental disabilities or mental illness or because he or she is a danger to self or others, provided that goals (A) through (D) have been ruled out.

In selecting any permanency goal, the court shall indicate in writing the reasons the goal was selected and why the preceding goals were ruled out. Where the court has selected a permanency goal other than (A), (B), or (B-1), the Department of Children and Family Services shall not provide further reunification services, but shall provide services consistent with the goal selected.

The court shall set a permanency goal that is in the best interest of the child. In determining that goal, the court shall consult with the minor in an age-appropriate manner regarding the proposed permanency or transition plan for the minor. The court's determination shall include the following factors:

(1) Age of the child.

(2) Options available for permanence, including both out-of-State and in-State placement options.

- (3) Current placement of the child and the intent of the family regarding adoption.
- (4) Emotional, physical, and mental status or condition of the child.
- (5) Types of services previously offered and whether or not the services were successful and, if not successful, the reasons the services failed.
- (6) Availability of services currently needed and whether the services exist.
- (7) Status of siblings of the minor.

The court shall consider (i) the permanency goal contained in the service plan, (ii) the appropriateness of the services contained in the plan and whether those services have been provided, (iii) whether reasonable efforts have been made by all the parties to the service plan to achieve the goal, and (iv) whether the plan and goal have been achieved. All evidence relevant to determining these questions, including oral and written reports, may be admitted and may be relied on to the extent of their probative value.

If the goal has been achieved, the court shall enter orders that are necessary to conform the minor's legal custody and status to those findings.

If, after receiving evidence, the court determines that the services contained in the plan are not reasonably calculated to facilitate achievement of the permanency goal, the court shall put in writing the factual basis supporting the determination and enter specific findings based on the evidence. The court also shall enter an order for the Department to develop and implement a new service plan or to implement changes to the current service plan consistent with the court's findings. The new service plan shall be filed with the court and served on all parties within 45 days of the date of the order. The court shall continue the matter until the new service plan is filed. Unless otherwise specifically authorized by law, the court is not empowered under this subsection (2) or under subsection (3) to order specific placements, specific services, or specific service providers to be included in the plan.

A guardian or custodian appointed by the court pursuant to this Act shall file updated case plans with the court every 6 months.

Rights of wards of the court under this Act are enforceable against any public agency by complaints for relief by mandamus filed in any proceedings brought under this Act.

(3) Following the permanency hearing, the court shall enter a written order that includes the determinations required under subsection (2) of this Section and sets forth the following:

- (a) The future status of the minor, including the permanency goal, and any order necessary to conform the minor's legal custody and status to such determination; or
- (b) If the permanency goal of the minor cannot be achieved immediately, the specific reasons for continuing the minor in the care of the Department of Children and Family Services or other agency for short term placement, and the following determinations:
  - (i) (Blank).
  - (ii) Whether the services required by the court and by any service plan prepared within the prior 6 months have been provided and (A) if so, whether the services were reasonably calculated to facilitate the achievement of the permanency goal or (B) if not provided, why the services were not provided.
  - (iii) Whether the minor's placement is necessary, and appropriate to the plan and goal, recognizing the right of minors to the least restrictive (most family-like) setting available and in close proximity to the parents' home consistent with the health, safety, best interest and special needs of the minor and, if the minor is placed out-of-State, whether the out-of-State placement continues to be appropriate and consistent with the health, safety, and best interest of the minor.
  - (iv) (Blank).
  - (v) (Blank).

Any order entered pursuant to this subsection (3) shall be immediately appealable as a matter of right under Supreme Court Rule 304(b)(1).

(4) The minor or any person interested in the minor may apply to the court for a change in custody of the minor and the appointment of a new custodian or guardian of the person or for the restoration of the minor to the custody of his parents or former guardian or custodian.

When return home is not selected as the permanency goal:

(a) The Department, the minor, or the current foster parent or relative caregiver seeking private guardianship may file a motion for private guardianship of the minor. Appointment of a guardian under this Section requires approval of the court.

(b) The State's Attorney may file a motion to terminate parental rights of any parent who has failed to make reasonable efforts to correct the conditions which led to the removal of the child or reasonable progress toward the return of the child, as defined in subdivision (D)(m) of Section 1 of the Adoption Act or for whom any other unfitness ground for terminating parental rights as



defined in subdivision (D) of Section 1 of the Adoption Act exists.

Custody of the minor shall not be restored to any parent, guardian or legal custodian in any case in which the minor is found to be neglected or abused under Section 2-3 or dependent under Section 2-4 of this Act, unless the minor can be cared for at home without endangering his or her health or safety and it is in the best interest of the minor, and if such neglect, abuse, or dependency is found by the court under paragraph (1) of Section 2-21 of this Act to have come about due to the acts or omissions or both of such parent, guardian or legal custodian, until such time as an investigation is made as provided in paragraph (5) and a hearing is held on the issue of the health, safety and best interest of the minor and the fitness of such parent, guardian or legal custodian to care for the minor and the court enters an order that such parent, guardian or legal custodian is fit to care for the minor. In the event that the minor has attained 18 years of age and the guardian or custodian petitions the court for an order terminating his guardianship or custody, guardianship or custody shall terminate automatically 30 days after the receipt of the petition unless the court orders otherwise. No legal custodian or guardian of the person may be removed without his consent until given notice and an opportunity to be heard by the court.

When the court orders a child restored to the custody of the parent or parents, the court shall order the parent or parents to cooperate with the Department of Children and Family Services and comply with the terms of an after-care plan, or risk the loss of custody of the child and possible termination of their parental rights. The court may also enter an order of protective supervision in accordance with Section 2-24.

(5) Whenever a parent, guardian, or legal custodian files a motion for restoration of custody of the minor, and the minor was adjudicated neglected, abused, or dependent as a result of physical abuse, the court shall cause to be made an investigation as to whether the movant has ever been charged with or convicted of any criminal offense which would indicate the likelihood of any further physical abuse to the minor. Evidence of such criminal convictions shall be taken into account in determining whether the minor can be cared for at home without endangering his or her health or safety and fitness of the parent, guardian, or legal custodian.

(a) Any agency of this State or any subdivision thereof shall co-operate with the agent of the court in providing any information sought in the investigation.

(b) The information derived from the investigation and any conclusions or recommendations derived from the information shall be provided to the parent, guardian, or legal custodian seeking restoration of custody prior to the hearing on fitness and the movant shall have an opportunity at the hearing to refute the information or contest its significance.

(c) All information obtained from any investigation shall be confidential as provided in Section 5-150 of this Act.

(Source: P.A. 91-357, eff. 7-29-99; 92-320, eff. 1-1-02.)"

Under the rules, the foregoing **Senate Bill No. 1379**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1380

A bill for AN ACT concerning public employee benefits.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1380

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1380**

AMENDMENT NO. 1. Amend Senate Bill 1380 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by adding Sections 3-110.9, 8-226.7, and 9-121.17 and by changing Sections 5-146, 5-147, 5-152, and 7-139 as follows:

[May 31, 2007]

(40 ILCS 5/3-110.9 new)

Sec. 3-110.9. Transfer to Article 9.

(a) Until 6 months after the effective date of this amendatory Act of the 95th General Assembly, any active member of a pension fund established under Article 9 of this Code may apply for transfer of up to 6 years of his or her creditable service accumulated in any police pension fund under this Article to the Article 9 fund. Such creditable service shall be transferred only upon payment by such police pension fund to the Article 9 fund of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund on the date of transfer; and

(2) employer contributions in an amount equal to the amount determined under subparagraph (1); and

(3) any interest paid by the applicant in order to reinstate service.

Participation in the police pension fund shall terminate on the date of transfer.

(b) Until 6 months after the effective date of this amendatory Act of the 95th General Assembly, any active member of an Article 9 fund may reinstate service that was terminated by receipt of a refund, by payment to the police pension fund of the amount of the refund with interest thereon at the rate of 6% per year, compounded annually, from the date of refund to the date of payment.

(40 ILCS 5/5-146) (from Ch. 108 1/2, par. 5-146)

Sec. 5-146. Wives and widows not entitled to annuities. The following wives or widows have no right to annuity from the fund:

(a) A wife or widow, married subsequent to the effective date, of a policeman who dies in service, if the marriage occurred less than one year prior to the policeman's death, except with respect to a policeman who dies in the performance of an act of duty, as provided in Section 5-147 in cases where a widow entitled to an annuity remarries after age 60, or when a widow entitled to an annuity remarries prior to attaining age 60 and the marriage is terminated, at any time thereafter, by dissolution of marriage, declaration of invalidity of marriage or the death of the husband; if after an evidentiary hearing, however, the Board, at its sole discretion determines that special circumstances exist warranting payment of a widow's annuity, then and only then shall the Board have authority to grant and award the annuity that would have been otherwise available;

(b) A wife or widow of a policeman who withdraws, whether or not he enters upon annuity, and dies out of service, if the marriage occurred after the effective date and less than one year prior to the policeman's death, and the widow was not his wife while he was in service; if after an evidentiary hearing, however, the Board, at its sole discretion determines that special circumstances exist warranting payment of a widow's annuity, then and only then shall the Board have authority to grant and award the annuity that would have been otherwise available;

(c) A wife or widow of a policeman who (1) has served 10 or more years, (2) dies out of service after he has withdrawn, and (3) has received a refund of the sums to his credit for annuity, and such refund has not been repaid in accordance with the other provisions of this Article;

(d) A wife or widow of a policeman who dies out of service after he has withdrawn, and who has not served at least 10 years;

(e) A former wife of a policeman who has had a judgment of dissolution of marriage from her policeman husband annulled, vacated or set aside by court proceedings subsequent to the policeman's death, unless (1) the proceedings were filed within 5 years after the date of dissolution of marriage, and within 1 year after the policeman's death, and (2) the board was made a party to the proceedings;

(f) A widow of a policeman who died prior to January 1, 1922, if she had been denied a pension by the board of trustees of any police pension fund existing in the city by operation of any other law;

(g) A widow of a policeman who has been denied a pension or annuity by the board created by this Article and who files a petition for a rehearing, or files a second application for annuity, unless the petition for rehearing or second application is filed within 1 year from the date upon which the annuity was denied by the board; provided, that in the case of legal disability, the year of limitation shall begin on the day after the termination of such disability.

(Source: P.A. 86-272.)

(40 ILCS 5/5-147) (from Ch. 108 1/2, par. 5-147)

Sec. 5-147. Widow's marriage to terminate annuity.

(a) Beginning on the effective date of this amendatory Act of the 95th General Assembly, a widow's annuity shall no longer be subject to termination or suspension under this Section due to remarriage. Any widow's annuity that was previously terminated or suspended under this Section by reason of remarriage shall, upon application, be resumed as of the date of the application, but in no event sooner than the effective date of this amendatory Act. The resumption shall not be retroactive. This subsection (a)

applies regardless of whether or not the deceased policeman was in service on or after the effective date of this amendatory Act of the 95th General Assembly.

(b) This subsection (b) does not apply on or after the effective date of this amendatory Act of the 95th General Assembly.

Any annuity granted to a widow shall be suspended when she remarries, unless she remarries after attaining age 60 or the annuity was granted under Section 5-144 and the remarriage takes place after October 31, 1989. Except as otherwise provided by this Section, if a widow remarries before reaching age 60, annuity payment shall be suspended, but the widow's annuity payments shall be resumed if the subsequent marriage ends either by dissolution of marriage, declaration of invalidity of marriage or the death of the husband. If a widow remarries after attaining age 60, or the annuity was granted under Section 5-144 and the remarriage takes place after June 1, 1990, regardless of whether or not the deceased policeman was in service on or after the effective date of this amendatory Act of 1991, the widow's annuity shall continue without interruption.

If when a widow dies she has not received, in form of annuity, an amount equal to the accumulated employee contributions for widow's annuity, the difference between such accumulated contributions and the sum received by her, along with any part of the accumulated contributions for age and service annuity remaining in the fund at her death shall be refunded to the policeman's children, in equal parts to each; provided, if any child is less than age 18, such part of any such amount required to pay annuities to such children shall be transferred to the child's annuity reserve. If no children or descendants thereof survive the policeman, such refund shall be paid to the estate of the policeman. In making refunds under this Section, no interest shall be considered upon either the total of annuity payments made or the amounts subject to refund.

(Source: P.A. 86-1488.)

(40 ILCS 5/5-152) (from Ch. 108 1/2, par. 5-152)

Sec. 5-152. Child's annuity - Conditions - Amount. A child's annuity shall be payable in the following cases of policemen who die on or after the effective date: (a) A policeman whose death results from injury incurred in the performance of an act or acts of duty; (b) a policeman who dies in service from any cause; (c) a policeman who withdraws upon or after attainment of age 50 and who enters upon or is eligible for annuity; (d) a present employee with at least 20 years of service who dies after withdrawal, whether or not he has entered upon annuity.

A child to be eligible must have been born or legally adopted before the policeman has withdrawn from service. In the case of an adopted child, the policeman shall be married and living with his wife at the time of the adoption, and the proceedings for adoption must have been initiated at least 6 months prior to the policeman's death. The requirement that the proceedings for adoption be initiated at least 6 months prior to the policeman's death does not apply where death occurs as a result of an act of duty.

Only one annuity shall be granted and paid for the benefit of any child if both parents have been policemen.

The annuity shall be paid, without regard to the fact that the death of the deceased policeman parent may have occurred prior to the effective date of this amendatory Act of 1975, in an amount equal to 10% of the annual maximum salary attached to the classified civil service position of a first class patrolman on July 1, 1975, or the date of the policeman's death, whichever is later, for each child while a widow or widower of the deceased policeman survives and in an amount equal to 15% of the annual maximum salary attached to the classified civil service position of a first class patrolman on July 1, 1975, or the date of the policeman's death, whichever is later, while no widow or widower shall survive, provided that if the combined annuities for the widow and children of a policeman who dies on or after September 26, 1969, as the result of an act of duty, or for the children of such policeman in any case wherein a widow or widower does not exist, exceed the salary that would ordinarily have been paid to him if he had been in the active discharge of his duties, all such annuities shall be reduced pro rata so that the combined annuities for the family shall not exceed such limitation. The compensation portion of the annuity of the widow shall not be considered in making such reduction. No age limitation in this Section or Section 5-151 shall apply to a child who is so physically or mentally handicapped as to be unable to support himself or herself. Benefits payable under this Section shall not be reduced or terminated by reason of any child's attainment of age 18 if he is then dependent by reason of a physical or mental disability but shall continue to be paid as long as such dependency continues. For the purposes of this subsection, "disability" means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

In the case of a family of a policeman who dies on or after September 26, 1969, as the result of any cause other than the performance of an act of duty, in which annuities for such family exceed an amount

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equal to 60% of the salary that would ordinarily have been paid to him if he had been in the active discharge of his duties, all such annuities shall be reduced pro rata so that the combined annuities shall not exceed such limitation.

Child's annuity shall be paid to the parent providing for the child, unless another person is appointed by a court of law as the child's guardian.

(Source: P.A. 79-699; 79-881; 79-1454.)

(40 ILCS 5/7-139) (from Ch. 108 1/2, par. 7-139)

Sec. 7-139. Credits and creditable service to employees.

(a) Each participating employee shall be granted credits and creditable service, for purposes of determining the amount of any annuity or benefit to which he or a beneficiary is entitled, as follows:

1. For prior service: Each participating employee who is an employee of a participating municipality or participating instrumentality on the effective date shall be granted creditable service, but no credits under paragraph 2 of this subsection (a), for periods of prior service for which credit has not been received under any other pension fund or retirement system established under this Code, as follows:

If the effective date of participation for the participating municipality or participating instrumentality is on or before January 1, 1998, creditable service shall be granted for the entire period of prior service with that employer without any employee contribution.

If the effective date of participation for the participating municipality or participating instrumentality is after January 1, 1998, creditable service shall be granted for the last 20% of the period of prior service with that employer, but no more than 5 years, without any employee contribution. A participating employee may establish creditable service for the remainder of the period of prior service with that employer by making an application in writing, accompanied by payment of an employee contribution in an amount determined by the Fund, based on the employee contribution rates in effect at the time of application for the creditable service and the employee's salary rate on the effective date of participation for that employer, plus interest at the effective rate from the date of the prior service to the date of payment. Application for this creditable service may be made at any time while the employee is still in service.

A municipality that (i) has at least 35 employees; (ii) is located in a county with at least 2,000,000 inhabitants; and (iii) maintains an independent defined benefit pension plan for the benefit of its eligible employees may restrict creditable service in whole or in part for periods of prior service with the employer if the governing body of the municipality adopts an irrevocable resolution to restrict that creditable service and files the resolution with the board before the municipality's effective date of participation.

Any person who has withdrawn from the service of a participating municipality or participating instrumentality prior to the effective date, who reenters the service of the same municipality or participating instrumentality after the effective date and becomes a participating employee is entitled to creditable service for prior service as otherwise provided in this subdivision (a)(1) only if he or she renders 2 years of service as a participating employee after the effective date. Application for such service must be made while in a participating status. The salary rate to be used in the calculation of the required employee contribution, if any, shall be the employee's salary rate at the time of first reentering service with the employer after the employer's effective date of participation.

2. For current service, each participating employee shall be credited with:

a. Additional credits of amounts equal to each payment of additional contributions received from him under Section 7-173, as of the date the corresponding payment of earnings is payable to him.

b. Normal credits of amounts equal to each payment of normal contributions received from him, as of the date the corresponding payment of earnings is payable to him, and normal contributions made for the purpose of establishing out-of-state service credits as permitted under the conditions set forth in paragraph 6 of this subsection (a).

c. Municipality credits in an amount equal to 1.4 times the normal credits, except those established by out-of-state service credits, as of the date of computation of any benefit if these credits would increase the benefit.

d. Survivor credits equal to each payment of survivor contributions received from the participating employee as of the date the corresponding payment of earnings is payable, and survivor contributions made for the purpose of establishing out-of-state service credits.

3. For periods of temporary and total and permanent disability benefits, each employee receiving disability benefits shall be granted creditable service for the period during which disability benefits are payable. Normal and survivor credits, based upon the rate of earnings applied for

disability benefits, shall also be granted if such credits would result in a higher benefit to any such employee or his beneficiary.

4. For authorized leave of absence without pay: A participating employee shall be granted credits and creditable service for periods of authorized leave of absence without pay under the following conditions:

a. An application for credits and creditable service is submitted to the board while the employee is in a status of active employment, and within 2 years after termination of the leave of absence period for which credits and creditable service are sought.

b. Not more than 12 complete months of creditable service for authorized leave of absence without pay shall be counted for purposes of determining any benefits payable under this Article.

c. Credits and creditable service shall be granted for leave of absence only if such leave is approved by the governing body of the municipality, including approval of the estimated cost thereof to the municipality as determined by the fund, and employee contributions, plus interest at the effective rate applicable for each year from the end of the period of leave to date of payment, have been paid to the fund in accordance with Section 7-173. The contributions shall be computed upon the assumption earnings continued during the period of leave at the rate in effect when the leave began.

d. Benefits under the provisions of Sections 7-141, 7-146, 7-150 and 7-163 shall become payable to employees on authorized leave of absence, or their designated beneficiary, only if such leave of absence is creditable hereunder, and if the employee has at least one year of creditable service other than the service granted for leave of absence. Any employee contributions due may be deducted from any benefits payable.

e. No credits or creditable service shall be allowed for leave of absence without pay during any period of prior service.

5. For military service: The governing body of a municipality or participating instrumentality may elect to allow creditable service to participating employees who leave their employment to serve in the armed forces of the United States for all periods of such service, provided that the person returns to active employment within 90 days after completion of full time active duty, but no creditable service shall be allowed such person for any period that can be used in the computation of a pension or any other pay or benefit, other than pay for active duty, for service in any branch of the armed forces of the United States. If necessary to the computation of any benefit, the board shall establish municipality credits for participating employees under this paragraph on the assumption that the employee received earnings at the rate received at the time he left the employment to enter the armed forces. A participating employee in the armed forces shall not be considered an employee during such period of service and no additional death and no disability benefits are payable for death or disability during such period.

Any participating employee who left his employment with a municipality or participating instrumentality to serve in the armed forces of the United States and who again became a participating employee within 90 days after completion of full time active duty by entering the service of a different municipality or participating instrumentality, which has elected to allow creditable service for periods of military service under the preceding paragraph, shall also be allowed creditable service for his period of military service on the same terms that would apply if he had been employed, before entering military service, by the municipality or instrumentality which employed him after he left the military service and the employer costs arising in relation to such grant of creditable service shall be charged to and paid by that municipality or instrumentality.

Notwithstanding the foregoing, any participating employee shall be entitled to creditable service as required by any federal law relating to re-employment rights of persons who served in the United States Armed Services. Such creditable service shall be granted upon payment by the member of an amount equal to the employee contributions which would have been required had the employee continued in service at the same rate of earnings during the military leave period, plus interest at the effective rate.

5.1. In addition to any creditable service established under paragraph 5 of this subsection (a), creditable service may be granted for up to 24 months of service in the armed forces of the United States.

In order to receive creditable service for military service under this paragraph 5.1, a participating employee must (1) apply to the Fund in writing and provide evidence of the military service that is satisfactory to the Board; (2) obtain the written approval of the current employer; and (3) make contributions to the Fund equal to (i) the employee contributions that would have been

required had the service been rendered as a member, plus (ii) an amount determined by the board to be equal to the employer's normal cost of the benefits accrued for that military service, plus (iii) interest on items (i) and (ii) from the date of first membership in the Fund to the date of payment. If payment is made during the 6-month period that begins 3 months after the effective date of this amendatory Act of 1997, the required interest shall be at the rate of 2.5% per year, compounded annually; otherwise, the required interest shall be calculated at the regular interest rate.

6. For out-of-state service: Creditable service shall be granted for service rendered to an out-of-state local governmental body under the following conditions: The employee had participated and has irrevocably forfeited all rights to benefits in the out-of-state public employees pension system; the governing body of his participating municipality or instrumentality authorizes the employee to establish such service; the employee has 2 years current service with this municipality or participating instrumentality; the employee makes a payment of contributions, which shall be computed at 8% (normal) plus 2% (survivor) times length of service purchased times the average rate of earnings for the first 2 years of service with the municipality or participating instrumentality whose governing body authorizes the service established plus interest at the effective rate on the date such credits are established, payable from the date the employee completes the required 2 years of current service to date of payment. In no case shall more than 120 months of creditable service be granted under this provision.

7. For retroactive service: Any employee who could have but did not elect to become a participating employee, or who should have been a participant in the Municipal Public Utilities Annuity and Benefit Fund before that fund was superseded, may receive creditable service for the period of service not to exceed 50 months; however, a current or former elected or appointed official of a participating municipality may establish credit under this paragraph 7 for more than 50 months of service as an official of that municipality, if the excess over 50 months is approved by resolution of the governing body of the affected municipality filed with the Fund before January 1, 2002.

Any employee who is a participating employee on or after September 24, 1981 and who was excluded from participation by the age restrictions removed by Public Act 82-596 may receive creditable service for the period, on or after January 1, 1979, excluded by the age restriction and, in addition, if the governing body of the participating municipality or participating instrumentality elects to allow creditable service for all employees excluded by the age restriction prior to January 1, 1979, for service during the period prior to that date excluded by the age restriction. Any employee who was excluded from participation by the age restriction removed by Public Act 82-596 and who is not a participating employee on or after September 24, 1981 may receive creditable service for service after January 1, 1979. Creditable service under this paragraph shall be granted upon payment of the employee contributions which would have been required had he participated, with interest at the effective rate for each year from the end of the period of service established to date of payment.

8. For accumulated unused sick leave: A participating employee who is applying for a retirement annuity shall be entitled to creditable service for that portion of the employee's accumulated unused sick leave for which payment is not received, as follows:

a. Sick leave days shall be limited to those accumulated under a sick leave plan established by a participating municipality or participating instrumentality which is available to all employees or a class of employees.

b. Only sick leave days accumulated with a participating municipality or participating instrumentality with which the employee was in service within 60 days of the effective date of his retirement annuity shall be credited; If the employee was in service with more than one employer during this period only the sick leave days with the employer with which the employee has the greatest number of unpaid sick leave days shall be considered.

c. The creditable service granted shall be considered solely for the purpose of computing the amount of the retirement annuity and shall not be used to establish any minimum service period required by any provision of the Illinois Pension Code, the effective date of the retirement annuity, or the final rate of earnings.

d. The creditable service shall be at the rate of 1/20 of a month for each full sick day, provided that no more than 12 months may be credited under this subdivision 8.

e. Employee contributions shall not be required for creditable service under this subdivision 8.

f. Each participating municipality and participating instrumentality with which an employee has service within 60 days of the effective date of his retirement annuity shall certify to the board the number of accumulated unpaid sick leave days credited to the employee at the time of termination of service.

9. For service transferred from another system: Credits and creditable service shall be granted for service under Article 3, 4, 5, 8, 14, or 16 of this Act, to any active member of this Fund, and to any inactive member who has been a county sheriff, upon transfer of such credits pursuant to Section 3-110.3, 4-108.3, 5-235, 8-226.7, 14-105.6, or 16-131.4, and payment by the member of the amount by which (1) the employer and employee contributions that would have been required if he had participated in this Fund as a sheriff's law enforcement employee during the period for which credit is being transferred, plus interest thereon at the effective rate for each year, compounded annually, from the date of termination of the service for which credit is being transferred to the date of payment, exceeds (2) the amount actually transferred to the Fund. Such transferred service shall be deemed to be service as a sheriff's law enforcement employee for the purposes of Section 7-142.1.

10. For service transferred from an Article 3 system under Section 3-110.8: Credits and creditable service shall be granted for service under Article 3 of this Act as provided in Section 3-110.8, to any active member of this Fund upon transfer of such credits pursuant to Section 3-110.8. If the amount by which (1) the employer and employee contributions that would have been required if he had participated in this Fund during the period for which credit is being transferred, plus interest thereon at the effective rate for each year, compounded annually, from the date of termination of the service for which credit is being transferred to the date of payment, exceeds (2) the amount actually transferred to the Fund, then the amount of creditable service established under this paragraph 10 shall be reduced by a corresponding amount in accordance with the rules and procedures established under this paragraph 10.

The board shall establish by rule the manner of making the calculation required under this paragraph 10, taking into account the appropriate actuarial assumptions; the member's service, age, and salary history; the level of funding of the employer; and any other factors that the board determines to be relevant.

(b) Creditable service - amount:

1. One month of creditable service shall be allowed for each month for which a participating employee made contributions as required under Section 7-173, or for which creditable service is otherwise granted hereunder. Not more than 1 month of service shall be credited and counted for 1 calendar month, and not more than 1 year of service shall be credited and counted for any calendar year. A calendar month means a nominal month beginning on the first day thereof, and a calendar year means a year beginning January 1 and ending December 31.

2. A seasonal employee shall be given 12 months of creditable service if he renders the number of months of service normally required by the position in a 12-month period and he remains in service for the entire 12-month period. Otherwise a fractional year of service in the number of months of service rendered shall be credited.

3. An intermittent employee shall be given creditable service for only those months in which a contribution is made under Section 7-173.

(c) No application for correction of credits or creditable service shall be considered unless the board receives an application for correction while (1) the applicant is a participating employee and in active employment with a participating municipality or instrumentality, or (2) while the applicant is actively participating in a pension fund or retirement system which is a participating system under the Retirement Systems Reciprocal Act. A participating employee or other applicant shall not be entitled to credits or creditable service unless the required employee contributions are made in a lump sum or in installments made in accordance with board rule.

(d) Upon the granting of a retirement, surviving spouse or child annuity, a death benefit or a separation benefit, on account of any employee, all individual accumulated credits shall thereupon terminate. Upon the withdrawal of additional contributions, the credits applicable thereto shall thereupon terminate. Terminated credits shall not be applied to increase the benefits any remaining employee would otherwise receive under this Article.

(Source: P.A. 93-933, eff. 8-13-04; 94-356, eff. 7-29-05.)

(40 ILCS 5/8-226.7 new)

Sec. 8-226.7. Transfer to Article 7. Until 6 months after the effective date of this amendatory Act of the 95th General Assembly, any member who is a sheriff's law enforcement employee under Article 7 of this Code who is eligible to transfer service credit to that Fund from this Fund under paragraph (9) of subsection (a) of Section 7-139 may apply for transfer of that service credit to the Illinois Municipal Retirement Fund. The credits and creditable service shall be transferred upon application, and shall include payment by this Fund to the Illinois Municipal Retirement Fund of:

(1) the amounts accumulated to the credit of the applicant for that service, including interest, on the books of the Fund on the date of transfer; and

(2) the corresponding employer credits computed and credited for that service under this Article, including interest, on the books of the Fund on the date of transfer.

Participation in this Fund as to the credits transferred under this Section shall terminate on the date of transfer.

(40 ILCS 5/9-121.17 new)

Sec. 9-121.17. Transfer from Article 3. Until 6 months after the effective date, an employee may transfer to this Fund up to 6 years of creditable service accumulated under Article 3 of this Code, upon payment to this Fund of (1) the amount by which the employee and employer contributions that would have been required if the employee had participated in this Fund during the period for which credit is being transferred, plus interest, exceeds the amount actually transferred from the Article 3 fund to this Fund, plus (2) interest on the amount determined under item (1) at the rate of 6% per year, compounded annually, from the date of the transfer to the date of payment.

Section 90. The State Mandates Act is amended by adding Section 8.31 as follows:

(30 ILCS 805/8.31 new)

Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 95th General Assembly.

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 1380**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1426

A bill for AN ACT concerning education.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1426

House Amendment No. 2 to SENATE BILL NO. 1426

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1426**

AMENDMENT NO. 1. Amend Senate Bill 1426 on page 3, line 4, by replacing "~~and~~" with "and"; and

on page 3, lines 5 and 6, by deleting "; and (xvi) contracts for the provision of motor vehicle fuel".

**AMENDMENT NO. 2 TO SENATE BILL 1426**

AMENDMENT NO. 2. Amend Senate Bill 1426, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 10-22.6 as follows:

(105 ILCS 5/10-22.6) (from Ch. 122, par. 10-22.6)

Sec. 10-22.6. Suspension or expulsion of pupils; school searches.

(a) To expel pupils guilty of gross disobedience or misconduct, including gross disobedience or misconduct perpetuated by electronic means, and no action shall lie against them for such expulsion. Expulsion shall take place only after the parents have been requested to appear at a meeting of the board, or with a hearing officer appointed by it, to discuss their child's behavior. Such request shall be made by registered or certified mail and shall state the time, place and purpose of the meeting. The board, or a hearing officer appointed by it, at such meeting shall state the reasons for dismissal and the date on which the expulsion is to become effective. If a hearing officer is appointed by the board he shall report

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to the board a written summary of the evidence heard at the meeting and the board may take such action thereon as it finds appropriate.

(b) To suspend or by regulation to authorize the superintendent of the district or the principal, assistant principal, or dean of students of any school to suspend pupils guilty of gross disobedience or misconduct, or to suspend pupils guilty of gross disobedience or misconduct on the school bus from riding the school bus, and no action shall lie against them for such suspension. The board may by regulation authorize the superintendent of the district or the principal, assistant principal, or dean of students of any school to suspend pupils guilty of such acts for a period not to exceed 10 school days. If a pupil is suspended due to gross disobedience or misconduct on a school bus, the board may suspend the pupil in excess of 10 school days for safety reasons. Any suspension shall be reported immediately to the parents or guardian of such pupil along with a full statement of the reasons for such suspension and a notice of their right to a review, a copy of which shall be given to the school board. Upon request of the parents or guardian the school board or a hearing officer appointed by it shall review such action of the superintendent or principal, assistant principal, or dean of students. At such review the parents or guardian of the pupil may appear and discuss the suspension with the board or its hearing officer. If a hearing officer is appointed by the board he shall report to the board a written summary of the evidence heard at the meeting. After its hearing or upon receipt of the written report of its hearing officer, the board may take such action as it finds appropriate.

(c) The Department of Human Services shall be invited to send a representative to consult with the board at such meeting whenever there is evidence that mental illness may be the cause for expulsion or suspension.

(d) The board may expel a student for a definite period of time not to exceed 2 calendar years, as determined on a case by case basis. A student who is determined to have brought a weapon to school, any school-sponsored activity or event, or any activity or event which bears a reasonable relationship to school shall be expelled for a period of not less than one year, except that the expulsion period may be modified by the superintendent, and the superintendent's determination may be modified by the board on a case by case basis. For the purpose of this Section, the term "weapon" means (1) possession, use, control, or transfer of any gun, rifle, shotgun, weapon as defined by Section 921 of Title 18, United States Code, firearm as defined in Section 1.1 of the Firearm Owners Identification Act, or use of a weapon as defined in Section 24-1 of the Criminal Code, (2) any other object if used or attempted to be used to cause bodily harm, including but not limited to, knives, brass knuckles, or billy clubs, or (3) "look alikes" of any weapon as defined in this Section. Expulsion or suspension shall be construed in a manner consistent with the Federal Individuals with Disabilities Education Act. A student who is subject to suspension or expulsion as provided in this Section may be eligible for a transfer to an alternative school program in accordance with Article 13A of the School Code. The provisions of this subsection (d) apply in all school districts, including special charter districts and districts organized under Article 34.

(d-5) The board may suspend or by regulation authorize the superintendent of the district or the principal, assistant principal, or dean of students of any school to suspend a student for a period not to exceed 10 school days or may expel a student for a definite period of time not to exceed 2 calendar years, as determined on a case by case basis, if (i) that student has been determined to have made an explicit threat on an Internet web site against a school employee, a student, or any school-related personnel, (ii) the Internet web site through which the threat was made is a site that was accessible within the school at the time the threat was made or was available to third parties who worked or studied within the school grounds at the time the threat was made, or (iii) the threat could be reasonably interpreted as bearing a reasonable relationship to the safety and security of the threatened individual because of his or her duties or employment status or status as a student inside the school. The provisions of this subsection (d-5) apply in all school districts, including special charter districts and districts organized under Article 34.

(e) To maintain order and security in the schools, school authorities may inspect and search places and areas such as lockers, desks, parking lots, and other school property and equipment owned or controlled by the school, as well as personal effects left in those places and areas by students, without notice to or the consent of the student, and without a search warrant. As a matter of public policy, the General Assembly finds that students have no reasonable expectation of privacy in these places and areas or in their personal effects left in these places and areas. School authorities may request the assistance of law enforcement officials for the purpose of conducting inspections and searches of lockers, desks, parking lots, and other school property and equipment owned or controlled by the school for illegal drugs, weapons, or other illegal or dangerous substances or materials, including searches conducted through the use of specially trained dogs. If a search conducted in accordance with this Section produces evidence

that the student has violated or is violating either the law, local ordinance, or the school's policies or rules, such evidence may be seized by school authorities, and disciplinary action may be taken. School authorities may also turn over such evidence to law enforcement authorities. The provisions of this subsection (e) apply in all school districts, including special charter districts and districts organized under Article 34.

(f) Suspension or expulsion may include suspension or expulsion from school and all school activities and a prohibition from being present on school grounds.

(g) A school district may adopt a policy providing that if a student is suspended or expelled for any reason from any public or private school in this or any other state, the student must complete the entire term of the suspension or expulsion before being admitted into the school district. This policy may allow placement of the student in an alternative school program established under Article 13A of this Code, if available, for the remainder of the suspension or expulsion. This subsection (g) applies to all school districts, including special charter districts and districts organized under Article 34 of this Code. (Source: P.A. 92-64, eff. 7-12-01.)".

Under the rules, the foregoing **Senate Bill No. 1426**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1544

A bill for AN ACT concerning revenue.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1544

House Amendment No. 2 to SENATE BILL NO. 1544

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1544**

AMENDMENT NO. 1. Amend Senate Bill 1544 by replacing everything after the enacting clause with the following:

"ARTICLE 1. SHORT TITLE; PURPOSE

Section 1-1. Short Title. This Act may be cited as the FY2008 Budget Implementation (Revenue) Act.

Section 1-5. Purpose. It is the purpose of this Act to make changes in State programs concerning revenue that are necessary to implement the FY2008 Budget.

**ARTICLE 5. FRANCHISE TAX AND LICENSE FEE AMNESTY ACT OF 2007**

Section 5-1. Short title. This Article may be cited as the Franchise Tax and License Fee Amnesty Act of 2007. References in this Article to "this Act" mean this Article.

Section 5-5. Definitions. As used in this Act:

"Secretary" means the Illinois Secretary of State.

"Rules" means any rules adopted or forms prescribed by the Secretary.

"Taxable period" means any period of time for which any franchise tax is imposed by and owned to the State of Illinois by any domestic corporation or any license fee is imposed by and owned to the State of Illinois by any foreign corporation.

"Taxpayer" means any domestic or foreign corporation, subject to franchise tax or license fee imposed by Article XV of the Business Corporation Act of 1983.

Section 5-10. Amnesty program. The Secretary shall establish an amnesty program for all taxpayers

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owing any franchise tax or license fee imposed by Article XV of the Business Corporation Act of 1983. The amnesty program shall be for a period from October 1, 2007 through November 15, 2007. The amnesty program shall provide that, upon payment by a taxpayer of all franchise taxes and license fees due from that taxpayer to the State of Illinois for any taxable period, the Secretary shall abate and not seek to collect any interest or penalties that may be applicable, and the Secretary shall not seek civil or criminal prosecution for any taxpayer for the period of time for which amnesty has been granted to the taxpayer. Failure to pay all taxes due to the State for a taxable period shall not invalidate any amnesty granted under this Act with respect to the taxes paid pursuant to the amnesty program. Amnesty shall be granted only if all amnesty conditions are satisfied by the taxpayer. Amnesty shall not be granted to taxpayers who are a party to any criminal investigation or to any civil or criminal litigation that is pending in any circuit court or appellate court or the Supreme Court of this State for nonpayment, delinquency, or fraud in relation to any franchise tax or license fee imposed by Article XV of the Business Corporation Act of 1983. Voluntary payments made under this Act shall be made by cash, check, guaranteed remittance, or ACH debit. The Secretary shall adopt rules as necessary to implement the provisions of this Act. Except as otherwise provided in this Section, all money collected under this Act that would otherwise be deposited into the General Revenue Fund shall be deposited into the General Revenue Fund. Two percent of all money collected under this Act shall be deposited by the State Treasurer into the Department of Business Services Special Operations Fund and, subject to appropriation, shall be used by the Secretary to cover costs associated with the administration of this Act.

Section 5-90. The Business Corporation Act of 1983 is amended by changing Sections 15.90 and 16.05 as follows:

(805 ILCS 5/15.90) (from Ch. 32, par. 15.90)

Sec. 15.90. Statute of limitations.

(a) Except as otherwise provided in this Section and notwithstanding anything to the contrary contained in any other Section of this Act, no domestic corporation or foreign corporation shall be obligated to pay any annual franchise tax, fee, or penalty or interest thereon imposed under this Act, nor shall any administrative or judicial sanction (including dissolution) be imposed or enforced nor access to the courts of this State be denied based upon nonpayment thereof more than 7 years after the date of filing the annual report with respect to the period during which the obligation for the tax, fee, penalty or interest arose, unless (1) within that 7 year period the Secretary of State sends a written notice to the corporation to the effect that (A) administrative or judicial action to dissolve the corporation or revoke its certificate of authority for nonpayment of a tax, fee, penalty or interest has been commenced; or (B) the corporation has submitted a report but has failed to pay a tax, fee, penalty or interest required to be paid therewith; or (C) a report with respect to an event or action giving rise to an obligation to pay a tax, fee, penalty or interest is required but has not been filed, or has been filed and is in error or incomplete; or (2) the annual report by the corporation was filed with fraudulent intent to evade taxes payable under this Act. A corporation nonetheless shall be required to pay all taxes that would have been payable during the most recent 7 year period due to a previously unreported increase in paid-in capital that occurred prior to that 7 year period and interest and penalties thereon for that period, except that with respect to any corporation that participates in the Franchise Tax and License Fee Amnesty Act of 2007, the corporation shall be only required to pay all taxes that would have been payable during the most recent 4 year period due to a previously unreported increase in paid-in capital that occurred prior to that 7 year period.

(b) If within 2 years following a change in control of a corporation the corporation voluntarily pays in good faith all known obligations of the corporation imposed by this Article 15 with respect to reports that were required to have been filed since the beginning of the 7 year period ending on the effective date of the change in control, no action shall be taken to enforce or collect obligations of that corporation imposed by this Article 15 with respect to reports that were required to have been filed prior to that 7 year period regardless of whether the limitation period set forth in subsection (a) is otherwise applicable. For purposes of this subsection (b), a change in control means a transaction, or a series of transactions consummated within a period of 180 consecutive days, as a result of which a person which owned less than 10% of the shares having the power to elect directors of the corporation acquires shares such that the person becomes the holder of 80% or more of the shares having such power. For purposes of this subsection (b) a person means any natural person, corporation, partnership, trust or other entity together with all other persons controlled by, controlling or under common control with such person.

(c) Except as otherwise provided in this Section and notwithstanding anything to the contrary contained in any other Section of this Act, no foreign corporation that has not previously obtained a

certificate of authority under this Act shall, upon voluntary application for a certificate of authority filed with the Secretary of State prior to January 1, 2001, be obligated to pay any tax, fee, penalty, or interest imposed under this Act, nor shall any administrative or judicial sanction be imposed or enforced based upon nonpayment thereof with respect to a period during which the obligation arose that is prior to January 1, 1993 unless (1) prior to receipt of the application for a certificate of authority the Secretary of State had sent written notice to the corporation regarding its failure to obtain a certificate of authority, (2) the corporation had submitted an application for a certificate of authority previously but had failed to pay any tax, fee, penalty or interest to be paid therewith, or (3) the application for a certificate of authority was submitted by the corporation with fraudulent intent to evade taxes payable under this Act. A corporation nonetheless shall be required to pay all taxes and fees due under this Act that would have been payable since January 1, 1993 as a result of commencing the transaction of its business in this State and interest thereon for that period.

(Source: P.A. 90-421, eff. 1-1-98.)

(805 ILCS 5/16.05) (from Ch. 32, par. 16.05)

Sec. 16.05. Penalties and interest imposed upon corporations.

(a) Each corporation, domestic or foreign, that fails or refuses to file any annual report or report of cumulative changes in paid-in capital and pay any franchise tax due pursuant to the report prior to the first day of its anniversary month or, in the case of a corporation which has established an extended filing month, the extended filing month of the corporation shall pay a penalty of 10% of the amount of any delinquent franchise tax due for the report. No penalty shall be imposed with respect to any amount of delinquent franchise tax paid pursuant to the Franchise Tax and License Fee Amnesty Act of 2007.

(b) Each corporation, domestic or foreign, that fails or refuses to file a report of issuance of shares or increase in paid-in capital within the time prescribed by this Act is subject to a penalty on any obligation occurring prior to January 1, 1991, and interest on those obligations on or after January 1, 1991, for each calendar month or part of month that it is delinquent in the amount of 1% of the amount of license fees and franchise taxes provided by this Act to be paid on account of the issuance of shares or increase in paid-in capital. No penalty shall be imposed, or interest charged, with respect to any amount of delinquent license fees and franchise taxes paid pursuant to the Franchise Tax and License Fee Amnesty Act of 2007.

(c) Each corporation, domestic or foreign, that fails or refuses to file a report of cumulative changes in paid-in capital or report following merger within the time prescribed by this Act is subject to interest on or after January 1, 1992, for each calendar month or part of month that it is delinquent, in the amount of 1% of the amount of franchise taxes provided by this Act to be paid on account of the issuance of shares or increase in paid-in capital disclosed on the report of cumulative changes in paid-in capital or report following merger, or \$1, whichever is greater. No interest shall be charged with respect to any amount of delinquent franchise tax paid pursuant to the Franchise Tax and License Fee Amnesty Act of 2007.

(d) If the annual franchise tax, or the supplemental annual franchise tax for any 12-month period commencing July 1, 1968, or July 1 of any subsequent year through June 30, 1983, assessed in accordance with this Act, is not paid by July 31, it is delinquent, and there is added a penalty prior to January 1, 1991, and interest on and after January 1, 1991, of 1% for each month or part of month that it is delinquent commencing with the month of August, or \$1, whichever is greater. No penalty shall be imposed, or interest charged, with respect to any amount of delinquent franchise taxes paid pursuant to the Franchise Tax and License Fee Amnesty Act of 2007.

(e) If the supplemental annual franchise tax assessed in accordance with the provisions of this Act for the 12-month period commencing July 1, 1967, is not paid by September 30, 1967, it is delinquent, and there is added a penalty prior to January 1, 1991, and interest on and after January 1, 1991, of 1% for each month or part of month that it is delinquent commencing with the month of October, 1967. No penalty shall be imposed, or interest charged, with respect to any amount of delinquent franchise taxes paid pursuant to the Franchise Tax and License Fee Amnesty Act of 2007.

(f) If any annual franchise tax for any period beginning on or after July 1, 1983, is not paid by the time period herein prescribed, it is delinquent and there is added a penalty prior to January 1, 1991, and interest on and after January 1, 1991, of 1% for each month or part of a month that it is delinquent commencing with the anniversary month or in the case of a corporation that has established an extended filing month, the extended filing month, or \$1, whichever is greater. No penalty shall be imposed, or interest charged, with respect to any amount of delinquent franchise taxes paid pursuant to the Franchise Tax and License Fee Amnesty Act of 2007.

(g) Any corporation, domestic or foreign, failing to pay the prescribed fee for assumed corporate name renewal when due and payable shall be given notice of nonpayment by the Secretary of State by regular mail; and if the fee together with a penalty fee of \$5 is not paid within 90 days after the notice is mailed,

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the right to use the assumed name shall cease.

(h) Any corporation which (i) puts forth any sign or advertisement, assuming any name other than that by which it is incorporated or otherwise authorized by law to act or (ii) violates Section 3.25, shall be guilty of a Class C misdemeanor and shall be deemed guilty of an additional offense for each day it shall continue to so offend.

(i) Each corporation, domestic or foreign, that fails or refuses (1) to file in the office of the recorder within the time prescribed by this Act any document required by this Act to be so filed, or (2) to answer truthfully and fully within the time prescribed by this Act interrogatories propounded by the Secretary of State in accordance with this Act, or (3) to perform any other act required by this Act to be performed by the corporation, is guilty of a Class C misdemeanor.

(j) Each corporation that fails or refuses to file articles of revocation of dissolution within the time prescribed by this Act is subject to a penalty for each calendar month or part of the month that it is delinquent in the amount of \$50.

(Source: P.A. 91-464, eff. 1-1-00; 91-906, eff. 1-1-01.)

#### ARTICLE 10. AMENDATORY PROVISIONS

Section 10-5. The Illinois Income Tax Act is amended by changing Sections 203, 205, 207, 304, 502, 711, 712, 713, 804, 911, and 1501 and by adding Section 709.5 as follows:

(35 ILCS 5/203) (from Ch. 120, par. 2-203)

Sec. 203. Base income defined.

(a) Individuals.

(1) In general. In the case of an individual, base income means an amount equal to the taxpayer's adjusted gross income for the taxable year as modified by paragraph (2).

(2) Modifications. The adjusted gross income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of adjusted gross income, except stock dividends of qualified public utilities described in Section 305(e) of the Internal Revenue Code;

(B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of adjusted gross income for the taxable year;

(C) An amount equal to the amount received during the taxable year as a recovery or refund of real property taxes paid with respect to the taxpayer's principal residence under the Revenue Act of 1939 and for which a deduction was previously taken under subparagraph (L) of this paragraph (2) prior to July 1, 1991, the retrospective application date of Article 4 of Public Act 87-17. In the case of multi-unit or multi-use structures and farm dwellings, the taxes on the taxpayer's principal residence shall be that portion of the total taxes for the entire property which is attributable to such principal residence;

(D) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of adjusted gross income;

(D-5) An amount, to the extent not included in adjusted gross income, equal to the amount of money withdrawn by the taxpayer in the taxable year from a medical care savings account and the interest earned on the account in the taxable year of a withdrawal pursuant to subsection (b) of Section 20 of the Medical Care Savings Account Act or subsection (b) of Section 20 of the Medical Care Savings Account Act of 2000;

(D-10) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the individual deducted in computing adjusted gross income and for which the individual claims a credit under subsection (l) of Section 201;

(D-15) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code;

(D-16) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (Z) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for

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which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (Z), then an amount equal to that subtraction modification.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

~~(D-17) An For taxable years ending on or after December 31, 2004, an amount equal to the amount otherwise allowed as a deduction in computing~~

~~base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304.~~ The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and

(b) the transaction giving rise to the interest expense between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

(iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

~~(D-18) An For taxable years ending on or after December 31, 2004, an amount equal to the amount of intangible expenses and costs otherwise~~

~~allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304.~~ The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the

taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

(i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such item; or

(ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and

(b) the transaction giving rise to the intangible expense or cost between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(D-19) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) of this Act.

(D-20) For taxable years beginning on or after January 1, 2002, in the case of a distribution from a qualified tuition program under Section 529 of the Internal Revenue Code, other than (i) a distribution from a College Savings Pool created under Section 16.5 of the State Treasurer Act or (ii) a distribution from the Illinois Prepaid Tuition Trust Fund, an amount equal to the amount excluded from gross income under Section 529(c)(3)(B);

and by deducting from the total so obtained the sum of the following amounts:

(E) For taxable years ending before December 31, 2001, any amount included in such

total in respect of any compensation (including but not limited to any compensation paid or accrued to a serviceman while a prisoner of war or missing in action) paid to a resident by reason of being on active duty in the Armed Forces of the United States and in respect of any compensation paid or accrued to a resident who as a governmental employee was a prisoner of war or missing in action, and in respect of any compensation paid to a resident in 1971 or thereafter for annual training performed pursuant to Sections 502 and 503, Title 32, United States Code as a member of the Illinois National Guard. For taxable years ending on or after December 31, 2001, any amount included in such total in respect of any compensation (including but not limited to any compensation paid or accrued to a serviceman while a prisoner of war or missing in action) paid to a resident by reason of being a member of any component of the Armed Forces of the United States and in respect of any compensation paid or accrued to a resident who as a governmental employee was a prisoner of war or missing in action, and in respect of any compensation paid to a resident in 2001 or thereafter by reason of being a member of the Illinois National Guard. The provisions of this amendatory Act of the 92nd General Assembly are exempt from the provisions of Section 250;

(F) An amount equal to all amounts included in such total pursuant to the provisions of Sections 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and 408 of the Internal Revenue Code, or included in such total as distributions under the provisions of any retirement or disability plan for employees of any governmental agency or unit, or retirement payments to retired partners, which payments are excluded in computing net earnings from self employment by Section 1402 of the Internal Revenue Code and regulations adopted pursuant thereto;

(G) The valuation limitation amount;

(H) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(I) An amount equal to all amounts included in such total pursuant to the provisions of Section 111 of the Internal Revenue Code as a recovery of items previously deducted from adjusted gross income in the computation of taxable income;

(J) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act, and conducts substantially all of its operations in an Enterprise Zone or zones or a River Edge Redevelopment Zone or zones. This subparagraph (J) is exempt from the provisions of Section 250;

(K) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (J) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (K);

(L) For taxable years ending after December 31, 1983, an amount equal to all social security benefits and railroad retirement benefits included in such total pursuant to Sections 72(r) and 86 of the Internal Revenue Code;

(M) With the exception of any amounts subtracted under subparagraph (N), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(2) of the Internal Revenue Code of 1954, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code of 1954, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(N) An amount equal to all amounts included in such total which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State or of the United States, any treaty of the United States, the Illinois Constitution, or the United States Constitution that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the income interest net of bond premium amortization, interest expense incurred on indebtedness to carry the bond or other obligation, expenses incurred in producing the income to be deducted, and all other related expenses. The amount of expenses to be taken into account under this provision may not exceed the amount of income that is exempted;

(O) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;

(P) An amount equal to the amount of the deduction used to compute the federal



income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

(Q) An amount equal to any amounts included in such total, received by the taxpayer as an acceleration in the payment of life, endowment or annuity benefits in advance of the time they would otherwise be payable as an indemnity for a terminal illness;

(R) An amount equal to the amount of any federal or State bonus paid to veterans of the Persian Gulf War;

(S) An amount, to the extent included in adjusted gross income, equal to the amount of a contribution made in the taxable year on behalf of the taxpayer to a medical care savings account established under the Medical Care Savings Account Act or the Medical Care Savings Account Act of 2000 to the extent the contribution is accepted by the account administrator as provided in that Act;

(T) An amount, to the extent included in adjusted gross income, equal to the amount of interest earned in the taxable year on a medical care savings account established under the Medical Care Savings Account Act or the Medical Care Savings Account Act of 2000 on behalf of the taxpayer, other than interest added pursuant to item (D-5) of this paragraph (2);

(U) For one taxable year beginning on or after January 1, 1994, an amount equal to the total amount of tax imposed and paid under subsections (a) and (b) of Section 201 of this Act on grant amounts received by the taxpayer under the Nursing Home Grant Assistance Act during the taxpayer's taxable years 1992 and 1993;

(V) Beginning with tax years ending on or after December 31, 1995 and ending with tax years ending on or before December 31, 2004, an amount equal to the amount paid by a taxpayer who is a self-employed taxpayer, a partner of a partnership, or a shareholder in a Subchapter S corporation for health insurance or long-term care insurance for that taxpayer or that taxpayer's spouse or dependents, to the extent that the amount paid for that health insurance or long-term care insurance may be deducted under Section 213 of the Internal Revenue Code of 1986, has not been deducted on the federal income tax return of the taxpayer, and does not exceed the taxable income attributable to that taxpayer's income, self-employment income, or Subchapter S corporation income; except that no deduction shall be allowed under this item (V) if the taxpayer is eligible to participate in any health insurance or long-term care insurance plan of an employer of the taxpayer or the taxpayer's spouse. The amount of the health insurance and long-term care insurance subtracted under this item (V) shall be determined by multiplying total health insurance and long-term care insurance premiums paid by the taxpayer times a number that represents the fractional percentage of eligible medical expenses under Section 213 of the Internal Revenue Code of 1986 not actually deducted on the taxpayer's federal income tax return;

(W) For taxable years beginning on or after January 1, 1998, all amounts included in the taxpayer's federal gross income in the taxable year from amounts converted from a regular IRA to a Roth IRA. This paragraph is exempt from the provisions of Section 250;

(X) For taxable year 1999 and thereafter, an amount equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime by European insurance companies immediately prior to and during World War II; provided, however, this subtraction from federal adjusted gross income does not apply to assets acquired with such assets or with the proceeds from the sale of such assets; provided, further, this paragraph shall only apply to a taxpayer who was the first recipient of such assets after their recovery and who is a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim. The amount of and the eligibility for any public assistance, benefit, or similar entitlement is not affected by the inclusion of items (i) and (ii) of this paragraph in gross income for federal income tax purposes. This paragraph is exempt from the provisions of Section 250;

(Y) For taxable years beginning on or after January 1, 2002 and ending on or before December 31, 2004, moneys contributed in the taxable year to a College Savings Pool account under Section 16.5 of the State Treasurer Act, except that amounts excluded from gross income

under Section 529(c)(3)(C)(i) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (Y). For taxable years beginning on or after January 1, 2005, a maximum of \$10,000 contributed in the taxable year to (i) a College Savings Pool account under Section 16.5 of the State Treasurer Act or (ii) the Illinois Prepaid Tuition Trust Fund, except that amounts excluded from gross income under Section 529(c)(3)(C)(i) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (Y). This subparagraph (Y) is exempt from the provisions of Section 250;

(Z) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (Z) is exempt from the provisions of Section 250;

(AA) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (AA) is exempt from the provisions of Section 250;

(BB) Any amount included in adjusted gross income, other than salary, received by a driver in a ridesharing arrangement using a motor vehicle;

(CC) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of that addition modification, and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of that addition modification;

(DD) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-17) for interest paid, accrued, or incurred, directly or indirectly, to the same foreign person; and

(EE) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-18) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person; and -

(FF) An amount equal to the income from insurance premiums taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-18) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same person.

(b) Corporations.

(1) In general. In the case of a corporation, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. The taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest and all distributions received from regulated investment companies during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of taxable income for the taxable year;

(C) In the case of a regulated investment company, an amount equal to the excess of (i) the net long-term capital gain for the taxable year, over (ii) the amount of the capital gain dividends designated as such in accordance with Section 852(b)(3)(C) of the Internal Revenue Code and any amount designated under Section 852(b)(3)(D) of the Internal Revenue Code, attributable to the taxable year (this amendatory Act of 1995 (Public Act 89-89) is declarative of existing law and is not a new enactment);

(D) The amount of any net operating loss deduction taken in arriving at taxable income, other than a net operating loss carried forward from a taxable year ending prior to December 31, 1986;

(E) For taxable years in which a net operating loss carryback or carryforward from a taxable year ending prior to December 31, 1986 is an element of taxable income under paragraph (1) of subsection (e) or subparagraph (E) of paragraph (2) of subsection (e), the amount by which addition modifications other than those provided by this subparagraph (E) exceeded subtraction modifications in such earlier taxable year, with the following limitations applied in the order that they are listed:

(i) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall be reduced by the amount of addition modification under this subparagraph (E) which related to that net operating loss and which was taken into account in calculating the base income of an earlier taxable year, and

(ii) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall not exceed the amount of such carryback or carryforward;

For taxable years in which there is a net operating loss carryback or carryforward from more than one other taxable year ending prior to December 31, 1986, the addition modification provided in this subparagraph (E) shall be the sum of the amounts computed independently under the preceding provisions of this subparagraph (E) for each such taxable year;

(E-5) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the corporation deducted in computing adjusted gross income and for which the corporation claims a credit under subsection (l) of Section 201;

(E-10) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code; and

(E-11) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (T) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (T), then an amount equal to that subtraction modification.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

(E-12) ~~An~~ For taxable years ending on or after December 31, 2004, an amount equal to the amount otherwise allowed as a deduction in computing

base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and

(b) the transaction giving rise to the interest expense between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

(iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(E-13) ~~An~~ For taxable years ending on or after December 31, 2004, an amount equal to the amount of intangible expenses and costs otherwise

allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly

or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(b)(2)(E-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

- (i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such item; or
- (ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:
  - (a) the foreign person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and
  - (b) the transaction giving rise to the intangible expense or cost between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or
- (iii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(E-14) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that

the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) of this Act;

(E-15) For taxable years beginning after December 31, 2008, any deduction for dividends paid that is allowed to a real estate investment trust under Section 857(b)(2)(B) of the Internal Revenue Code for dividends paid;

and by deducting from the total so obtained the sum of the following amounts:

(F) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(G) An amount equal to any amount included in such total under Section 78 of the Internal Revenue Code;

(H) In the case of a regulated investment company, an amount equal to the amount of exempt interest dividends as defined in subsection (b) (5) of Section 852 of the Internal Revenue Code, paid to shareholders for the taxable year;

(I) With the exception of any amounts subtracted under subparagraph (J), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(a)(2) and amounts disallowed as interest expense by Section 291(a)(3) of the Internal Revenue Code, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) of the Internal Revenue Code, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(J) An amount equal to all amounts included in such total which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State or of the United States, any treaty of the United States, the Illinois Constitution, or the United States Constitution that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the income interest net of bond premium amortization, interest expense incurred on indebtedness to carry the bond or other obligation, expenses incurred in producing the income to be deducted, and all other related expenses. The amount of expenses to be taken into account under this provision may not exceed the amount of income that is exempted;

(K) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations in an Enterprise Zone or zones or a River Edge Redevelopment Zone or zones. This subparagraph (K) is exempt from the provisions of Section 250;

(L) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (K) of paragraph 2 of this subsection shall not be eligible for the deduction provided under this subparagraph (L);

(M) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the Enterprise Zone Investment Credit or the River Edge Redevelopment Zone Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(f) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(f) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in the Enterprise Zone or the River Edge Redevelopment Zone. The subtraction modification available to taxpayer in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence. This subparagraph (M) is exempt from the provisions of Section 250;

(M-1) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the High Impact Business Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(h) investment credit to the borrower, the entire

principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(h) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois. No taxpayer that is eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall be eligible for the deduction provided under this subparagraph (M-1). The subtraction modification available to taxpayers in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence;

(N) Two times any contribution made during the taxable year to a designated zone organization to the extent that the contribution (i) qualifies as a charitable contribution under subsection (c) of Section 170 of the Internal Revenue Code and (ii) must, by its terms, be used for a project approved by the Department of Commerce and Economic Opportunity under Section 11 of the Illinois Enterprise Zone Act or under Section 10-10 of the Illinois River Edge Redevelopment Zone Act. This subparagraph (N) is exempt from the provisions of Section 250;

(O) An amount equal to: (i) 85% for taxable years ending on or before December 31, 1992, or, a percentage equal to the percentage allowable under Section 243(a)(1) of the Internal Revenue Code of 1986 for taxable years ending after December 31, 1992, of the amount by which dividends included in taxable income and received from a corporation that is not created or organized under the laws of the United States or any state or political subdivision thereof, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 964 of the Internal Revenue Code, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends, and including, for taxable years ending on or after December 31, 2008, dividends received from a real estate investment trust; plus (ii) 100% of the amount by which dividends, included in taxable income and received, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 964 of the Internal Revenue Code and including, for taxable years ending on or after December 31, 2008, dividends received from a real estate investment trust, from any such corporation specified in clause (i) that would but for the provisions of Section 1504 (b) (3) of the Internal Revenue Code be treated as a member of the affiliated group which includes the dividend recipient, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends;

(P) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;

(Q) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

(R) On and after July 20, 1999, in the case of an attorney-in-fact with respect to whom an interinsurer or a reciprocal insurer has made the election under Section 835 of the Internal Revenue Code, 26 U.S.C. 835, an amount equal to the excess, if any, of the amounts paid or incurred by that interinsurer or reciprocal insurer in the taxable year to the attorney-in-fact over the deduction allowed to that interinsurer or reciprocal insurer with respect to the attorney-in-fact under Section 835(b) of the Internal Revenue Code for the taxable year; the provisions of this subparagraph are exempt from the provisions of Section 250;

(S) For taxable years ending on or after December 31, 1997, in the case of a Subchapter S corporation, an amount equal to all amounts of income allocable to a shareholder subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act, including amounts allocable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code. This subparagraph (S) is exempt from the provisions of Section 250;

(T) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (T) is exempt from the provisions of Section 250;

(U) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (U) is exempt from the provisions of Section 250;

(V) The amount of: (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification;

(W) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-12) for interest paid, accrued, or incurred, directly or indirectly, to the same foreign person; and

(X) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person; and -

(FF) An amount equal to the income from insurance premiums taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-18) for intangible



expenses and costs paid, accrued, or incurred, directly or indirectly, to the same person.

(3) Special rule. For purposes of paragraph (2) (A), "gross income" in the case of a life insurance company, for tax years ending on and after December 31, 1994, shall mean the gross investment income for the taxable year.

(c) Trusts and estates.

(1) In general. In the case of a trust or estate, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. Subject to the provisions of paragraph (3), the taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) In the case of (i) an estate, \$600; (ii) a trust which, under its governing instrument, is required to distribute all of its income currently, \$300; and (iii) any other trust, \$100, but in each such case, only to the extent such amount was deducted in the computation of taxable income;

(C) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of taxable income for the taxable year;

(D) The amount of any net operating loss deduction taken in arriving at taxable income, other than a net operating loss carried forward from a taxable year ending prior to December 31, 1986;

(E) For taxable years in which a net operating loss carryback or carryforward from a taxable year ending prior to December 31, 1986 is an element of taxable income under paragraph (1) of subsection (e) or subparagraph (E) of paragraph (2) of subsection (e), the amount by which addition modifications other than those provided by this subparagraph (E) exceeded subtraction modifications in such taxable year, with the following limitations applied in the order that they are listed:

(i) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall be reduced by the amount of addition modification under this subparagraph (E) which related to that net operating loss and which was taken into account in calculating the base income of an earlier taxable year, and

(ii) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall not exceed the amount of such carryback or carryforward;

For taxable years in which there is a net operating loss carryback or carryforward from more than one other taxable year ending prior to December 31, 1986, the addition modification provided in this subparagraph (E) shall be the sum of the amounts computed independently under the preceding provisions of this subparagraph (E) for each such taxable year;

(F) For taxable years ending on or after January 1, 1989, an amount equal to the tax deducted pursuant to Section 164 of the Internal Revenue Code if the trust or estate is claiming the same tax for purposes of the Illinois foreign tax credit under Section 601 of this Act;

(G) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of taxable income;

(G-5) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the trust or estate deducted in computing adjusted gross income and for which the trust or estate claims a credit under subsection (l) of Section 201;

(G-10) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code; and

(G-11) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (R) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for

which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (R), then an amount equal to that subtraction modification.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

~~(G-12) An For taxable years ending on or after December 31, 2004, an amount equal to the amount otherwise allowed as a deduction in computing~~

~~base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.~~

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and

(b) the transaction giving rise to the interest expense between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

(iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

~~(G-13) An For taxable years ending on or after December 31, 2004, an amount equal to the amount of intangible expenses and costs otherwise~~

~~allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the~~

taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(c)(2)(G-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes: (1) expenses, losses, and costs for or related to the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

(i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such item; or

(ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the foreign person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and

(b) the transaction giving rise to the intangible expense or cost between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(G-14) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) of this Act.

and by deducting from the total so obtained the sum of the following amounts:

(H) An amount equal to all amounts included in such total pursuant to the provisions of Sections 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408 of the Internal Revenue Code or included in such total as distributions under the provisions of any retirement or disability plan for employees of any governmental agency or unit, or retirement payments to retired partners, which payments are excluded in computing net earnings from self employment by Section 1402 of the Internal Revenue Code and regulations adopted pursuant thereto;

(I) The valuation limitation amount;

(J) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(K) An amount equal to all amounts included in taxable income as modified by subparagraphs (A), (B), (C), (D), (E), (F) and (G) which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State or of the United States, any treaty of the United States, the Illinois Constitution, or the United States Constitution that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the ~~income interest~~ net of bond premium amortization, ~~interest expense incurred on indebtedness to carry the bond or other obligation, expenses incurred in producing the income to be deducted, and all other related expenses.~~ The amount of expenses to be taken into account under this provision may not exceed the amount of income that is exempted;

(L) With the exception of any amounts subtracted under subparagraph (K), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2) and 265(a)(2) of the Internal Revenue Code, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code of 1954, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(M) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations in an Enterprise Zone or Zones or a River Edge Redevelopment Zone or zones. This subparagraph (M) is exempt from the provisions of Section 250;

(N) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;

(O) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (O);

(P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

(Q) For taxable year 1999 and thereafter, an amount equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime by European insurance companies immediately prior to and during World War II; provided, however, this subtraction from federal adjusted gross income does not apply to assets acquired with such assets or with the proceeds from the sale of such assets; provided, further, this paragraph shall only apply to a taxpayer who was the first recipient of such assets after their recovery and who is a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim. The amount of and the eligibility for any public assistance, benefit, or similar entitlement is not affected by the inclusion of items (i) and (ii) of this paragraph in gross income for federal income tax purposes. This paragraph is exempt from the provisions of Section 250;

(R) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable

year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (R) is exempt from the provisions of Section 250;

(S) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (S) is exempt from the provisions of Section 250;

(T) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification;

(U) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-12) for interest paid, accrued, or incurred, directly or indirectly, to the same foreign person; ~~and~~

(V) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person; ~~and~~ -

(FF) An amount equal to the income from insurance premiums taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-18) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same person.

(3) Limitation. The amount of any modification otherwise required under this subsection shall, under regulations prescribed by the Department, be adjusted by any amounts included therein which were properly paid, credited, or required to be distributed, or permanently set aside for charitable purposes pursuant to Internal Revenue Code Section 642(c) during the taxable year.

(d) Partnerships.

(1) In general. In the case of a partnership, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. The taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income for the taxable year;

(C) The amount of deductions allowed to the partnership pursuant to Section 707 (c) of the Internal Revenue Code in calculating its taxable income;

(D) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of taxable income;

(D-5) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code;

(D-6) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (O) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (O), then an amount equal to that subtraction modification.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

(D-7) ~~An~~ For taxable years ending on or after December 31, 2004, an amount equal to the amount otherwise allowed as a deduction in computing

base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

- (a) the foreign person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and
- (b) the transaction giving rise to the interest expense between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or
- (iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or
- (iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a foreign person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act; and

~~(D-8) An~~ For taxable years ending on or after December 31, 2004, an amount equal to the amount of intangible expenses and costs otherwise

allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(d)(2)(D-7) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets;

This paragraph shall not apply to the following:

- (i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such item; or
- (ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:
  - (a) the foreign person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and
  - (b) the transaction giving rise to the intangible expense or cost between the taxpayer and the foreign person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, from a transaction with a foreign person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(D-9) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) of this Act.

and by deducting from the total so obtained the following amounts:

(E) The valuation limitation amount;

(F) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(G) An amount equal to all amounts included in taxable income as modified by subparagraphs (A), (B), (C) and (D) which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State or of the United States, any treaty of the United States, the Illinois Constitution, or the United States Constitution that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the ~~income interest~~ net of bond premium amortization, ~~interest expense incurred on indebtedness to carry the bond or other obligation, expenses incurred in producing the income to be deducted, and all other related expenses. The amount of expenses to be taken into account under this provision may not exceed the amount of income that is exempted;~~

(H) Any income of the partnership which constitutes personal service income as defined in Section 1348 (b) (1) of the Internal Revenue Code (as in effect December 31, 1981) or a reasonable allowance for compensation paid or accrued for services rendered by partners to the partnership, whichever is greater;

(I) An amount equal to all amounts of income distributable to an entity subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act including amounts distributable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code;

(J) With the exception of any amounts subtracted under subparagraph (G), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(2) of the Internal Revenue Code of 1954, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(K) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act, enacted by the 82nd General Assembly, or a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations in an Enterprise Zone or Zones or from a River Edge Redevelopment Zone or zones. This subparagraph (K) is exempt from the provisions of Section



250;

(L) An amount equal to any contribution made to a job training project established pursuant to the Real Property Tax Increment Allocation Redevelopment Act;

(M) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (K) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (M);

(N) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

(O) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (O) is exempt from the provisions of Section 250;

(P) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (P) is exempt from the provisions of Section 250;

(Q) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification;

(R) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section

203(d)(2)(D-7) for interest paid, accrued, or incurred, directly or indirectly, to the same ~~foreign~~ person; ~~and~~

(S) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a foreign person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(d)(2)(D-8) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person; and -

(FF) An amount equal to the income from insurance premiums taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-18) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same person.

(e) Gross income; adjusted gross income; taxable income.

(1) In general. Subject to the provisions of paragraph (2) and subsection (b) (3), for purposes of this Section and Section 803(e), a taxpayer's gross income, adjusted gross income, or taxable income for the taxable year shall mean the amount of gross income, adjusted gross income or taxable income properly reportable for federal income tax purposes for the taxable year under the provisions of the Internal Revenue Code. Taxable income may be less than zero. However, for taxable years ending on or after December 31, 1986, net operating loss carryforwards from taxable years ending prior to December 31, 1986, may not exceed the sum of federal taxable income for the taxable year before net operating loss deduction, plus the excess of addition modifications over subtraction modifications for the taxable year. For taxable years ending prior to December 31, 1986, taxable income may never be an amount in excess of the net operating loss for the taxable year as defined in subsections (c) and (d) of Section 172 of the Internal Revenue Code, provided that when taxable income of a corporation (other than a Subchapter S corporation), trust, or estate is less than zero and addition modifications, other than those provided by subparagraph (E) of paragraph (2) of subsection (b) for corporations or subparagraph (E) of paragraph (2) of subsection (c) for trusts and estates, exceed subtraction modifications, an addition modification must be made under those subparagraphs for any other taxable year to which the taxable income less than zero (net operating loss) is applied under Section 172 of the Internal Revenue Code or under subparagraph (E) of paragraph (2) of this subsection (e) applied in conjunction with Section 172 of the Internal Revenue Code.

(2) Special rule. For purposes of paragraph (1) of this subsection, the taxable income properly reportable for federal income tax purposes shall mean:

(A) Certain life insurance companies. In the case of a life insurance company subject to the tax imposed by Section 801 of the Internal Revenue Code, life insurance company taxable income, plus the amount of distribution from pre-1984 policyholder surplus accounts as calculated under Section 815a of the Internal Revenue Code;

(B) Certain other insurance companies. In the case of mutual insurance companies subject to the tax imposed by Section 831 of the Internal Revenue Code, insurance company taxable income;

(C) Regulated investment companies. In the case of a regulated investment company subject to the tax imposed by Section 852 of the Internal Revenue Code, investment company taxable income;

(D) Real estate investment trusts. In the case of a real estate investment trust subject to the tax imposed by Section 857 of the Internal Revenue Code, real estate investment trust taxable income;

(E) Consolidated corporations. In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated income tax return for the taxable year for federal income tax purposes, taxable income determined as if such corporation had filed a separate return for federal income tax purposes for the taxable year and each preceding taxable year for

which it was a member of an affiliated group. For purposes of this subparagraph, the taxpayer's separate taxable income shall be determined as if the election provided by Section 243(b) (2) of the Internal Revenue Code had been in effect for all such years;

(F) Cooperatives. In the case of a cooperative corporation or association, the taxable income of such organization determined in accordance with the provisions of Section 1381 through 1388 of the Internal Revenue Code;

(G) Subchapter S corporations. In the case of: (i) a Subchapter S corporation for which there is in effect an election for the taxable year under Section 1362 of the Internal Revenue Code, the taxable income of such corporation determined in accordance with Section 1363(b) of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 1363(b)(1) of the Internal Revenue Code to be separately stated; and (ii) a Subchapter S corporation for which there is in effect a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982, the taxable income of such corporation determined in accordance with the federal Subchapter S rules as in effect on July 1, 1982; and

(H) Partnerships. In the case of a partnership, taxable income determined in accordance with Section 703 of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 703(a)(1) to be separately stated but which would be taken into account by an individual in calculating his taxable income.

(3) Recapture of business expenses on disposition of asset or business. Notwithstanding any other law to the contrary, if in prior years income from an asset or business has been classified as business income and in a later year is demonstrated to be non-business income, then all expenses, without limitation, deducted in such later year and in the 2 immediately preceding taxable years related to that asset or business that generated the non-business income shall be added back and recaptured as business income in the year of the disposition of the asset or business. Such amount shall be apportioned to Illinois using the greater of the apportionment fraction computed for the business under Section 304 of this Act for the taxable year or the average of the apportionment fractions computed for the business under Section 304 of this Act for the taxable year and for the 2 immediately preceding taxable years.

(f) Valuation limitation amount.

(1) In general. The valuation limitation amount referred to in subsections (a) (2) (G), (c) (2) (I) and (d)(2) (E) is an amount equal to:

(A) The sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of gain reportable under the provisions of Section 1245 or 1250 of the Internal Revenue Code) for all property in respect of which such gain was reported for the taxable year; plus

(B) The lesser of (i) the sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of capital gain) for all property in respect of which such gain was reported for federal income tax purposes for the taxable year, or (ii) the net capital gain for the taxable year, reduced in either case by any amount of such gain included in the amount determined under subsection (a) (2) (F) or (c) (2) (H).

(2) Pre-August 1, 1969 appreciation amount.

(A) If the fair market value of property referred to in paragraph (1) was readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is the lesser of (i) the excess of such fair market value over the taxpayer's basis (for determining gain) for such property on that date (determined under the Internal Revenue Code as in effect on that date), or (ii) the total gain realized and reportable for federal income tax purposes in respect of the sale, exchange or other disposition of such property.

(B) If the fair market value of property referred to in paragraph (1) was not readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is that amount which bears the same ratio to the total gain reported in respect of the property for federal income tax purposes for the taxable year, as the number of full calendar months in that part of the taxpayer's holding period for the property ending July 31, 1969 bears to the number of full calendar months in the taxpayer's entire holding period for the property.

(C) The Department shall prescribe such regulations as may be necessary to carry out the purposes of this paragraph.

(g) Double deductions. Unless specifically provided otherwise, nothing in this Section shall permit the same item to be deducted more than once.

(h) Legislative intention. Except as expressly provided by this Section there shall be no modifications or limitations on the amounts of income, gain, loss or deduction taken into account in determining gross income, adjusted gross income or taxable income for federal income tax purposes for the taxable year, or in the amount of such items entering into the computation of base income and net income under this Act for such taxable year, whether in respect of property values as of August 1, 1969 or otherwise.

(Source: P.A. 93-812, eff. 7-26-04; 93-840, eff. 7-30-04; 94-776, eff. 5-19-06; 94-789, eff. 5-19-06; 94-1021, eff. 7-12-06; 94-1074, eff. 12-26-06; revised 1-2-07.)

(35 ILCS 5/205) (from Ch. 120, par. 2-205)

Sec. 205. Exempt organizations.

(a) Charitable, etc. organizations. The base income of an organization which is exempt from the federal income tax by reason of Section 501(a) of the Internal Revenue Code shall not be determined under section 203 of this Act, but shall be its unrelated business taxable income as determined under section 512 of the Internal Revenue Code, without any deduction for the tax imposed by this Act. The standard exemption provided by section 204 of this Act shall not be allowed in determining the net income of an organization to which this subsection applies.

(b) Partnerships. A partnership as such shall not be subject to the tax imposed by subsection 201 (a) and (b) of this Act, but shall be subject to the replacement tax imposed by subsection 201 (c) and (d) of this Act and shall compute its base income as described in subsection (d) of Section 203 of this Act. For taxable years ending on or after December 31, 2004, an investment partnership, as defined in Section 1501(a)(11.5) of this Act, shall not be subject to the tax imposed by subsections (c) and (d) of Section 201 of this Act. For taxable years ending on or after December 31, 2008, an investment partnership, as defined in Section 1501(a)(11.5) of this Act, shall not be subject to the tax imposed by subsections (c) and (d) of Section 201 of this Act. A partnership shall file such returns and other information at such time and in such manner as may be required under Article 5 of this Act. The partners in a partnership shall be liable for the replacement tax imposed by subsection 201 (c) and (d) of this Act on such partnership, to the extent such tax is not paid by the partnership, as provided under the laws of Illinois governing the liability of partners for the obligations of a partnership. Persons carrying on business as partners shall be liable for the tax imposed by subsection 201 (a) and (b) of this Act only in their separate or individual capacities.

(c) Subchapter S corporations. A Subchapter S corporation shall not be subject to the tax imposed by subsection 201 (a) and (b) of this Act but shall be subject to the replacement tax imposed by subsection 201 (c) and (d) of this Act and shall file such returns and other information at such time and in such manner as may be required under Article 5 of this Act.

(d) Combat zone death. An individual relieved from the federal income tax for any taxable year by reason of section 692 of the Internal Revenue Code shall not be subject to the tax imposed by this Act for such taxable year.

(e) Certain trusts. A common trust fund described in Section 584 of the Internal Revenue Code, and any other trust to the extent that the grantor is treated as the owner thereof under sections 671 through 678 of the Internal Revenue Code shall not be subject to the tax imposed by this Act.

(f) Certain business activities. A person not otherwise subject to the tax imposed by this Act shall not become subject to the tax imposed by this Act by reason of:

(1) that person's ownership of tangible personal property located at the premises of a printer in this State with which the person has contracted for printing, or

(2) activities of the person's employees or agents located solely at the premises of a printer and related to quality control, distribution, or printing services performed by a printer in the State with which the person has contracted for printing.

(g) A nonprofit risk organization that holds a certificate of authority under Article VIID of the Illinois Insurance Code is exempt from the tax imposed under this Act with respect to its activities or operations in furtherance of the powers conferred upon it under that Article VIID of the Illinois Insurance Code.

(Source: P.A. 93-840, eff. 7-30-04; 93-918, eff. 1-1-05; revised 10-25-04.)

(35 ILCS 5/207) (from Ch. 120, par. 2-207)

Sec. 207. Net Losses.

(a) If after applying all of the (i) modifications provided for in paragraph (2) of Section 203(b), paragraph (2) of Section 203(c) and paragraph (2) of Section 203(d) and (ii) the allocation and apportionment provisions of Article 3 of this Act and subsection (c) of this Section, the taxpayer's net income results in a loss;

(1) for any taxable year ending prior to December 31, 1999, such loss shall be allowed

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as a carryover or carryback deduction in the manner allowed under Section 172 of the Internal Revenue Code;

(2) for any taxable year ending on or after December 31, 1999 and prior to December 31, 2003, such loss shall be allowed as a carryback to each of the 2 taxable years preceding the taxable year of such loss and shall be a net operating loss carryover to each of the 20 taxable years following the taxable year of such loss; and

(3) for any taxable year ending on or after December 31, 2003, such loss shall be allowed as a net operating loss carryover to each of the 12 taxable years following the taxable year of such loss.

(a-5) Election to relinquish carryback and order of application of losses.

(A) For losses incurred in tax years ending prior to December 31, 2003, the

taxpayer may elect to relinquish the entire carryback period with respect to such loss. Such election shall be made in the form and manner prescribed by the Department and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year in which such loss is incurred, and such election, once made, shall be irrevocable.

(B) The entire amount of such loss shall be carried to the earliest taxable year to which such loss may be carried. The amount of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the deductions for carryback or carryover of such loss allowable for each of the prior taxable years to which such loss may be carried.

(b) Any loss determined under subsection (a) of this Section must be carried back or carried forward in the same manner for purposes of subsections (a) and (b) of Section 201 of this Act as for purposes of subsections (c) and (d) of Section 201 of this Act.

(c) Notwithstanding any other provision of this Act, for each taxable year ending on or after December 31, 2008, for purposes of computing the loss for the taxable year under subsection (a) of this Section and the deduction taken into account for the taxable year for a net operating loss carryover under paragraphs (1), (2), and (3) of subsection (a) of this Section, the loss and net operating loss carryover shall be reduced in an amount equal to the reduction to the net operating loss and net operating loss carryover to the taxable year, respectively, required under Section 108(b)(2)(A) of the Internal Revenue Code, multiplied by a fraction, the numerator of which is the amount of discharge of indebtedness income that is excluded from gross income for the taxable year (but only if the taxable year ends on or after December 31, 2008) under Section 108(a) of the Internal Revenue Code and that would have been allocated and apportioned to this State under Article 3 of this Act but for that exclusion, and the denominator of which is the total amount of discharge of indebtedness income excluded from gross income under Section 108(a) of the Internal Revenue Code for the taxable year. The reduction required under this subsection (c) shall be made after the determination of Illinois net income for the taxable year in which the indebtedness is discharged.

(Source: P.A. 93-29, eff. 6-20-03.)

(35 ILCS 5/304) (from Ch. 120, par. 3-304)

Sec. 304. Business income of persons other than residents.

(a) In general. The business income of a person other than a resident shall be allocated to this State if such person's business income is derived solely from this State. If a person other than a resident derives business income from this State and one or more other states, then, for tax years ending on or before December 30, 1998, and except as otherwise provided by this Section, such person's business income shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the sum of the property factor (if any), the payroll factor (if any) and 200% of the sales factor (if any), and the denominator of which is 4 reduced by the number of factors other than the sales factor which have a denominator of zero and by an additional 2 if the sales factor has a denominator of zero. For tax years ending on or after December 31, 1998, and except as otherwise provided by this Section, persons other than residents who derive business income from this State and one or more other states shall compute their apportionment factor by weighting their property, payroll, and sales factors as provided in subsection (h) of this Section.

(1) Property factor.

(A) The property factor is a fraction, the numerator of which is the average value of the person's real and tangible personal property owned or rented and used in the trade or business in this State during the taxable year and the denominator of which is the average value of all the person's real and tangible personal property owned or rented and used in the trade or business during the taxable year.

(B) Property owned by the person is valued at its original cost. Property rented by the

person is valued at 8 times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the person less any annual rental rate received by the person from sub-rentals.

(C) The average value of property shall be determined by averaging the values at the beginning and ending of the taxable year but the Director may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the person's property.

(2) Payroll factor.

(A) The payroll factor is a fraction, the numerator of which is the total amount paid in this State during the taxable year by the person for compensation, and the denominator of which is the total compensation paid everywhere during the taxable year.

(B) Compensation is paid in this State if:

(i) The individual's service is performed entirely within this State;

(ii) The individual's service is performed both within and without this State, but the service performed without this State is incidental to the individual's service performed within this State; or

(iii) Some of the service is performed within this State and either the base of operations, or if there is no base of operations, the place from which the service is directed or controlled is within this State, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this State.

(iv) Compensation paid to nonresident professional athletes.

(a) General. The Illinois source income of a nonresident individual who is a member of a professional athletic team includes the portion of the individual's total compensation for services performed as a member of a professional athletic team during the taxable year which the number of duty days spent within this State performing services for the team in any manner during the taxable year bears to the total number of duty days spent both within and without this State during the taxable year.

(b) Travel days. Travel days that do not involve either a game, practice, team meeting, or other similar team event are not considered duty days spent in this State. However, such travel days are considered in the total duty days spent both within and without this State.

(c) Definitions. For purposes of this subpart (iv):

(1) The term "professional athletic team" includes, but is not limited to, any professional baseball, basketball, football, soccer, or hockey team.

(2) The term "member of a professional athletic team" includes those employees who are active players, players on the disabled list, and any other persons required to travel and who travel with and perform services on behalf of a professional athletic team on a regular basis. This includes, but is not limited to, coaches, managers, and trainers.

(3) Except as provided in items (C) and (D) of this subpart (3), the term "duty days" means all days during the taxable year from the beginning of the professional athletic team's official pre-season training period through the last game in which the team competes or is scheduled to compete. Duty days shall be counted for the year in which they occur, including where a team's official pre-season training period through the last game in which the team competes or is scheduled to compete, occurs during more than one tax year.

(A) Duty days shall also include days on which a member of a professional athletic team performs service for a team on a date that does not fall within the foregoing period (e.g., participation in instructional leagues, the "All Star Game", or promotional "caravans"). Performing a service for a professional athletic team includes conducting training and rehabilitation activities, when such activities are conducted at team facilities.

(B) Also included in duty days are game days, practice days, days spent at team meetings, promotional caravans, preseason training camps, and days served with the team through all post-season games in which the team competes or is scheduled to compete.

(C) Duty days for any person who joins a team during the period from the beginning of the professional athletic team's official pre-season training period through the last game in which the team competes, or is scheduled to compete, shall begin on the day that person joins the team. Conversely, duty days for any person who leaves a team during this period shall end on the day that person leaves the team. Where a person switches teams during a taxable year, a separate duty-day calculation shall be made for the period the person was with each team.

(D) Days for which a member of a professional athletic team is not

compensated and is not performing services for the team in any manner, including days when such member of a professional athletic team has been suspended without pay and prohibited from performing any services for the team, shall not be treated as duty days.

(E) Days for which a member of a professional athletic team is on the disabled list and does not conduct rehabilitation activities at facilities of the team, and is not otherwise performing services for the team in Illinois, shall not be considered duty days spent in this State. All days on the disabled list, however, are considered to be included in total duty days spent both within and without this State.

(4) The term "total compensation for services performed as a member of a professional athletic team" means the total compensation received during the taxable year for services performed:

(A) from the beginning of the official pre-season training period through the last game in which the team competes or is scheduled to compete during that taxable year; and

(B) during the taxable year on a date which does not fall within the foregoing period (e.g., participation in instructional leagues, the "All Star Game", or promotional caravans).

This compensation shall include, but is not limited to, salaries, wages, bonuses as described in this subpart, and any other type of compensation paid during the taxable year to a member of a professional athletic team for services performed in that year. This compensation does not include strike benefits, severance pay, termination pay, contract or option year buy-out payments, expansion or relocation payments, or any other payments not related to services performed for the team.

For purposes of this subparagraph, "bonuses" included in "total compensation for services performed as a member of a professional athletic team" subject to the allocation described in Section 302(c)(1) are: bonuses earned as a result of play (i.e., performance bonuses) during the season, including bonuses paid for championship, playoff or "bowl" games played by a team, or for selection to all-star league or other honorary positions; and bonuses paid for signing a contract, unless the payment of the signing bonus is not conditional upon the signee playing any games for the team or performing any subsequent services for the team or even making the team, the signing bonus is payable separately from the salary and any other compensation, and the signing bonus is nonrefundable.

(3) Sales factor.

(A) The sales factor is a fraction, the numerator of which is the total sales of the person in this State during the taxable year, and the denominator of which is the total sales of the person everywhere during the taxable year.

(B) Sales of tangible personal property are in this State if:

(i) The property is delivered or shipped to a purchaser, other than the United

States government, within this State regardless of the f. o. b. point or other conditions of the sale; or

(ii) The property is shipped from an office, store, warehouse, factory or other

place of storage in this State and either the purchaser is the United States government or the person is not taxable in the state of the purchaser; provided, however, that premises owned or leased by a person who has independently contracted with the seller for the printing of newspapers, periodicals or books shall not be deemed to be an office, store, warehouse, factory or other place of storage for purposes of this Section. For taxable years ending before December 31, 2008, sales ~~Sales~~ of tangible personal property are not in this State if the seller and purchaser would be members of the same unitary business group but for the fact that either the seller or purchaser is a person with 80% or more of total business activity outside of the United States and the property is purchased for resale.

(B-1) Patents, copyrights, trademarks, and similar items of intangible personal property.

(i) Gross receipts from the licensing, sale, or other disposition of a patent, copyright, trademark, or similar item of intangible personal property are in this State to the extent the item is utilized in this State during the year the gross receipts are included in gross income.

(ii) Place of utilization.

(l) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If a patent is utilized in more than one state, the extent to which it is utilized in any one state shall be a fraction equal to the gross receipts of the licensee

or purchaser from sales or leases of items produced, fabricated, manufactured, or processed within that state using the patent and of patented items produced within that state, divided by the total of such gross receipts for all states in which the patent is utilized.

(II) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If a copyright is utilized in more than one state, the extent to which it is utilized in any one state shall be a fraction equal to the gross receipts from sales or licenses of materials printed or published in that state divided by the total of such gross receipts for all states in which the copyright is utilized.

(III) Trademarks and other items of intangible personal property governed by this paragraph (B-1) are utilized in the state in which the commercial domicile of the licensee or purchaser is located.

(iii) If the state of utilization of an item of property governed by this paragraph (B-1) cannot be determined from the taxpayer's books and records or from the books and records of any person related to the taxpayer within the meaning of Section 267(b) of the Internal Revenue Code, 26 U.S.C. 267, the gross receipts attributable to that item shall be excluded from both the numerator and the denominator of the sales factor.

(B-2) Gross receipts from the license, sale, or other disposition of patents, copyrights, trademarks, and similar items of intangible personal property may be included in the numerator or denominator of the sales factor only if gross receipts from licenses, sales, or other disposition of such items comprise more than 50% of the taxpayer's total gross receipts included in gross income during the tax year and during each of the 2 immediately preceding tax years; provided that, when a taxpayer is a member of a unitary business group, such determination shall be made on the basis of the gross receipts of the entire unitary business group.

(C) For taxable years ending before December 31, 2008, sales ~~Sales~~, other than sales governed by paragraphs (B) , ~~and~~ (B-1) , ~~and~~ (B-2), are in this State if:

(i) The income-producing activity is performed in this State; or

(ii) The income-producing activity is performed both within and without this State and a greater proportion of the income-producing activity is performed within this State than without this State, based on performance costs.

(C-5) For taxable years ending on or after December 31, 2008, sales, other than sales governed by paragraphs (B), (B-1), and (B-2), are in this State if the purchaser is in this State or the sale is otherwise attributable to this State's marketplace. The following examples are illustrative:

(i) Sales from the sale or lease of real property are in this State if the property is located in this State.

(ii) Sales from the lease or rental of tangible personal property are in this State if the property is located in this State during the rental period. Sales from the lease or rental of tangible personal property that is characteristically moving property, including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are in this State to the extent that the property is used in this State.

(iii) Sales of intangible personal property are in this State if the purchaser realizes benefit from the property in this State. If the purchaser realizes benefit from the property both within and without this State, the gross receipts from the sale shall be divided among those states in which the taxpayer is taxable in proportion to the benefit in each state. If the proportionate benefit in this State cannot be determined, the sale shall be excluded from both the numerator and the denominator of the sales factor.

(iv) Sales of services are in this State if the benefit of the service is realized in this State. If the benefit of the service is realized both within and without this State, the gross receipts from the sale shall be divided among those states in which the taxpayer is taxable in proportion to the benefit of service realized in each state. If the proportionate benefit in this State cannot be determined, the sale shall be excluded from both the numerator and the denominator of the sales factor. The Department may adopt rules prescribing where the benefit of specific types of service, including, but not limited to, telecommunications, broadcast, cable, advertising, publishing, and utility service, is realized.

(D) For taxable years ending on or after December 31, 1995, the following items of income shall not be included in the numerator or denominator of the sales factor: dividends; amounts included under Section 78 of the Internal Revenue Code; and Subpart F income as defined in Section 952 of the Internal Revenue Code. No inference shall be drawn from the enactment of this paragraph (D) in construing this Section for taxable years ending before December 31, 1995.

(E) Paragraphs (B-1) and (B-2) shall apply to tax years ending on or after December 31, 1999, provided that a taxpayer may elect to apply the provisions of these paragraphs to prior tax years. Such election shall be made in the form and manner prescribed by the Department, shall be irrevocable, and shall apply to all tax years; provided that, if a taxpayer's Illinois income tax liability



for any tax year, as assessed under Section 903 prior to January 1, 1999, was computed in a manner contrary to the provisions of paragraphs (B-1) or (B-2), no refund shall be payable to the taxpayer for that tax year to the extent such refund is the result of applying the provisions of paragraph (B-1) or (B-2) retroactively. In the case of a unitary business group, such election shall apply to all members of such group for every tax year such group is in existence, but shall not apply to any taxpayer for any period during which that taxpayer is not a member of such group.

(b) Insurance companies.

(1) In general. Except as otherwise provided by paragraph (2), business income of an insurance company for a taxable year shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the direct premiums written for insurance upon property or risk in this State, and the denominator of which is the direct premiums written for insurance upon property or risk everywhere. For purposes of this subsection, the term "direct premiums written" means the total amount of direct premiums written, assessments and annuity considerations, and surplus line contracts, but excluding deposit-type funds, as reported for the taxable year on the annual statement filed ~~by the company with the Illinois Director of Insurance~~ in the form approved by the National Convention of Insurance Commissioners as filed by the taxpayer with the Department of Financial and Professional Regulation or, if no report is filed with that Department, as filed by the taxpayer with its state of domicile. If no such annual report is filed with any of the United States for a particular year, "direct premiums written" shall be determined by applying the instructions to the Illinois annual report form for that year or such other form as may be prescribed in lieu thereof.

(2) Reinsurance. If the principal source of premiums written by an insurance company consists of premiums for reinsurance accepted by it, the business income of such company shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the sum of (i) direct premiums written for insurance upon property or risk in this State, plus (ii) premiums written for reinsurance accepted in respect of property or risk in this State, and the denominator of which is the sum of (iii) direct premiums written for insurance upon property or risk everywhere, plus (iv) premiums written for reinsurance accepted in respect of property or risk everywhere. For taxable years ending before December 31, 2008, for purposes of this paragraph, premiums written for reinsurance accepted in respect of property or risk in this State, whether or not otherwise determinable, may, at the election of the company, be determined on the basis of the proportion which premiums written for reinsurance accepted from companies commercially domiciled in Illinois bears to premiums written for reinsurance accepted from all sources, or, alternatively, in the proportion which the sum of the direct premiums written for insurance upon property or risk in this State by each ceding company from which reinsurance is accepted bears to the sum of the total direct premiums written by each such ceding company for the taxable year.

(c) Financial organizations.

(1) In general. For taxable years ending before December 31, 2008, business ~~Business~~ income of a financial organization shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is its business income from sources within this State, and the denominator of which is its business income from all sources. For the purposes of this subsection, the business income of a financial organization from sources within this State is the sum of the amounts referred to in subparagraphs (A) through (E) following, but excluding the adjusted income of an international banking facility as determined in paragraph (2):

(A) Fees, commissions or other compensation for financial services rendered within this State;

(B) Gross profits from trading in stocks, bonds or other securities managed within this State;

(C) Dividends, and interest from Illinois customers, which are received within this State;

(D) Interest charged to customers at places of business maintained within this State for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts; and

(E) Any other gross income resulting from the operation as a financial organization within this State. In computing the amounts referred to in paragraphs (A) through (E) of this subsection, any amount received by a member of an affiliated group (determined under Section 1504(a) of the Internal Revenue Code but without reference to whether any such corporation is an "includible corporation" under Section 1504(b) of the Internal Revenue Code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

(2) International Banking Facility. For taxable years ending before December 31, 2008:

(A) Adjusted Income. The adjusted income of an international banking facility is its income reduced by the amount of the floor amount.

(B) Floor Amount. The floor amount shall be the amount, if any, determined by multiplying the income of the international banking facility by a fraction, not greater than one, which is determined as follows:

(i) The numerator shall be:

The average aggregate, determined on a quarterly basis, of the financial organization's loans to banks in foreign countries, to foreign domiciled borrowers (except where secured primarily by real estate) and to foreign governments and other foreign official institutions, as reported for its branches, agencies and offices within the state on its "Consolidated Report of Condition", Schedule A, Lines 2.c., 5.b., and 7.a., which was filed with the Federal Deposit Insurance Corporation and other regulatory authorities, for the year 1980, minus

The average aggregate, determined on a quarterly basis, of such loans (other than loans of an international banking facility), as reported by the financial institution for its branches, agencies and offices within the state, on the corresponding Schedule and lines of the Consolidated Report of Condition for the current taxable year, provided, however, that in no case shall the amount determined in this clause (the subtrahend) exceed the amount determined in the preceding clause (the minuend); and

(ii) the denominator shall be the average aggregate, determined on a quarterly basis, of the international banking facility's loans to banks in foreign countries, to foreign domiciled borrowers (except where secured primarily by real estate) and to foreign governments and other foreign official institutions, which were recorded in its financial accounts for the current taxable year.

(C) Change to Consolidated Report of Condition and in Qualification. In the event the Consolidated Report of Condition which is filed with the Federal Deposit Insurance Corporation and other regulatory authorities is altered so that the information required for determining the floor amount is not found on Schedule A, lines 2.c., 5.b. and 7.a., the financial institution shall notify the Department and the Department may, by regulations or otherwise, prescribe or authorize the use of an alternative source for such information. The financial institution shall also notify the Department should its international banking facility fail to qualify as such, in whole or in part, or should there be any amendment or change to the Consolidated Report of Condition, as originally filed, to the extent such amendment or change alters the information used in determining the floor amount.

(3) For taxable years ending on or after December 31, 2008, the business income of a financial organization shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is its gross receipts from sources in this State or otherwise attributable to this State's marketplace and the denominator of which is its gross receipts everywhere during the taxable year. "Gross receipts" for purposes of this subparagraph (3) means gross income, including net taxable gain on disposition of assets, including securities and money market instruments, when derived from transactions and activities in the regular course of the financial organization's trade or business. If a person derives business income from activities in addition to the provision of financial services, this subparagraph (3) shall apply only to its business income from financial services, and its other business income shall be apportioned to this State under the applicable provisions of this Section. The following examples are illustrative:

(i) Receipts from the lease or rental of real or tangible personal property are in this State if the property is located in this State during the rental period. Receipts from the lease or rental of tangible personal property that is characteristically moving property, including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are from sources in this State to the extent that the property is used in this State.

(ii) Interest income, commissions, fees, gains on disposition, and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property are from sources in this State if the security is located in this State.

(iii) Interest income, commissions, fees, gains on disposition, and other receipts from consumer loans that are not secured by real or tangible personal property are from sources in this State if the debtor is a resident of this State.

(iv) Interest income, commissions, fees, gains on disposition, and other receipts from commercial loans and installment obligations that are not secured by real or tangible personal property are from sources in this State if the proceeds of the loan are to be applied in this State. If it cannot be determined

where the funds are to be applied, the income and receipts are from sources in this State if the office of the borrower from which the loan was negotiated in the regular course of business is located in this State. If the location of this office cannot be determined, the income and receipts shall be excluded from the numerator and denominator of the sales factor.

(v) Interest income, fees, gains on disposition, service charges, merchant discount income, and other receipts from credit card receivables are from sources in this State if the card charges are regularly billed to a customer in this State.

(vi) Receipts from the performance of services, including, but not limited to, fiduciary, advisory, and brokerage services, are in this State if the benefit of the service is realized in this State. If the benefit of the service is realized both within and without this State, the gross receipts from the sale shall be divided among those states in which the taxpayer is taxable in proportion to the benefit of service realized in each state. If the proportionate benefit in this State cannot be determined, the sale shall be excluded from both the numerator and the denominator of the gross receipts factor.

(vii) Receipts from the issuance of travelers checks and money orders are from sources in this State if the checks and money orders are issued from a location within this State.

(viii) In the case of a financial organization that accepts deposits, receipts from investments and from money market instruments are apportioned to this State based on the ratio that the total deposits of the financial organization (including all members of the financial organization's unitary group) from this State, its residents, (including businesses with an office or other place of business in this State), and its political subdivisions, agencies, and instrumentalities bear to total deposits everywhere. For purposes of this subdivision, deposits must be attributed to this State under the preceding sentence, whether or not the deposits are accepted or maintained by the financial organization at locations within this State. In the case of a financial organization that does not accept deposits, receipts from investments in securities and from money market instruments shall be excluded from the numerator and the denominator of the gross receipts factor.

(4) As used in subparagraph (3), "deposit" includes but is not limited to:

(i) the unpaid balance of money or its equivalent received or held by a financial institution in the usual course of business and for which it has given or is obligated to give credit, either conditionally or unconditionally, to a commercial, checking, savings, time, or thrift account whether or not advance notice is required to withdraw the credited funds, or which is evidenced by its certificate of deposit, thrift certificate, investment certificate, or certificate of indebtedness, or other similar name, or a check or draft drawn against a deposit account and certified by the financial organization, or a letter of credit or a traveler's check on which the financial organization is primarily liable. However, without limiting the generality of the term "money or its equivalent", any such account or instrument must be regarded as evidencing the receipt of the equivalent of money when credited or issued in exchange for checks or drafts or for a promissory note upon which the person obtaining the credit or instrument is primarily or secondarily liable, or for a charge against a deposit account, or in settlement of checks, drafts, or other instruments forwarded to the bank for collection;

(ii) trust funds received or held by the financial organization, whether held in the trust department or held or deposited in any other department of the financial organization;

(iii) money received or held by a financial organization, or the credit given for money or its equivalent received or held by a financial organization, in the usual course of business for a special or specific purpose, regardless of the legal relationship so established. Under this paragraph, "deposit" includes, but is not limited to, escrow funds, funds held as security for an obligation due to the financial organization or others, including funds held as dealers reserves, or for securities loaned by the financial organization, funds deposited by a debtor to meet maturing obligations, funds deposited as advance payment on subscriptions to United States government securities, funds held for distribution or purchase of securities, funds held to meet its acceptances or letters of credit, and withheld taxes. It does not include funds received by the financial organization for immediate application to the reduction of an indebtedness to the receiving financial organization, or under condition that the receipt of the funds immediately reduces or extinguishes the indebtedness;

(iv) outstanding drafts, including advice of another financial organization, cashier's checks, money orders, or other officer's checks issued in the usual course of business for any purpose, but not including those issued in payment for services, dividends, or purchases or other costs or expenses of the financial organization itself; and

(v) money or its equivalent held as a credit balance by a financial organization on behalf of its customer if the entity is engaged in soliciting and holding such balances in the regular course of its business.

(5) As used in subparagraph (3), "money market instruments" includes but is not limited to:

(i) Interest-bearing deposits, federal funds sold and securities purchased under agreements to resell, commercial paper, banker's acceptances, and purchased certificates of deposit and similar instruments to the extent that the instruments are reflected as assets under generally accepted accounting principles.

"Securities" means corporate stock, bonds, and other securities (including, for purposes of taxation of gains on securities and for purchases under agreements to resell, United States Treasury securities, obligations of United States government agencies and corporations, obligations of state and political subdivisions, the interest on which is exempt from Illinois income tax), participations in securities backed by mortgages held by United States or state government agencies, loan-backed securities, and similar investments to the extent the investments are reflected as assets under generally accepted accounting principles.

(ii) For purposes of subparagraph (3), "money market instruments" shall include investments in investment partnerships, trusts, pools, funds, investment companies, or any similar entity in proportion to the investment of the entity in money market instruments, and "securities" shall include investments in investment partnerships, trusts, pools, funds, investment companies, or any similar entity in proportion to the investment of the entity in securities.

(d) Transportation services. For taxable years ending before December 31, 2008, business ~~Business~~ income derived from furnishing transportation services shall be apportioned to this State in accordance with paragraphs (1) and (2):

(1) Such business income (other than that derived from transportation by pipeline)

shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person everywhere. For purposes of this paragraph, a revenue mile is the transportation of 1 passenger or 1 net ton of freight the distance of 1 mile for a consideration. Where a person is engaged in the transportation of both passengers and freight, the fraction above referred to shall be determined by means of an average of the passenger revenue mile fraction and the freight revenue mile fraction, weighted to reflect the person's

(A) relative railway operating income from total passenger and total freight service, as reported to the Interstate Commerce Commission, in the case of transportation by railroad, and

(B) relative gross receipts from passenger and freight transportation, in case of transportation other than by railroad.

(2) Such business income derived from transportation by pipeline shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person everywhere. For the purposes of this paragraph, a revenue mile is the transportation by pipeline of 1 barrel of oil, 1,000 cubic feet of gas, or of any specified quantity of any other substance, the distance of 1 mile for a consideration.

(3) For taxable years ending on or after December 31, 2008, business income derived from providing transportation services other than airline services shall be apportioned to this State by using a fraction, (a) the numerator of which shall be (i) all receipts from any movement or shipment of people, goods, mail, oil, gas, or any other substance (other than by airline) that both originates and terminates in this State, plus (ii) that portion of the person's gross receipts from movements or shipments of people, goods, mail, oil, gas, or any other substance (other than by airline) passing through, into, or out of this State, that is determined by the ratio that the miles traveled in this State bears to total miles from point of origin to point of destination and (b) the denominator of which shall be all revenue derived from the movement or shipment of people, goods, mail, oil, gas, or any other substance (other than by airline). If a person derives business income from activities in addition to the provision of transportation services (other than by airline), this subsection shall apply only to its business income from transportation services and its other business income shall be apportioned to this State according to the applicable provisions of this Section.

(4) For taxable years ending on or after December 31, 2008, business income derived from providing airline services shall be apportioned to this State by using a fraction, (a) the numerator of which shall be arrivals of aircraft to and departures from this State weighted as to cost of aircraft by type and (b) the denominator of which shall be total arrivals and departures of aircraft weighted as to cost of aircraft by type. If a person derives business income from activities in addition to the provision of airline services, this subsection shall apply only to its business income from airline services and its other business income shall be apportioned to this State under the applicable provisions of this Section.

(e) Combined apportionment. Where 2 or more persons are engaged in a unitary business as described

in subsection (a)(27) of Section 1501, a part of which is conducted in this State by one or more members of the group, the business income attributable to this State by any such member or members shall be apportioned by means of the combined apportionment method.

(f) Alternative allocation. If the allocation and apportionment provisions of subsections (a) through (e) and of subsection (h) do not fairly represent the extent of a person's business activity in this State, the person may petition for, or the Director may, without a petition, permit or require, in respect of all or any part of the person's business activity, if reasonable:

- (1) Separate accounting;
- (2) The exclusion of any one or more factors;
- (3) The inclusion of one or more additional factors which will fairly represent the person's business activities in this State; or
- (4) The employment of any other method to effectuate an equitable allocation and apportionment of the person's business income.

(g) Cross reference. For allocation of business income by residents, see Section 301(a).

(h) For tax years ending on or after December 31, 1998, the apportionment factor of persons who apportion their business income to this State under subsection (a) shall be equal to:

- (1) for tax years ending on or after December 31, 1998 and before December 31, 1999, 16 2/3% of the property factor plus 16 2/3% of the payroll factor plus 66 2/3% of the sales factor;
- (2) for tax years ending on or after December 31, 1999 and before December 31, 2000, 8 1/3% of the property factor plus 8 1/3% of the payroll factor plus 83 1/3% of the sales factor;
- (3) for tax years ending on or after December 31, 2000, the sales factor.

If, in any tax year ending on or after December 31, 1998 and before December 31, 2000, the denominator of the payroll, property, or sales factor is zero, the apportionment factor computed in paragraph (1) or (2) of this subsection for that year shall be divided by an amount equal to 100% minus the percentage weight given to each factor whose denominator is equal to zero.

(Source: P.A. 94-247, eff. 1-1-06.)

(35 ILCS 5/502) (from Ch. 120, par. 5-502)

Sec. 502. Returns and notices.

(a) In general. A return with respect to the taxes imposed by this Act shall be made by every person for any taxable year:

(1) for which such person is liable for a tax imposed by this Act, or

(2) in the case of a resident or in the case of a corporation which is qualified to do business in this State, for which such person is required to make a federal income tax return, regardless of whether such person is liable for a tax imposed by this Act. However, this paragraph shall not require a resident to make a return if such person has an Illinois base income of the basic amount in Section 204(b) or less and is either claimed as a dependent on another person's tax return under the Internal Revenue Code of 1986, or is claimed as a dependent on another person's tax return under this Act.

Notwithstanding the provisions of paragraph (1), a nonresident whose Illinois income tax liability under subsections (a), (b), (c), and (d) of Section 201 of this Act is paid in full after taking into account the credits allowed under subsection (f) of this Section or allowed under Section 709.5 of this Act shall not be required to file a return under this subsection (a).

(b) Fiduciaries and receivers.

(1) Decedents. If an individual is deceased, any return or notice required of such individual under this Act shall be made by his executor, administrator, or other person charged with the property of such decedent.

(2) Individuals under a disability. If an individual is unable to make a return or notice required under this Act, the return or notice required of such individual shall be made by his duly authorized agent, guardian, fiduciary or other person charged with the care of the person or property of such individual.

(3) Estates and trusts. Returns or notices required of an estate or a trust shall be made by the fiduciary thereof.

(4) Receivers, trustees and assignees for corporations. In a case where a receiver, trustee in bankruptcy, or assignee, by order of a court of competent jurisdiction, by operation of law, or otherwise, has possession of or holds title to all or substantially all the property or business of a corporation, whether or not such property or business is being operated, such receiver, trustee, or assignee shall make the returns and notices required of such corporation in the same manner and form as corporations are required to make such returns and notices.

(c) Joint returns by husband and wife.

(1) Except as provided in paragraph (3), if a husband and wife file a joint federal income tax return for a taxable year they shall file a joint return under this Act for such taxable year and their liabilities shall be joint and several, but if the federal income tax liability of either spouse is determined on a separate federal income tax return, they shall file separate returns under this Act.

(2) If neither spouse is required to file a federal income tax return and either or both are required to file a return under this Act, they may elect to file separate or joint returns and pursuant to such election their liabilities shall be separate or joint and several.

(3) If either husband or wife is a resident and the other is a nonresident, they shall file separate returns in this State on such forms as may be required by the Department in which event their tax liabilities shall be separate; but they may elect to determine their joint net income and file a joint return as if both were residents and in such case, their liabilities shall be joint and several.

(4) Innocent spouses.

(A) However, for tax liabilities arising and paid prior to August 13, 1999, an innocent spouse shall be relieved of liability for tax (including interest and penalties) for any taxable year for which a joint return has been made, upon submission of proof that the Internal Revenue Service has made a determination under Section 6013(e) of the Internal Revenue Code, for the same taxable year, which determination relieved the spouse from liability for federal income taxes. If there is no federal income tax liability at issue for the same taxable year, the Department shall rely on the provisions of Section 6013(e) to determine whether the person requesting innocent spouse abatement of tax, penalty, and interest is entitled to that relief.

(B) For tax liabilities arising on and after August 13, 1999 or which arose prior to that date, but remain unpaid as of that date, if an individual who filed a joint return for any taxable year has made an election under this paragraph, the individual's liability for any tax shown on the joint return shall not exceed the individual's separate return amount and the individual's liability for any deficiency assessed for that taxable year shall not exceed the portion of the deficiency properly allocable to the individual. For purposes of this paragraph:

(i) An election properly made pursuant to Section 6015 of the Internal Revenue

Code shall constitute an election under this paragraph, provided that the election shall not be effective until the individual has notified the Department of the election in the form and manner prescribed by the Department.

(ii) If no election has been made under Section 6015, the individual may make an election under this paragraph in the form and manner prescribed by the Department, provided that no election may be made if the Department finds that assets were transferred between individuals filing a joint return as part of a scheme by such individuals to avoid payment of Illinois income tax and the election shall not eliminate the individual's liability for any portion of a deficiency attributable to an error on the return of which the individual had actual knowledge as of the date of filing.

(iii) In determining the separate return amount or portion of any deficiency attributable to an individual, the Department shall follow the provisions in subsections (c) and (d) of Section 6015 of the Internal Revenue Code.

(iv) In determining the validity of an individual's election under subparagraph

(ii) and in determining an electing individual's separate return amount or portion of any deficiency under subparagraph (iii), any determination made by the Secretary of the Treasury, by the United States Tax Court on petition for review of a determination by the Secretary of the Treasury, or on appeal from the United States Tax Court under Section 6015 of the Internal Revenue Code regarding criteria for eligibility or under subsection (d) of Section 6015 of the Internal Revenue Code regarding the allocation of any item of income, deduction, payment, or credit between an individual making the federal election and that individual's spouse shall be conclusively presumed to be correct. With respect to any item that is not the subject of a determination by the Secretary of the Treasury or the federal courts, in any proceeding involving this subsection, the individual making the election shall have the burden of proof with respect to any item except that the Department shall have the burden of proof with respect to items in subdivision (ii).

(v) Any election made by an individual under this subsection shall apply to all years for which that individual and the spouse named in the election have filed a joint return.

(vi) After receiving a notice that the federal election has been made or after receiving an election under subdivision (ii), the Department shall take no collection action against the electing individual for any liability arising from a joint return covered by the election until the Department has notified the electing individual in writing that the election is invalid or

of the portion of the liability the Department has allocated to the electing individual. Within 60 days (150 days if the individual is outside the United States) after the issuance of such notification, the individual may file a written protest of the denial of the election or of the Department's determination of the liability allocated to him or her and shall be granted a hearing within the Department under the provisions of Section 908. If a protest is filed, the Department shall take no collection action against the electing individual until the decision regarding the protest has become final under subsection (d) of Section 908 or, if administrative review of the Department's decision is requested under Section 1201, until the decision of the court becomes final.

(d) Partnerships. Every partnership having any base income allocable to this State in accordance with section 305(c) shall retain information concerning all items of income, gain, loss and deduction; the names and addresses of all of the partners, or names and addresses of members of a limited liability company, or other persons who would be entitled to share in the base income of the partnership if distributed; the amount of the distributive share of each; and such other pertinent information as the Department may by forms or regulations prescribe. The partnership shall make that information available to the Department when requested by the Department.

(e) For taxable years ending on or after December 31, 1985, and before December 31, 1993, taxpayers that are corporations (other than Subchapter S corporations) having the same taxable year and that are members of the same unitary business group may elect to be treated as one taxpayer for purposes of any original return, amended return which includes the same taxpayers of the unitary group which joined in the election to file the original return, extension, claim for refund, assessment, collection and payment and determination of the group's tax liability under this Act. This subsection (e) does not permit the election to be made for some, but not all, of the purposes enumerated above. For taxable years ending on or after December 31, 1987, corporate members (other than Subchapter S corporations) of the same unitary business group making this subsection (e) election are not required to have the same taxable year.

For taxable years ending on or after December 31, 1993, taxpayers that are corporations (other than Subchapter S corporations) and that are members of the same unitary business group shall be treated as one taxpayer for purposes of any original return, amended return which includes the same taxpayers of the unitary group which joined in filing the original return, extension, claim for refund, assessment, collection and payment and determination of the group's tax liability under this Act.

(f) The Department may promulgate regulations to permit nonresident individual partners of the same partnership, nonresident Subchapter S corporation shareholders of the same Subchapter S corporation, and nonresident individuals transacting an insurance business in Illinois under a Lloyds plan of operation, and nonresident individual members of the same limited liability company that is treated as a partnership under Section 1501 (a)(16) of this Act, to file composite individual income tax returns reflecting the composite income of such individuals allocable to Illinois and to make composite individual income tax payments. The Department may by regulation also permit such composite returns to include the income tax owed by Illinois residents attributable to their income from partnerships, Subchapter S corporations, insurance businesses organized under a Lloyds plan of operation, or limited liability companies that are treated as partnership under Section 1501(a)(16) of this Act, in which case such Illinois residents will be permitted to claim credits on their individual returns for their shares of the composite tax payments. This paragraph of subsection (f) applies to taxable years ending on or after December 31, 1987.

For taxable years ending on or after December 31, 1999, the Department may, by regulation, also permit any persons transacting an insurance business organized under a Lloyds plan of operation to file composite returns reflecting the income of such persons allocable to Illinois and the tax rates applicable to such persons under Section 201 and to make composite tax payments and shall, by regulation, also provide that the income and apportionment factors attributable to the transaction of an insurance business organized under a Lloyds plan of operation by any person joining in the filing of a composite return shall, for purposes of allocating and apportioning income under Article 3 of this Act and computing net income under Section 202 of this Act, be excluded from any other income and apportionment factors of that person or of any unitary business group, as defined in subdivision (a)(27) of Section 1501, to which that person may belong.

For taxable years ending on or after December 31, 2008, every nonresident shall be allowed a credit against his or her liability under subsections (a) and (b) of Section 201 for any amount of tax reported on a composite return and paid on his or her behalf under this subsection (f). Residents (other than persons transacting an insurance business organized under a Lloyds plan of operation) may claim a credit for taxes reported on a composite return and paid on their behalf under this subsection (f) only as permitted

by the Department by rule.

(f-5) For taxable years ending on or after December 31, 2008, the Department may adopt rules to provide that, when a partnership or Subchapter S corporation has made an error in determining the amount of any item of income, deduction, addition, subtraction, or credit required to be reported on its return that affects the liability imposed under this Act on a partner or shareholder, the partnership or Subchapter S corporation may report the changes in liabilities of its partners or shareholders and claim a refund of the resulting overpayments, or pay the resulting underpayments, on behalf of its partners and shareholders.

(g) The Department may adopt rules to authorize the electronic filing of any return required to be filed under this Section.

(Source: P.A. 94-1074, eff. 12-26-06.)

(35 ILCS 5/709.5 new)

Sec. 709.5. Withholding by partnerships, Subchapter S corporations, and trusts.

(a) In general. For each taxable year ending on or after December 31, 2008, every partnership (other than a publicly traded partnership under Section 7704 of the Internal Revenue Code), Subchapter S corporation, and trust must withhold from each nonresident partner, shareholder, or beneficiary (other than a partner, shareholder, or beneficiary included on a composite return filed by the partnership or Subchapter S corporation for the taxable year under subsection (f) of Section 502 of this Act) an amount equal to the distributable share of the business income of the partnership, Subchapter S corporation, or trust apportionable to Illinois of that partner, shareholder, or beneficiary under Sections 702 and 704 and Subchapter S of the Internal Revenue Code, whether or not distributed, multiplied by the applicable rates of tax for that partner or shareholder under subsections (a) through (d) of Section 201 of this Act.

(b) Credit for taxes withheld. Any amount withheld under subsection (a) of this Section and paid to the Department shall be treated as a payment of the estimated tax liability or of the liability for withholding under this Section of the partner, shareholder, or beneficiary to whom the income is distributable for the taxable year in which that person incurred a liability under this Act with respect to that income.

(35 ILCS 5/711) (from Ch. 120, par. 7-711)

Sec. 711. Payor's Return and Payment of Tax Withheld. (a) In general. Every payor required to deduct and withhold tax under Section 710 ~~(and until January 1, 1989, Sections 708 and 709)~~ shall be subject to the same reporting requirements regarding taxes withheld and the same monthly and quarter monthly (weekly) payment requirements as an employer subject to the provisions of Section 701. For purposes of monthly and quarter monthly (weekly) payments, the total tax withheld under Sections 701, ~~708, 709~~ and 710 shall be considered in the aggregate.

(a-5) Every partnership, Subchapter S corporation, or trust required to withhold tax under Section 709.5 shall report the amounts withheld and the partners, shareholders, or beneficiaries from whom the amounts were withheld, and pay over the amount withheld, no later than the due date (without regard to extensions) of the tax return of the partnership, Subchapter S corporation, or trust for the taxable year.

(b) Information statement. Every payor required to deduct and withhold tax under Section 710 ~~(and until January 1, 1989, Sections 708 and 709)~~ shall furnish in duplicate to each party entitled to the credit for such withholding under subsection (b) of Section 709.5 ~~(e) of Section 708, subsection (e) of Section 709,~~ and subsection (b) of Section 710, respectively, on or before January 31 of the succeeding calendar year for amounts withheld under Section 710 or the due date (without regard to extensions) of the return of the partnership, Subchapter S corporation, or trust for the taxable year for amounts withheld under Section 709.5 for the taxable year, a written statement in such form as the Department may by regulation prescribe showing the amount of the payments, the amount deducted and withheld as tax, and such other information as the Department may prescribe. A copy of such statement shall be filed by the party entitled to the credit for the withholding under subsection ~~(b) of Section 709.5 (e) of Section 708,~~ ~~subsection (e) of Section 709,~~ or subsection (b) of Section 710 with his return for the taxable year to which it relates.

(Source: P.A. 85-299; 85-982.)

(35 ILCS 5/712) (from Ch. 120, par. 7-712)

Sec. 712. Payor's Liability For Withheld Taxes. Every payor who deducts and withholds or is required to deduct and withhold tax under ~~Sections 709.5 or Section 710 (and until January 1, 1989, Sections 708 and 709)~~ is liable for such tax. For purposes of assessment and collection, any amount withheld or required to be withheld and paid over to the Department, and any penalties and interest with respect thereto, shall be considered the tax of the payor. Any amount of tax actually deducted and withheld under ~~Sections 709.5 or Section 710 (and until January 1, 1989, Sections 708 and 709)~~ shall be held to be a special fund in trust for the Department. No payee shall have any right of action against his payor in

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respect of any money deducted and withheld and paid over to the Department in compliance or in intended compliance with Sections and 709.5 or Section 710 (and until January 1, 1989, Sections 708 and 709).

(Source: P.A. 85-299; 85-982.)

(35 ILCS 5/713) (from Ch. 120, par. 7-713)

Sec. 713. Payor's Failure To Withhold. If a payor fails to deduct and withhold any amount of tax as required under Sections and 709.5 or Section 710 (and until January 1, 1989, Sections 708 and 709) and thereafter the tax on account of which such amount was required to be deducted and withheld is paid, such amount of tax shall not be collected from the payor, but the payor shall not be relieved from liability for penalties or interest otherwise applicable in respect of such failure to deduct and withhold. For purposes of this Section, the tax on account of which an amount is required to be deducted and withheld is the tax of the individual or individuals who are entitled to a credit under subsection (b) of Section 709.5 (e) of Section 708, subsection (e) of Section 709, or subsection (b) of Section 710 for the withheld tax.

(Source: P.A. 85-299; 85-982.)

(35 ILCS 5/804) (from Ch. 120, par. 8-804)

Sec. 804. Failure to Pay Estimated Tax.

(a) In general. In case of any underpayment of estimated tax by a taxpayer, except as provided in subsection (d) or (e), the taxpayer shall be liable to a penalty in an amount determined at the rate prescribed by Section 3-3 of the Uniform Penalty and Interest Act upon the amount of the underpayment (determined under subsection (b)) for each required installment.

(b) Amount of underpayment. For purposes of subsection (a), the amount of the underpayment shall be the excess of:

(1) the amount of the installment which would be required to be paid under subsection (c), over

(2) the amount, if any, of the installment paid on or before the last date prescribed for payment.

(c) Amount of Required Installments.

(1) Amount.

(A) In General. Except as provided in paragraph (2), the amount of any required installment shall be 25% of the required annual payment.

(B) Required Annual Payment. For purposes of subparagraph (A), the term "required annual payment" means the lesser of

(i) 90% of the tax shown on the return for the taxable year, or if no return is filed, 90% of the tax for such year, or

(ii) 100% of the tax shown on the return of the taxpayer for the preceding taxable year if a return showing a liability for tax was filed by the taxpayer for the preceding taxable year and such preceding year was a taxable year of 12 months.

(2) Lower Required Installment where Annualized Income Installment is Less Than Amount Determined Under Paragraph (1).

(A) In General. In the case of any required installment if a taxpayer establishes that the annualized income installment is less than the amount determined under paragraph (1),

(i) the amount of such required installment shall be the annualized income installment, and

(ii) any reduction in a required installment resulting from the application of this subparagraph shall be recaptured by increasing the amount of the next required installment determined under paragraph (1) by the amount of such reduction, and by increasing subsequent required installments to the extent that the reduction has not previously been recaptured under this clause.

(B) Determination of Annualized Income Installment. In the case of any required installment, the annualized income installment is the excess, if any, of

(i) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the net income for months in the taxable year ending before the due date for the installment, over

(ii) the aggregate amount of any prior required installments for the taxable year.

(C) Applicable Percentage.

In the case of the following required installments:

The applicable percentage is:

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1st .....	22.5%
2nd .....	45%
3rd .....	67.5%
4th .....	90%

(D) Annualized Net Income; Individuals. For individuals, net income shall be placed on an annualized basis by:

(i) multiplying by 12, or in the case of a taxable year of less than 12 months, by the number of months in the taxable year, the net income computed without regard to the standard exemption for the months in the taxable year ending before the month in which the installment is required to be paid;

(ii) dividing the resulting amount by the number of months in the taxable year ending before the month in which such installment date falls; and

(iii) deducting from such amount the standard exemption allowable for the taxable year, such standard exemption being determined as of the last date prescribed for payment of the installment.

(E) Annualized Net Income; Corporations. For corporations, net income shall be placed on an annualized basis by multiplying by 12 the taxable income

(i) for the first 3 months of the taxable year, in the case of the installment required to be paid in the 4th month,

(ii) for the first 3 months or for the first 5 months of the taxable year, in the case of the installment required to be paid in the 6th month,

(iii) for the first 6 months or for the first 8 months of the taxable year, in the case of the installment required to be paid in the 9th month, and

(iv) for the first 9 months or for the first 11 months of the taxable year, in the case of the installment required to be paid in the 12th month of the taxable year,

then dividing the resulting amount by the number of months in the taxable year (3, 5, 6, 8, 9, or 11 as the case may be).

(d) Exceptions. Notwithstanding the provisions of the preceding subsections, the penalty imposed by subsection (a) shall not be imposed if the taxpayer was not required to file an Illinois income tax return for the preceding taxable year, or, for individuals, if the taxpayer had no tax liability for the preceding taxable year and such year was a taxable year of 12 months. The penalty imposed by subsection (a) shall also not be imposed on any underpayments of estimated tax due before the effective date of this amendatory Act of 1998 which underpayments are solely attributable to the change in apportionment from subsection (a) to subsection (h) of Section 304. The provisions of this amendatory Act of 1998 apply to tax years ending on or after December 31, 1998.

(e) The penalty imposed for underpayment of estimated tax by subsection (a) of this Section shall not be imposed to the extent that the ~~Director Department~~ or his or her designate determines, pursuant to Section 3-8 of the Uniform Penalty and Interest Act that the penalty should not be imposed.

(f) Definition of tax. For purposes of subsections (b) and (c), the term "tax" means the excess of the tax imposed under Article 2 of this Act, over the amounts credited against such tax under Sections 601(b) (3) and (4).

(g) Application of Section in case of tax withheld ~~under Article 7 on compensation~~. For purposes of applying this Section:

(1) in the case of an individual, tax withheld ~~from compensation under Article 7~~ for the taxable year shall be deemed a

payment of estimated tax, and an equal part of such amount shall be deemed paid on each installment date for such taxable year, unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts so withheld shall be deemed payments of estimated tax on the dates on which such amounts were actually withheld; -

(2) amounts timely paid by a partnership, Subchapter S corporation, or trust on behalf of a partner, shareholder, or beneficiary pursuant to subsection (f) of Section 502 or Section 709.5 and claimed as a payment of estimated tax shall be deemed a payment of estimated tax made on the last day of the taxable year of the partnership, Subchapter S corporation, or trust for which the income from the withholding is made was computed; and

(3) all other amounts pursuant to Article 7 shall be deemed a payment of estimated tax on the date the payment is made to the taxpayer of the amount from which the tax is withheld.

(g-5) Amounts withheld under the State Salary and Annuity Withholding Act. An individual who has amounts withheld under paragraph (10) of Section 4 of the State Salary and Annuity Withholding Act may elect to have those amounts treated as payments of estimated tax made on the dates on which those

amounts are actually withheld.

(i) Short taxable year. The application of this Section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Department.

The changes in this Section made by Public Act 84-127 shall apply to taxable years ending on or after January 1, 1986.

(Source: P.A. 90-448, eff. 8-16-97; 90-613, eff. 7-9-98.)

(35 ILCS 5/911) (from Ch. 120, par. 9-911)

Sec. 911. Limitations on Claims for Refund.

(a) In general. Except as otherwise provided in this Act:

(1) A claim for refund shall be filed not later than 3 years after the date the return was filed (in the case of returns required under Article 7 of this Act respecting any amounts withheld as tax, not later than 3 years after the 15th day of the 4th month following the close of the calendar year in which such withholding was made), or one year after the date the tax was paid, whichever is the later; and

(2) No credit or refund shall be allowed or made with respect to the year for which the claim was filed unless such claim is filed within such period.

(b) Federal changes.

(1) In general. In any case where notification of an alteration is required by Section 506(b), a claim for refund may be filed within 2 years after the date on which such notification was due (regardless of whether such notice was given), but the amount recoverable pursuant to a claim filed under this Section shall be limited to the amount of any overpayment resulting under this Act from recomputation of the taxpayer's net income, net loss, or Article 2 credits for the taxable year after giving effect to the item or items reflected in the alteration required to be reported.

(2) Tentative carryback adjustments paid before January 1, 1974. If, as the result of the payment before January 1, 1974 of a federal tentative carryback adjustment, a notification of an alteration is required under Section 506(b), a claim for refund may be filed at any time before January 1, 1976, but the amount recoverable pursuant to a claim filed under this Section shall be limited to the amount of any overpayment resulting under this Act from recomputation of the taxpayer's base income for the taxable year after giving effect to the federal alteration resulting from the tentative carryback adjustment irrespective of any limitation imposed in paragraph (1) of this subsection.

(c) Extension by agreement. Where, before the expiration of the time prescribed in this section for the filing of a claim for refund, both the Department and the claimant shall have consented in writing to its filing after such time, such claim may be filed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon. In the case of a taxpayer who is a partnership, Subchapter S corporation, or trust and who enters into an agreement with the Department pursuant to this subsection on or after January 1, 2003, a claim for refund may be issued to the partners, shareholders, or beneficiaries of the taxpayer at any time prior to the expiration of the period agreed upon. Any refund allowed pursuant to the claim, however, shall be limited to the amount of any overpayment of tax due under this Act that results from recomputation of items of income, deduction, credits, or other amounts of the taxpayer that are taken into account by the partner, shareholder, or beneficiary in computing its liability under this Act.

(d) Limit on amount of credit or refund.

(1) Limit where claim filed within 3-year period. If the claim was filed by the claimant during the 3-year period prescribed in subsection (a), the amount of the credit or refund shall not exceed the portion of the tax paid within the period, immediately preceding the filing of the claim, equal to 3 years plus the period of any extension of time for filing the return.

(2) Limit where claim not filed within 3-year period. If the claim was not filed within such 3-year period, the amount of the credit or refund shall not exceed the portion of the tax paid during the one year immediately preceding the filing of the claim.

(e) Time return deemed filed. For purposes of this section a tax return filed before the last day prescribed by law for the filing of such return (including any extensions thereof) shall be deemed to have been filed on such last day.

(f) No claim for refund based on the taxpayer's taking a credit for estimated tax payments as provided by Section 601(b)(2) or for any amount paid by a taxpayer pursuant to Section 602(a) or for any amount of credit for tax withheld pursuant to ~~Article 7 Section 701~~ may be filed more than 3 years after the due date, as provided by Section 505, of the return which was required to be filed relative to the taxable year for which the payments were made or for which the tax was withheld. The changes in this subsection (f) made by this amendatory Act of 1987 shall apply to all taxable years ending on or after December 31,

1969.

(g) Special Period of Limitation with Respect to Net Loss Carrybacks. If the claim for refund relates to an overpayment attributable to a net loss carryback as provided by Section 207, in lieu of the 3 year period of limitation prescribed in subsection (a), the period shall be that period which ends 3 years after the time prescribed by law for filing the return (including extensions thereof) for the taxable year of the net loss which results in such carryback (or, on and after August 13, 1999, with respect to a change in the carryover of an Article 2 credit to a taxable year resulting from the carryback of a Section 207 loss incurred in a taxable year beginning on or after January 1, 2000, the period shall be that period that ends 3 years after the time prescribed by law for filing the return (including extensions of that time) for that subsequent taxable year), or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later. In the case of such a claim, the amount of the refund may exceed the portion of the tax paid within the period provided in subsection (d) to the extent of the amount of the overpayment attributable to such carryback. On and after August 13, 1999, if the claim for refund relates to an overpayment attributable to the carryover of an Article 2 credit, or of a Section 207 loss, earned, incurred (in a taxable year beginning on or after January 1, 2000), or used in a year for which a notification of a change affecting federal taxable income must be filed under subsection (b) of Section 506, the claim may be filed within the period prescribed in paragraph (1) of subsection (b) in respect of the year for which the notification is required. In the case of such a claim, the amount of the refund may exceed the portion of the tax paid within the period provided in subsection (d) to the extent of the amount of the overpayment attributable to the recomputation of the taxpayer's Article 2 credits, or Section 207 loss, earned, incurred, or used in the taxable year for which the notification is given.

(h) Claim for refund based on net loss. On and after August 23, 2002, no claim for refund shall be allowed to the extent the refund is the result of an amount of net loss incurred in any taxable year ending prior to December 31, 2002 under Section 207 of this Act that was not reported to the Department within 3 years of the due date (including extensions) of the return for the loss year on either the original return filed by the taxpayer or on amended return or to the extent that the refund is the result of an amount of net loss incurred in any taxable year under Section 207 for which no return was filed within 3 years of the due date (including extensions) of the return for the loss year.

(Source: P.A. 94-836, eff. 6-6-06.)

(35 ILCS 5/1501) (from Ch. 120, par. 15-1501)

Sec. 1501. Definitions.

(a) In general. When used in this Act, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(1) Business income. The term "business income" means all income that may be treated as apportionable business income under the Constitution of the United States. Business income is net of the deductions allocable thereto. Such term does not include compensation or the deductions allocable thereto. For each taxable year beginning on or after January 1, 2003, a taxpayer may elect to treat all income other than compensation as business income. This election shall be made in accordance with rules adopted by the Department and, once made, shall be irrevocable.

(2) Commercial domicile. The term "commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

(3) Compensation. The term "compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

(4) Corporation. The term "corporation" includes associations, joint-stock companies, insurance companies and cooperatives. Any entity, including a limited liability company formed under the Illinois Limited Liability Company Act, shall be treated as a corporation if it is so classified for federal income tax purposes. For taxable years ending on or after December 31, 2008, a real estate investment trust is treated as a corporation for the purposes of this Act.

(5) Department. The term "Department" means the Department of Revenue of this State.

(6) Director. The term "Director" means the Director of Revenue of this State.

(7) Fiduciary. The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, or any person acting in any fiduciary capacity for any person.

(8) Financial organization.

(A) The term "financial organization" means any bank, bank holding company, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, building and loan association, credit union, currency exchange, cooperative bank, small loan company, sales finance company, investment company, or any person which is owned by a bank or bank holding company. For the purpose of this Section a "person" will include only those persons which a bank holding company may acquire and hold an interest in, directly or

indirectly, under the provisions of the Bank Holding Company Act of 1956 (12 U.S.C. 1841, et seq.), except where interests in any person must be disposed of within certain required time limits under the Bank Holding Company Act of 1956.

(B) For purposes of subparagraph (A) of this paragraph, the term "bank" includes (i) any entity that is regulated by the Comptroller of the Currency under the National Bank Act, or by the Federal Reserve Board, or by the Federal Deposit Insurance Corporation and (ii) any federally or State chartered bank operating as a credit card bank.

(C) For purposes of subparagraph (A) of this paragraph, the term "sales finance company" has the meaning provided in the following item (i) or (ii):

(i) A person primarily engaged in one or more of the following businesses: the business of purchasing customer receivables, the business of making loans upon the security of customer receivables, the business of making loans for the express purpose of funding purchases of tangible personal property or services by the borrower, or the business of finance leasing. For purposes of this item (i), "customer receivable" means:

(a) a retail installment contract or retail charge agreement within the meaning of the Sales Finance Agency Act, the Retail Installment Sales Act, or the Motor Vehicle Retail Installment Sales Act;

(b) an installment, charge, credit, or similar contract or agreement arising from the sale of tangible personal property or services in a transaction involving a deferred payment price payable in one or more installments subsequent to the sale; or

(c) the outstanding balance of a contract or agreement described in provisions (a) or (b) of this item (i).

A customer receivable need not provide for payment of interest on deferred payments. A sales finance company may purchase a customer receivable from, or make a loan secured by a customer receivable to, the seller in the original transaction or to a person who purchased the customer receivable directly or indirectly from that seller.

(ii) A corporation meeting each of the following criteria:

(a) the corporation must be a member of an "affiliated group" within the meaning of Section 1504(a) of the Internal Revenue Code, determined without regard to Section 1504(b) of the Internal Revenue Code;

(b) more than 50% of the gross income of the corporation for the taxable year must be interest income derived from qualifying loans. A "qualifying loan" is a loan made to a member of the corporation's affiliated group that originates customer receivables (within the meaning of item (i)) or to whom customer receivables originated by a member of the affiliated group have been transferred, to the extent the average outstanding balance of loans from that corporation to members of its affiliated group during the taxable year do not exceed the limitation amount for that corporation. The "limitation amount" for a corporation is the average outstanding balances during the taxable year of customer receivables (within the meaning of item (i)) originated by all members of the affiliated group. If the average outstanding balances of the loans made by a corporation to members of its affiliated group exceed the limitation amount, the interest income of that corporation from qualifying loans shall be equal to its interest income from loans to members of its affiliated groups times a fraction equal to the limitation amount divided by the average outstanding balances of the loans made by that corporation to members of its affiliated group;

(c) the total of all shareholder's equity (including, without limitation, paid-in capital on common and preferred stock and retained earnings) of the corporation plus the total of all of its loans, advances, and other obligations payable or owed to members of its affiliated group may not exceed 20% of the total assets of the corporation at any time during the tax year; and

(d) more than 50% of all interest-bearing obligations of the affiliated group payable to persons outside the group determined in accordance with generally accepted accounting principles must be obligations of the corporation.

This amendatory Act of the 91st General Assembly is declaratory of existing law.

(D) Subparagraphs (B) and (C) of this paragraph are declaratory of existing law and apply retroactively, for all tax years beginning on or before December 31, 1996, to all original returns, to all amended returns filed no later than 30 days after the effective date of this amendatory Act of 1996, and to all notices issued on or before the effective date of this amendatory Act of 1996 under subsection (a) of Section 903, subsection (a) of Section 904, subsection (e) of Section 909, or Section 912. A taxpayer that is a "financial organization" that engages in any transaction with an

affiliate shall be a "financial organization" for all purposes of this Act.

(E) For all tax years beginning on or before December 31, 1996, a taxpayer that falls within the definition of a "financial organization" under subparagraphs (B) or (C) of this paragraph, but who does not fall within the definition of a "financial organization" under the Proposed Regulations issued by the Department of Revenue on July 19, 1996, may irrevocably elect to apply the Proposed Regulations for all of those years as though the Proposed Regulations had been lawfully promulgated, adopted, and in effect for all of those years. For purposes of applying subparagraphs (B) or (C) of this paragraph to all of those years, the election allowed by this subparagraph applies only to the taxpayer making the election and to those members of the taxpayer's unitary business group who are ordinarily required to apportion business income under the same subsection of Section 304 of this Act as the taxpayer making the election. No election allowed by this subparagraph shall be made under a claim filed under subsection (d) of Section 909 more than 30 days after the effective date of this amendatory Act of 1996.

(F) Finance Leases. For purposes of this subsection, a finance lease shall be treated as a loan or other extension of credit, rather than as a lease, regardless of how the transaction is characterized for any other purpose, including the purposes of any regulatory agency to which the lessor is subject. A finance lease is any transaction in the form of a lease in which the lessee is treated as the owner of the leased asset entitled to any deduction for depreciation allowed under Section 167 of the Internal Revenue Code.

(9) Fiscal year. The term "fiscal year" means an accounting period of 12 months ending on the last day of any month other than December.

(10) Includes and including. The terms "includes" and "including" when used in a definition contained in this Act shall not be deemed to exclude other things otherwise within the meaning of the term defined.

(11) Internal Revenue Code. The term "Internal Revenue Code" means the United States Internal Revenue Code of 1954 or any successor law or laws relating to federal income taxes in effect for the taxable year.

(11.5) Investment partnership.

(A) The term "investment partnership" means any entity that is treated as a partnership for federal income tax purposes that meets the following requirements:

(i) no less than 90% of the partnership's cost of its total assets consists of qualifying investment securities, deposits at banks or other financial institutions, and office space and equipment reasonably necessary to carry on its activities as an investment partnership;

(ii) no less than 90% of its gross income consists of interest, dividends, and gains from the sale or exchange of qualifying investment securities; and

(iii) the partnership is not a dealer in qualifying investment securities.

(B) For purposes of this paragraph (11.5), the term "qualifying investment securities" includes all of the following:

(i) common stock, including preferred or debt securities convertible into common stock, and preferred stock;

(ii) bonds, debentures, and other debt securities;

(iii) foreign and domestic currency deposits secured by federal, state, or local governmental agencies;

(iv) mortgage or asset-backed securities secured by federal, state, or local governmental agencies;

(v) repurchase agreements and loan participations;

(vi) foreign currency exchange contracts and forward and futures contracts on foreign currencies;

(vii) stock and bond index securities and futures contracts and other similar financial securities and futures contracts on those securities;

(viii) options for the purchase or sale of any of the securities, currencies, contracts, or financial instruments described in items (i) to (vii), inclusive;

(ix) regulated futures contracts;

(x) commodities (not described in Section 1221(a)(1) of the Internal Revenue Code) or futures, forwards, and options with respect to such commodities, provided, however, that any item of a physical commodity to which title is actually acquired in the partnership's capacity as a dealer in such commodity shall not be a qualifying investment security;

(xi) derivatives; and

(xii) a partnership interest in another partnership that is an investment

partnership.

(12) Mathematical error. The term "mathematical error" includes the following types of errors, omissions, or defects in a return filed by a taxpayer which prevents acceptance of the return as filed for processing:

(A) arithmetic errors or incorrect computations on the return or supporting schedules;

(B) entries on the wrong lines;

(C) omission of required supporting forms or schedules or the omission of the information in whole or in part called for thereon; and

(D) an attempt to claim, exclude, deduct, or improperly report, in a manner directly contrary to the provisions of the Act and regulations thereunder any item of income, exemption, deduction, or credit.

(13) Nonbusiness income. The term "nonbusiness income" means all income other than business income or compensation.

(14) Nonresident. The term "nonresident" means a person who is not a resident.

(15) Paid, incurred and accrued. The terms "paid", "incurred" and "accrued" shall be construed according to the method of accounting upon the basis of which the person's base income is computed under this Act.

(16) Partnership and partner. The term "partnership" includes a syndicate, group, pool, joint venture or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this Act, a trust or estate or a corporation; and the term "partner" includes a member in such syndicate, group, pool, joint venture or organization.

The term "partnership" includes any entity, including a limited liability company formed under the Illinois Limited Liability Company Act, classified as a partnership for federal income tax purposes.

The term "partnership" does not include a syndicate, group, pool, joint venture, or other unincorporated organization established for the sole purpose of playing the Illinois State Lottery.

(17) Part-year resident. The term "part-year resident" means an individual who became a resident during the taxable year or ceased to be a resident during the taxable year. Under Section 1501(a)(20)(A)(i) residence commences with presence in this State for other than a temporary or transitory purpose and ceases with absence from this State for other than a temporary or transitory purpose. Under Section 1501(a)(20)(A)(ii) residence commences with the establishment of domicile in this State and ceases with the establishment of domicile in another State.

(18) Person. The term "person" shall be construed to mean and include an individual, a trust, estate, partnership, association, firm, company, corporation, limited liability company, or fiduciary. For purposes of Section 1301 and 1302 of this Act, a "person" means (i) an individual, (ii) a corporation, (iii) an officer, agent, or employee of a corporation, (iv) a member, agent or employee of a partnership, or (v) a member, manager, employee, officer, director, or agent of a limited liability company who in such capacity commits an offense specified in Section 1301 and 1302.

(18A) Records. The term "records" includes all data maintained by the taxpayer, whether on paper, microfilm, microfiche, or any type of machine-sensible data compilation.

(19) Regulations. The term "regulations" includes rules promulgated and forms prescribed by the Department.

(20) Resident. The term "resident" means:

(A) an individual (i) who is in this State for other than a temporary or transitory purpose during the taxable year; or (ii) who is domiciled in this State but is absent from the State for a temporary or transitory purpose during the taxable year;

(B) The estate of a decedent who at his or her death was domiciled in this State;

(C) A trust created by a will of a decedent who at his death was domiciled in this State; and

(D) An irrevocable trust, the grantor of which was domiciled in this State at the time such trust became irrevocable. For purpose of this subparagraph, a trust shall be considered irrevocable to the extent that the grantor is not treated as the owner thereof under Sections 671 through 678 of the Internal Revenue Code.

(21) Sales. The term "sales" means all gross receipts of the taxpayer not allocated under Sections 301, 302 and 303.

(22) State. The term "state" when applied to a jurisdiction other than this State means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any

Territory or Possession of the United States, and any foreign country, or any political subdivision of any of the foregoing. For purposes of the foreign tax credit under Section 601, the term "state" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States, or any political subdivision of any of the foregoing, effective for tax years ending on or after December 31, 1989.

(23) Taxable year. The term "taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the base income is computed under this Act. "Taxable year" means, in the case of a return made for a fractional part of a year under the provisions of this Act, the period for which such return is made.

(24) Taxpayer. The term "taxpayer" means any person subject to the tax imposed by this Act.

(25) International banking facility. The term international banking facility shall have the same meaning as is set forth in the Illinois Banking Act or as is set forth in the laws of the United States or regulations of the Board of Governors of the Federal Reserve System.

(26) Income Tax Return Preparer.

(A) The term "income tax return preparer" means any person who prepares for compensation, or who employs one or more persons to prepare for compensation, any return of tax imposed by this Act or any claim for refund of tax imposed by this Act. The preparation of a substantial portion of a return or claim for refund shall be treated as the preparation of that return or claim for refund.

(B) A person is not an income tax return preparer if all he or she does is

(i) furnish typing, reproducing, or other mechanical assistance;

(ii) prepare returns or claims for refunds for the employer by whom he or she is regularly and continuously employed;

(iii) prepare as a fiduciary returns or claims for refunds for any person; or

(iv) prepare claims for refunds for a taxpayer in response to any notice of deficiency issued to that taxpayer or in response to any waiver of restriction after the commencement of an audit of that taxpayer or of another taxpayer if a determination in the audit of the other taxpayer directly or indirectly affects the tax liability of the taxpayer whose claims he or she is preparing.

(27) Unitary business group. The term "unitary business group" means a group of persons related through common ownership whose business activities are integrated with, dependent upon and contribute to each other. The group will not include those members whose business activity outside the United States is 80% or more of any such member's total business activity; for purposes of this paragraph and clause (a)(3)(B)(ii) of Section 304, business activity within the United States shall be measured by means of the factors ordinarily applicable under subsections (a), (b), (c), (d), or (h) of Section 304 except that, in the case of members ordinarily required to apportion business income by means of the 3 factor formula of property, payroll and sales specified in subsection (a) of Section 304, including the formula as weighted in subsection (h) of Section 304, such members shall not use the sales factor in the computation and the results of the property and payroll factor computations of subsection (a) of Section 304 shall be divided by 2 (by one if either the property or payroll factor has a denominator of zero). The computation required by the preceding sentence shall, in each case, involve the division of the member's property, payroll, or revenue miles in the United States, insurance premiums on property or risk in the United States, or financial organization business income from sources within the United States, as the case may be, by the respective worldwide figures for such items. Common ownership in the case of corporations is the direct or indirect control or ownership of more than 50% of the outstanding voting stock of the persons carrying on unitary business activity. Unitary business activity can ordinarily be illustrated where the activities of the members are: (1) in the same general line (such as manufacturing, wholesaling, retailing of tangible personal property, insurance, transportation or finance); or (2) are steps in a vertically structured enterprise or process (such as the steps involved in the production of natural resources, which might include exploration, mining, refining, and marketing); and, in either instance, the members are functionally integrated through the exercise of strong centralized management (where, for example, authority over such matters as purchasing, financing, tax compliance, product line, personnel, marketing and capital investment is not left to each member). In no event, however, will any unitary business group include members which are ordinarily required to apportion business income under different subsections of Section 304 except that for tax years ending on or after December 31, 1987 this prohibition shall not apply to a unitary business group composed of one or more taxpayers all of which apportion business income pursuant to subsection (b) of Section 304, or all of which apportion business income pursuant



to subsection (d) of Section 304, and a holding company of such single-factor taxpayers (see definition of "financial organization" for rule regarding holding companies of financial organizations). If a unitary business group would, but for the preceding sentence, include members that are ordinarily required to apportion business income under different subsections of Section 304, then for each subsection of Section 304 for which there are two or more members, there shall be a separate unitary business group composed of such members. For purposes of the preceding two sentences, a member is "ordinarily required to apportion business income" under a particular subsection of Section 304 if it would be required to use the apportionment method prescribed by such subsection except for the fact that it derives business income solely from Illinois. As used in this paragraph, the phrase "United States" means only the 50 states and the District of Columbia, but does not include any territory or possession of the United States or any area over which the United States has asserted jurisdiction or claimed exclusive rights with respect to the exploration for or exploitation of natural resources.

If the unitary business group members' accounting periods differ, the common parent's accounting period or, if there is no common parent, the accounting period of the member that is expected to have, on a recurring basis, the greatest Illinois income tax liability must be used to determine whether to use the apportionment method provided in subsection (a) or subsection (h) of Section 304. The prohibition against membership in a unitary business group for taxpayers ordinarily required to apportion income under different subsections of Section 304 does not apply to taxpayers required to apportion income under subsection (a) and subsection (h) of Section 304. The provisions of this amendatory Act of 1998 apply to tax years ending on or after December 31, 1998.

(28) Subchapter S corporation. The term "Subchapter S corporation" means a corporation for which there is in effect an election under Section 1362 of the Internal Revenue Code, or for which there is a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982.

(30) Foreign person. The term "foreign person" means any person who is a nonresident alien individual and any nonindividual entity, regardless of where created or organized, whose business activity outside the United States is 80% or more of the entity's total business activity.

(b) Other definitions.

(1) Words denoting number, gender, and so forth, when used in this Act, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(A) Words importing the singular include and apply to several persons, parties or things;

(B) Words importing the plural include the singular; and

(C) Words importing the masculine gender include the feminine as well.

(2) "Company" or "association" as including successors and assigns. The word "company" or "association", when used in reference to a corporation, shall be deemed to embrace the words "successors and assigns of such company or association", and in like manner as if these last-named words, or words of similar import, were expressed.

(3) Other terms. Any term used in any Section of this Act with respect to the application of, or in connection with, the provisions of any other Section of this Act shall have the same meaning as in such other Section.

(Source: P.A. 92-846, eff. 8-23-02; 93-840, eff. 7-30-04.)

Section 10-10. The Retailers' Occupation Tax Act is amended by changing Section 2-5 as follows:  
(35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

Sec. 2-5. Exemptions. Gross receipts from proceeds from the sale of the following tangible personal property are exempt from the tax imposed by this Act:

(1) Farm chemicals.

(2) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (2). Agricultural chemical tender tanks and dry boxes shall include units

[May 31, 2007]

sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed, if the selling price of the tender is separately stated.

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders, or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the provisions of Section 2-70.

(3) Until July 1, 2003, distillation machinery and equipment, sold as a unit or kit, assembled or installed by the retailer, certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of the user, and not subject to sale or resale.

(4) Until July 1, 2003 and beginning again September 1, 2004, graphic arts machinery and equipment, including repair and replacement parts, both new and used, and including that manufactured on special order or purchased for lease, certified by the purchaser to be used primarily for graphic arts production. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a graphic arts product.

~~(5) (Blank). A motor vehicle of the first division, a motor vehicle of the second division that is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat, or a motor vehicle of the second division that is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers, as defined in Section 1-146 of the Illinois Vehicle Code, that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act.~~

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Until July 1, 2003, proceeds of that portion of the selling price of a passenger car the sale of which is subject to the Replacement Vehicle Tax.

(8) Personal property sold to an Illinois county fair association for use in conducting, operating, or promoting the county fair.

(9) Personal property sold to a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after the effective date of this amendatory Act of the 92nd General Assembly, however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

(10) Personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise.

(11) Personal property sold to a governmental body, to a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or to a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active identification number issued by the Department.

(12) Tangible personal property sold to interstate carriers for hire for use as rolling stock moving in interstate commerce or to lessors under leases of one year or longer executed or in effect at the time of purchase by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal

Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(12-5) On and after July 1, 2003 and through June 30, 2004, motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(13) Proceeds from sales to owners, lessors, or shippers of tangible personal property that is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(14) Machinery and equipment that will be used by the purchaser, or a lessee of the purchaser, primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether the sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether the sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser.

(15) Proceeds of mandatory service charges separately stated on customers' bills for purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or beverage function with respect to which the service charge is imposed.

(16) Petroleum products sold to a purchaser if the seller is prohibited by federal law from charging tax to the purchaser.

(17) Tangible personal property sold to a common carrier by rail or motor that receives the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.

(18) Legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion.

(19) Until July 1 2003, oil field exploration, drilling, and production equipment, including (i) rigs and parts of rigs, rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and tubular goods, including casing and drill strings, (iii) pumps and pump-jack units, (iv) storage tanks and flow lines, (v) any individual replacement part for oil field exploration, drilling, and production equipment, and (vi) machinery and equipment purchased for lease; but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(20) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease.

(21) Until July 1, 2003, coal exploration, mining, offhighway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

(22) Fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers.

(23) A transaction in which the purchase order is received by a florist who is located outside Illinois, but who has a florist located in Illinois deliver the property to the purchaser or the purchaser's donee in Illinois.

(24) Fuel consumed or used in the operation of ships, barges, or vessels that are used primarily in or

for the transportation of property or the conveyance of persons for hire on rivers bordering on this State if the fuel is delivered by the seller to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river.

(25) Except as provided in item (25-5) of this Section, a motor vehicle sold in this State to a nonresident even though the motor vehicle is delivered to the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a drive-away permit is issued to the motor vehicle as provided in Section 3-603 of the Illinois Vehicle Code or if the nonresident purchaser has vehicle registration plates to transfer to the motor vehicle upon returning to his or her home state. The issuance of the drive-away permit or having the out-of-state registration plates to be transferred is prima facie evidence that the motor vehicle will not be titled in this State.

(25-5) The exemption under item (25) does not apply if the state in which the motor vehicle will be titled does not allow a reciprocal exemption for a motor vehicle sold and delivered in that state to an Illinois resident but titled in Illinois. The tax collected under this Act on the sale of a motor vehicle in this State to a resident of another state that does not allow a reciprocal exemption shall be imposed at a rate equal to the state's rate of tax on taxable property in the state in which the purchaser is a resident, except that the tax shall not exceed the tax that would otherwise be imposed under this Act. At the time of the sale, the purchaser shall execute a statement, signed under penalty of perjury, of his or her intent to title the vehicle in the state in which the purchaser is a resident within 30 days after the sale and of the fact of the payment to the State of Illinois of tax in an amount equivalent to the state's rate of tax on taxable property in his or her state of residence and shall submit the statement to the appropriate tax collection agency in his or her state of residence. In addition, the retailer must retain a signed copy of the statement in his or her records. Nothing in this item shall be construed to require the removal of the vehicle from this state following the filing of an intent to title the vehicle in the purchaser's state of residence if the purchaser titles the vehicle in his or her state of residence within 30 days after the date of sale. The tax collected under this Act in accordance with this item (25-5) shall be proportionately distributed as if the tax were collected at the 6.25% general rate imposed under this Act.

(26) Semen used for artificial insemination of livestock for direct agricultural production.

(27) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes.

(28) Computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(29) Personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act.

(30) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

(31) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is used in the performance of infrastructure repairs in this State, including but not limited to municipal roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, storm water drainage and retention facilities, and sewage treatment facilities, resulting from a State or federally declared disaster in Illinois or bordering Illinois when such repairs are initiated on facilities located in the declared disaster area within 6 months after the disaster.

(32) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" or an "exotic game hunting area" as those terms are used in the Wildlife Code or at a hunting enclosure approved through rules adopted by the Department of Natural Resources. This paragraph is exempt from the provisions of Section 2-70.

(33) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For

purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(34) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 2-70.

(35) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 2-70.

(35-5) Beginning August 23, 2001 and through June 30, 2011, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article 5 of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act.

(36) Beginning August 2, 2001, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(37) Beginning August 2, 2001, personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of this Act. This paragraph is exempt from the provisions of Section 2-70.

(38) Beginning on January 1, 2002 and through June 30, 2011, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (38). The permit issued under this paragraph (38) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(Source: P.A. 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840, eff. 7-30-04; 93-1033, eff. 9-3-04; 93-1068, eff. 1-15-05; 94-1002, eff. 7-3-06.)

#### ARTICLE 99. EFFECTIVE DATE

Section 99. Effective date. This Act takes effect upon becoming law."

#### AMENDMENT NO. 2 TO SENATE BILL 1544

[May 31, 2007]

AMENDMENT NO. 2. Amend Senate Bill 1544, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, as follows:

on page 2, by replacing line 16 with the following:

"for a period from February 1, 2008 through March 15, 2008.";

on page 14, line 10, by deleting "foreign"; and

on page 17, line 6, by deleting "foreign"; and

on page 25, line 1, after "State or", by inserting ", for taxable years ending on or after December 31, 2008."; and

on page 25, line 7, after "amortization<sub>1</sub>", by inserting " and, for taxable years ending on or after December 31, 2008."; and

on page 33, line 5, by deleting "foreign"; and

on page 33, line 25, by deleting "foreign"; and

on page 38, line 18, by deleting "foreign"; and

on page 41, line 14, by deleting "foreign"; and

on page 45, line 15, after "paid", by inserting "to a corporation by a captive real estate trust"; and

on page 46, line 24, after "State or", by inserting ", for taxable years ending on or after December 31, 2008."; and

on page 47, line 4, after "amortization<sub>1</sub>", by inserting " and, for taxable years ending on or after December 31, 2008."; and

on page 55, line 23, by deleting "foreign"; and

on page 56, line 17, by deleting "foreign"; and

on page 61, line 20, by deleting "foreign"; and

on page 64, line 16, by deleting "foreign"; and

on page 69, line 13, after "State or", by inserting ", for taxable years ending on or after December 31, 2008."; and

on page 69, line 19, after "amortization<sub>1</sub>", by inserting " and, for taxable years ending on or after December 31, 2008."; and

on page 75, line 20, by deleting "foreign"; and

on page 79, line 16, by deleting "foreign"; and

on page 82, line 12, by deleting "foreign"; and

on page 86, line 24, after "State or", by inserting ", for taxable years ending on or after December 31, 2008."; and

on page 87, line 4, after "amortization<sub>1</sub>", by inserting " and, for taxable years ending on or after December 31, 2008."; and

on page 92, line 12, by deleting "foreign"; and

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on page 93, line 6, by deleting "foreign"; and

on page 101, by replacing lines 17 through 20 with "A"; and

on page 114, by replacing lines 13 and 14 with the following:  
"storage for purposes of this Section. Sales of"; and

on page 120, by replacing lines 11 through 23, with the following:  
"annuity considerations as reported for the taxable year on the annual statement filed by the company with the Illinois Director of Insurance in the form approved by the National Convention of Insurance Commissioners or such other form as may be prescribed in lieu thereof."; and

on page 163, immediately below line 13, by inserting the following:

"(1.5) Captive real estate investment trust:

(A) The term "captive real estate investment trust" means a corporation, trust, or association:

(i) that is considered a real estate investment trust for the taxable year under Section 856 of the Internal Revenue Code;

(ii) that is not regularly traded on an established securities market; and

(iii) of which more than 50% of the voting power or value of the beneficial interest or shares, at any time during the last half of the taxable year, is owned or controlled, directly or indirectly, by a single entity that is subject to the provisions of Subchapter C of Chapter 1 of the Internal Revenue Code.

(B) The term "captive real estate investment trust" does not include:

(i) a corporation, trust, or association of which more than 50% of the voting power or value of the beneficial interest or shares is owned or controlled, at any time during which the corporation, trust, or association satisfies item (A)(iii) of this subsection (1.5), by:

(a) a real estate investment trust, other than a real estate investment trust described in item (A) of this subsection;

(b) a person who is exempt from taxation under Section 501 of the Internal Revenue Code;

(c) a listed Australian property trust; or

(d) a real estate investment trust that, subject to rules of the Secretary of State, is intended to become regularly traded on an established securities market and that satisfies the requirements of Sections 856(A)(5) and 856(A)(6) of the Internal Revenue Code by reason of Section 856(H)(2) of the Internal Revenue Code.

(C) For the purposes of this subsection (1.5), the constructive ownership rules prescribed under Section 318(A) of the Internal Revenue Code, as modified by Section 856(D)(5) of the Internal Revenue Code, apply in determining the ownership of stock, assets, or net profits of any person; and

on page 163, by replacing line 25 and 26 with "it is so classified for federal income tax purposes."; and

on page 164, by deleting lines 1 and 2.

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 1544**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1580

A bill for AN ACT concerning public health.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1580

Passed the House, as amended, May 31, 2007.

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**AMENDMENT NO. 1 TO SENATE BILL 1580**

AMENDMENT NO. 1. Amend Senate Bill 1580 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the FY2008 Budget Implementation (Human Services) Act.

Section 5. Purpose. It is the purpose of this Act to implement the Governor's FY2008 budget recommendations concerning human services.

Section 10. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24 month period, except that this limitation on the number of emergency rules that may be adopted in a 24 month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, or (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of this amendatory Act of the 91st General Assembly or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of this amendatory Act of the 91st General Assembly or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this

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subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of this amendatory Act of the 92nd General Assembly or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of this amendatory Act of the 92nd General Assembly or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of this amendatory Act of the 93rd General Assembly or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of this amendatory Act of the 94th General Assembly or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the

public interest, safety, and welfare.

(Source: P.A. 93-20, eff. 6-20-03; 93-829, eff. 7-28-04; 93-841, eff. 7-30-04; 94-48, eff. 7-1-05; 94-838, eff. 6-6-06; revised 10-19-06.)

Section 15. The Illinois Public Aid Code is amended by changing Section 5-5.4 as follows:  
(305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

Sec. 5-5.4. Standards of Payment - Department of Healthcare and Family Services. The Department of Healthcare and Family Services shall develop standards of payment of skilled nursing and intermediate care services in facilities providing such services under this Article which:

(1) Provide for the determination of a facility's payment for skilled nursing and intermediate care services on a prospective basis. The amount of the payment rate for all nursing facilities certified by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities, Long Term Care for Under Age 22 facilities, Skilled Nursing facilities, or Intermediate Care facilities under the medical assistance program shall be prospectively established annually on the basis of historical, financial, and statistical data reflecting actual costs from prior years, which shall be applied to the current rate year and updated for inflation, except that the capital cost element for newly constructed facilities shall be based upon projected budgets. The annually established payment rate shall take effect on July 1 in 1984 and subsequent years. No rate increase and no update for inflation shall be provided on or after July 1, 1994 and before July 1, ~~2008~~ 2007, unless specifically provided for in this Section. The changes made by Public Act 93-841 extending the duration of the prohibition against a rate increase or update for inflation are effective retroactive to July 1, 2004.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on July 1, 1998 shall include an increase of 3%. For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Skilled Nursing facilities or Intermediate Care facilities, the rates taking effect on July 1, 1998 shall include an increase of 3% plus \$1.10 per resident-day, as defined by the Department. For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care Facilities for the Developmentally Disabled or Long Term Care for Under Age 22 facilities, the rates taking effect on January 1, 2006 shall include an increase of 3%.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on July 1, 1999 shall include an increase of 1.6% plus \$3.00 per resident-day, as defined by the Department. For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Skilled Nursing facilities or Intermediate Care facilities, the rates taking effect on July 1, 1999 shall include an increase of 1.6% and, for services provided on or after October 1, 1999, shall be increased by \$4.00 per resident-day, as defined by the Department.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on July 1, 2000 shall include an increase of 2.5% per resident-day, as defined by the Department. For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Skilled Nursing facilities or Intermediate Care facilities, the rates taking effect on July 1, 2000 shall include an increase of 2.5% per resident-day, as defined by the Department.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, a new payment methodology must be implemented for the nursing component of the rate effective July 1, 2003. The Department of Public Aid (now Healthcare and Family Services) shall develop the new payment methodology using the Minimum Data Set (MDS) as the instrument to collect information concerning nursing home resident condition necessary to compute the rate. The Department shall develop the new payment methodology to meet the unique needs of Illinois nursing home residents while remaining subject to the appropriations provided by the General Assembly. A transition period from the payment methodology in effect on June 30, 2003 to the payment methodology in effect on July 1, 2003 shall be provided for a period not exceeding 3 years and 184 days after implementation of the new payment methodology as follows:

(A) For a facility that would receive a lower nursing component rate per patient day under the new system than the facility received effective on the date immediately preceding the date that the Department implements the new payment methodology, the nursing component rate per patient day for the facility shall be held at the level in effect on the date immediately preceding the date that the Department implements the new payment methodology until a higher nursing component rate of reimbursement is achieved by that facility.

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(B) For a facility that would receive a higher nursing component rate per patient day under the payment methodology in effect on July 1, 2003 than the facility received effective on the date immediately preceding the date that the Department implements the new payment methodology, the nursing component rate per patient day for the facility shall be adjusted.

(C) Notwithstanding paragraphs (A) and (B), the nursing component rate per patient day for the facility shall be adjusted subject to appropriations provided by the General Assembly.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on March 1, 2001 shall include a statewide increase of 7.85%, as defined by the Department.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or Long Term Care for Under Age 22 facilities, the rates taking effect on April 1, 2002 shall include a statewide increase of 2.0%, as defined by the Department. This increase terminates on July 1, 2002; beginning July 1, 2002 these rates are reduced to the level of the rates in effect on March 31, 2002, as defined by the Department.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, the rates taking effect on July 1, 2001 shall be computed using the most recent cost reports on file with the Department of Public Aid no later than April 1, 2000, updated for inflation to January 1, 2001. For rates effective July 1, 2001 only, rates shall be the greater of the rate computed for July 1, 2001 or the rate effective on June 30, 2001.

Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, the Illinois Department shall determine by rule the rates taking effect on July 1, 2002, which shall be 5.9% less than the rates in effect on June 30, 2002.

Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, if the payment methodologies required under Section 5A-12 and the waiver granted under 42 CFR 433.68 are approved by the United States Centers for Medicare and Medicaid Services, the rates taking effect on July 1, 2004 shall be 3.0% greater than the rates in effect on June 30, 2004. These rates shall take effect only upon approval and implementation of the payment methodologies required under Section 5A-12.

Notwithstanding any other provisions of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, the rates taking effect on January 1, 2005 shall be 3% more than the rates in effect on December 31, 2004.

Notwithstanding any other provisions of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as intermediate care facilities that are federally defined as Institutions for Mental Disease, a socio-development component rate equal to 6.6% of the facility's nursing component rate as of January 1, 2006 shall be established and paid effective July 1, 2006. The Illinois Department may by rule adjust these socio-development component rates, but in no case may such rates be diminished.

For facilities licensed by the Department of Public Health under the Nursing Home Care Act as Intermediate Care for the Developmentally Disabled facilities or as long-term care facilities for residents under 22 years of age, the rates taking effect on July 1, 2003 shall include a statewide increase of 4%, as defined by the Department.

Notwithstanding any other provision of this Section, for facilities licensed by the Department of Public Health under the Nursing Home Care Act as skilled nursing facilities or intermediate care facilities, effective January 1, 2005, facility rates shall be increased by the difference between (i) a facility's per diem property, liability, and malpractice insurance costs as reported in the cost report filed with the Department of Public Aid and used to establish rates effective July 1, 2001 and (ii) those same costs as reported in the facility's 2002 cost report. These costs shall be passed through to the facility without caps or limitations, except for adjustments required under normal auditing procedures.

Rates established effective each July 1 shall govern payment for services rendered throughout that fiscal year, except that rates established on July 1, 1996 shall be increased by 6.8% for services provided on or after January 1, 1997. Such rates will be based upon the rates calculated for the year beginning July 1, 1990, and for subsequent years thereafter until June 30, 2001 shall be based on the facility cost reports for the facility fiscal year ending at any point in time during the previous calendar year, updated to the midpoint of the rate year. The cost report shall be on file with the Department no later than April 1 of the current rate year. Should the cost report not be on file by April 1, the Department shall base the

rate on the latest cost report filed by each skilled care facility and intermediate care facility, updated to the midpoint of the current rate year. In determining rates for services rendered on and after July 1, 1985, fixed time shall not be computed at less than zero. The Department shall not make any alterations of regulations which would reduce any component of the Medicaid rate to a level below what that component would have been utilizing in the rate effective on July 1, 1984.

(2) Shall take into account the actual costs incurred by facilities in providing services for recipients of skilled nursing and intermediate care services under the medical assistance program.

(3) Shall take into account the medical and psycho-social characteristics and needs of the patients.

(4) Shall take into account the actual costs incurred by facilities in meeting licensing and certification standards imposed and prescribed by the State of Illinois, any of its political subdivisions or municipalities and by the U.S. Department of Health and Human Services pursuant to Title XIX of the Social Security Act.

The Department of Healthcare and Family Services shall develop precise standards for payments to reimburse nursing facilities for any utilization of appropriate rehabilitative personnel for the provision of rehabilitative services which is authorized by federal regulations, including reimbursement for services provided by qualified therapists or qualified assistants, and which is in accordance with accepted professional practices. Reimbursement also may be made for utilization of other supportive personnel under appropriate supervision.

(Source: P.A. 93-20, eff. 6-20-03; 93-649, eff. 1-8-04; 93-659, eff. 2-3-04; 93-841, eff. 7-30-04; 93-1087, eff. 2-28-05; 94-48, eff. 7-1-05; 94-85, eff. 6-28-05; 94-697, eff. 11-21-05; 94-838, eff. 6-6-06; 94-964, eff. 6-28-06; revised 8-3-06.)

Section 20. The Hemophilia Care Act is amended by changing Section 1 and by adding Sections 1.5 and 2.5 as follows:

(410 ILCS 420/1) (from Ch. 111 1/2, par. 2901)

Sec. 1. Definitions. As used in this Act, unless the context clearly requires otherwise:

(1) "Department" means the ~~Illinois~~ Department of Healthcare and Family Services ~~Public Aid~~.

(1.5) "Director" means the Director of Healthcare and Family Services and the Director of Insurance ~~Public Aid~~.

(2) (Blank).

(3) "Hemophilia" means a bleeding tendency resulting from a genetically determined deficiency in the blood.

(4) (Blank). ~~"Committee" means the Hemophilia Advisory Committee created under this Act.~~

(5) "Eligible person" means any resident of the State suffering from hemophilia.

(6) "Family" means:

(a) In the case of a patient who is a dependent of another person or couple as defined by the Illinois Income Tax Act, all those persons for whom exemption is claimed in the State income tax return of the person or couple whose dependent the eligible person is, and

(b) In all other cases, all those persons for whom exemption is claimed in the State income tax return of the eligible person, or of the eligible person and his spouse.

(7) "Eligible cost of hemophilia services" means the cost of blood transfusions, blood derivatives, and for outpatient services, of physician charges, medical supplies, and appliances, used in the treatment of eligible persons for hemophilia, plus one half of the cost of hospital inpatient care, minus any amount of such cost which is eligible for payment or reimbursement by any hospital or medical insurance program, by any other government medical or financial assistance program, or by any charitable assistance program.

(8) "Gross income" means the base income for State income tax purposes of all members of the family.

(9) "Available family income" means the lesser of:

(a) Gross income minus the sum of (1) \$5,500, and (2) \$3,500 times the number of persons in the family, or

(b) One half of gross income.

(10) "Board" means the Hemophilia Advisory Review Board.

(Source: P.A. 89-507, eff. 7-1-97; 90-587, eff. 7-1-98; revised 12-15-05.)

(410 ILCS 420/1.5 new)

Sec. 1.5. Findings. The General Assembly finds all of the following:

(1) Inherited hemophilia and other bleeding disorders are devastating health conditions that can cause serious financial, social, and emotional hardships for patients and their families. Hemophilia, which occurs predominantly in males, is a rare but well-known type of inherited bleeding disorder in

which one of several proteins normally found in blood are either deficient or inactive, and causing pain, swelling, and permanent damage to joints and muscles. The disorder affects Americans of all racial and ethnic backgrounds. In about one-third of all cases, there is no known family history of the disorder. In these cases, the disease developed after a new or spontaneous gene mutation.

(2) Hemophilia is one of a spectrum of devastating chronic bleeding disorders impacting Americans. Von Willebrand Disease, another type of bleeding disorder, is caused by a deficiency on the von Willebrand protein. Persons with the disorder often bruise easily, have frequent nosebleeds, or bleed after tooth extraction, tonsillectomy, or other surgery. In some instances, women will have prolonged menstrual bleeding. The disorder occurs in about 1% to 2% of the U.S. population.

(3) Appropriate care and treatment are necessities for maintaining optimum health for persons afflicted with hemophilia and other bleeding disorders.

(4) While hemophilia and other bleeding disorders are incurable, advancements in drug therapies are allowing individuals greater latitude in managing their conditions, fostering independence, and minimizing chronic complications such as damage to the joints and muscles, blood-transmitted infectious diseases, and chronic liver diseases. At the same time, treatment for clotting disorders is saving more and more lives. The rarity of these disorders coupled with the delicate processes for producing factors, however, makes treating these disorders extremely costly. As a result, insurance coverage is a major concern for patients and their families.

(5) It is thus the intent of the General Assembly through implementation of this Act to establish an advisory board to provide expert advice to the State on health and insurance policies, plans, and public health programs that impact individuals with hemophilia and other bleeding disorders.

(410 ILCS 420/2.5 new)

Sec. 2.5. Hemophilia Advisory Review Board.

(a) The Director of Public Health in collaboration and in consultation with the Director of Insurance, shall establish an independent advisory board known as the Hemophilia Advisory Review Board. The Board shall review, may comment upon, and make recommendations to the Directors with regard to, but not limited to the following:

(1) Proposed legislative or administrative changes to policies and programs that are integral to the health and wellness of individuals with hemophilia and other bleeding disorders.

(2) Standards of care and treatment for persons living with hemophilia and other bleeding disorders. In examining standards of care, the Board shall protect open access to any and all treatments for hemophilia and other bleeding disorders, in accordance with federal guidelines and standards of care guidelines developed by the Medical and Scientific Advisory Council (MASAC) of National Hemophilia Foundation (NHF), an internationally recognized body whose guidelines set the standards of care for hemophilia and other bleeding disorders around the world.

(3) The development of community-based initiatives to increase awareness of care and treatment for persons living with hemophilia and other bleeding disorders. The Department of Health may provide such services through cooperative agreements with Hemophilia Treatment Centers, medical facilities, schools, nonprofit organizations servicing the bleeding disorder community, or other appropriate means.

(4) Facilitating linkages for persons with hemophilia and other bleeding disorders.

(5) Protecting the rights of people living with hemophilia and other bleeding disorders to appropriate health insurance coverage be it under a private or State-sponsored health insurance provider.

(b) The Board shall consist of the Director of Healthcare and Family Services and the Director of Insurance or their designee, who shall serve as non-voting members, and 7 voting members appointed by the Governor in consultation and in collaboration with the Directors. The voting members shall be selected from among the following member groups:

(1) one board-certified physician licensed, practicing and currently treating individuals with hemophilia or other bleeding disorders;

(2) one nurse licensed, practicing and currently treating individuals with hemophilia or other bleeding disorders;

(3) one social worker licensed, practicing and currently treating individuals with hemophilia or other bleeding disorders;

(4) one representative of a federally funded Hemophilia Treatment Center;

(5) one representative of an organization established under the Illinois Insurance Code for the purpose of providing health insurance;

(6) one representative of a voluntary health organization that currently services the hemophilia and other bleeding disorders community; and

(7) one patient or caregiver of a patient with hemophilia or other bleeding disorder.

The Board may also have up to 5 additional nonvoting members as determined appropriate by the

Directors. Nonvoting members may be persons with or caregivers of a patient with hemophilia or a bleeding disorder other than hemophilia or persons experienced in the diagnosis, treatment, care, and support of individuals with hemophilia or other bleeding disorders.

No more than a majority of the voting members may be of the same political party. Members of the Board shall elect one of its members to act as chair for a term of 3 years. The chair shall retain all voting rights. If there is a vacancy on the Board, such position may be filled in the same manner as the original appointment. Members of the Board shall receive no compensation, but may be reimbursed for actual expenses incurred in the carrying out of their duties. The Board shall meet no less than 4 times per year and follow all policies and procedures of the State of Illinois Open Meetings Law.

(c) No later than 6 months after the date of enactment of this amendatory Act, the Board shall submit to the Governor and the General Assembly a report with recommendations for maintaining access to care and obtaining appropriate health insurance coverage for individuals with hemophilia and other bleeding disorders. The report shall be subject to public review and comment prior to adoption. No later than 6 months after adoption by the Governor and Legislature and annually thereafter, the Director of Healthcare and Family Services shall issue a report, which shall be made available to the public, on the status of implementing the recommendations as proposed by the Board and on any state and national activities with regard to hemophilia and other bleeding disorders.

(410 ILCS 420/4 rep.)

Section 21. The Hemophilia Care Act is amended by repealing Section 4.

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill 1580**, with House Amendment 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1674

A bill for AN ACT concerning regulation.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1674

House Amendment No. 3 to SENATE BILL NO. 1674

Passed the House, as amended, May 30, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1674**

AMENDMENT NO. 1. Amend Senate Bill 1674 on page 1, line 8, by replacing "The" with "Before the end of fiscal year 2009, the"; and

on page 1, line 10, after "originators", by inserting the following:

"who are required to register under Section 7-1 of this Act".

**AMENDMENT NO. 3 TO SENATE BILL 1674**

AMENDMENT NO. 3. Amend Senate Bill 1674, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by adding Section 5.675 and changing Section 8h as follows:

(30 ILCS 105/5.675 new)

Sec. 5.675. The Predatory Lending Database Program Fund.

(30 ILCS 105/8h)

Sec. 8h. Transfers to General Revenue Fund.

(a) Except as otherwise provided in this Section and Section 8n of this Act, and ~~(c), (d), or (e)~~,

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notwithstanding any other State law to the contrary, the Governor 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. 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 Public Act 93-839 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, to any funds in the Motor Fuel Tax Fund, the Intercity Passenger Rail Fund, the Hospital Provider Fund, the Medicaid Provider Relief Fund, the Teacher Health Insurance Security Fund, the Reviewing Court Alternative Dispute Resolution Fund, the Voters' Guide Fund, the Foreign Language Interpreter Fund, the Lawyers' Assistance Program Fund, the Supreme Court Federal Projects Fund, the Supreme Court Special State Projects Fund, the Supplemental Low-Income Energy Assistance Fund, the Good Samaritan Energy Trust Fund, the Low-Level Radioactive Waste Facility Development and Operation Fund, the Horse Racing Equity Trust Fund, or the Hospital Basic Services Preservation Fund, or to any funds to which subsection (f) of Section 20-40 of the Nursing and Advanced Practice Nursing Act applies. No transfers may be made under this Section from the Pet Population Control 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 Service Emergency Fund, or the Mandatory Arbitration Fund.

In determining the available balance in a fund, the Governor 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.

(a-5) Transfers directed to be made under this Section on or before February 28, 2006 that are still pending on May 19, 2006 (the effective date of Public Act 94-774) ~~this amendatory Act of the 94th General Assembly~~ shall be redirected as provided in Section 8n of this Act.

(b) This Section does not apply to: (i) the Ticket For The Cure Fund; (ii) any fund established under the Community Senior Services and Resources Act; or (iii) on or after January 1, 2006 (the effective date of Public Act 94-511), the Child Labor and Day and Temporary Labor Enforcement Fund.

(c) This Section does not apply to the Demutualization Trust Fund established under the Uniform Disposition of Unclaimed Property Act.

(d) This Section does not apply to moneys set aside in the Illinois State Podiatric Disciplinary Fund for podiatric scholarships and residency programs under the Podiatric Scholarship and Residency Act.

(e) Subsection (a) does not apply to, and no transfer may be made under this Section from, the Pension Stabilization Fund.

(f) This Section does not apply to the Predatory Lending Database Program Fund.  
 (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; 93-801, eff. 7-22-04; 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff. 1-15-05; 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511, eff. 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05; 94-645, eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff. 11-2-05; 94-691, eff. 11-2-05; 94-726, eff. 1-20-06; 94-773, eff. 5-18-06; 94-774, eff. 5-19-06; 94-804, eff. 5-26-06; 94-839, eff. 6-6-06; revised 6-19-06.)

Section 10. The Home Equity Assurance Act is amended by changing Section 11 as follows:

(65 ILCS 95/11) (from Ch. 24, par. 1611)

Sec. 11. Guarantee Fund.

(a) Each governing commission and program created by referendum under the provisions of this Act shall maintain a guarantee fund for the purposes of paying the costs of administering the program and extending protection to members pursuant to the limitations and procedures set forth in this Act.

(b) The guarantee fund shall be raised by means of an annual tax levied on all residential property within the territory of the program having at least one, but not more than 6 dwelling units and classified

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by county ordinance as residential. The rate of this tax may be changed from year to year by majority vote of the governing commission but in no case shall it exceed a rate of .12% of the equalized assessed valuation of all property in the territory of the program having at least one, but not more than 6 dwelling units and classified by county ordinance as residential, or the maximum tax rate approved by the voters of the territory at the referendum which created the program or, in the case of a merged program, the maximum tax rate approved by the voters at the referendum authorizing the merger, whichever rate is lower. The commissioners shall cause the amount to be raised by taxation in each year to be certified to the county clerk in the manner provided by law, and any tax so levied and certified shall be collected and enforced in the same manner and by the same officers as those taxes for the purposes of the county and city within which the territory of the commission is located. Any such tax, when collected, shall be paid over to the proper officer of the commission who is authorized to receive and receipt for such tax. The governing commission may issue tax anticipation warrants against the taxes to be assessed for the calendar year in which the program is created and for the first full calendar year after the creation of the program.

(c) The moneys deposited in the guarantee fund shall, as nearly as practicable, be fully and continuously invested or reinvested by the governing commission in investment obligations which shall be in such amounts, and shall mature at such times, that the maturity or date of redemption at the option of the holder of such investment obligations shall coincide, as nearly as practicable, with the times at which monies will be required for the purposes of the program. For the purposes of this Section investment obligation shall mean direct general municipal, state, or federal obligations which at the time are legal investments under the laws of this State and the payment of principal of and interest on which are unconditionally guaranteed by the governing body issuing them.

(d) Except as permitted by this subsection and subsection (d-5), the guarantee fund shall be used solely and exclusively for the purpose of providing guarantees to members of the particular Guaranteed Home Equity Program and for reasonable salaries, expenses, bills, and fees incurred in administering the program, and shall be used for no other purpose.

A governing commission, with no less than \$4,000,000 in its guarantee fund, may, if authorized by referendum duly adopted by a majority of the voters, establish a Low Interest Home Improvement Loan Program in accordance with and subject to procedures established by a financial institution, as defined in the Illinois Banking Act. Whenever the question of creating a Low Interest Home Improvement Loan Program is initiated by resolution or ordinance of the corporate authorities of the municipality or by a petition signed by not less than 10% of the total number of registered voters of each precinct in the territory, the registered voters of which are eligible to sign the petition, it shall be the duty of the election authority having jurisdiction over the municipality to submit the question of creating the program to the electors of each precinct within the territory at the regular election specified in the resolution, ordinance, or petition initiating the question. A petition initiating a question described in this subsection shall be filed with the election authority having jurisdiction over the municipality. The petition shall be filed and objections to the petition shall be made in the manner provided in the Election Code. A resolution, ordinance, or petition initiating a question described in this subsection shall specify the election at which the question is to be submitted. The referendum on the question shall be held in accordance with the Election Code. The question shall be in substantially the following form:

"Shall the (name of the home equity program) implement a Low Interest Home Improvement

Loan Program with money from the guarantee fund of the established guaranteed home equity program?"

The votes must be recorded as "Yes" or "No".

Whenever a majority of the voters on the public question approve the creation of the program as certified by the proper election authorities, the commission shall establish the program and administer the program with funds collected under the Guaranteed Home Equity Program, subject to the following conditions:

(1) At any given time, the cumulative total of all loans and loan guarantees (if applicable) issued under this program may not reduce the balance of the guarantee fund to less than \$3,000,000.

(2) Only eligible applicants may apply for a loan.

(3) The loan must be used for the repair, maintenance, remodeling, alteration, or improvement of a guaranteed residence. This condition is not intended to exclude the repair, maintenance, remodeling, alteration, or improvement of a guaranteed residence's landscape. This condition is intended to exclude the demolition of a current residence. This condition is also intended to exclude the construction of a new residence.

(4) An eligible applicant may not borrow more than the amount of equity value in his or



her residence.

(5) A commission must ensure that loans issued are secured with collateral that is at least equal to the amount of the loan or loan guarantee.

(6) A commission shall charge an interest rate which it determines to be below the market rate of interest generally available to the applicant.

(7) A commission may, by resolution, establish other administrative rules and procedures as are necessary to implement this program including, but not limited to, loan dollar amounts and terms. A commission may also impose on loan applicants a one-time application fee for the purpose of defraying the costs of administering the program.

(d-5) A governing commission, with no less than \$4,000,000 in its guarantee fund, may, if authorized by referendum duly adopted by a majority of the voters, establish a Foreclosure Prevention Loan Fund to provide low interest emergency loans to eligible applicants that may be forced into foreclosure proceedings.

Whenever the question of creating a Foreclosure Prevention Loan Fund is initiated by resolution or ordinance of the corporate authorities of the municipality or by a petition signed by not less than 10% of the total number of registered voters of each precinct in the territory, the registered voters of which are eligible to sign the petition, it shall be the duty of the election authority having jurisdiction over the municipality to submit the question of creating the program to the electors of each precinct within the territory at the regular election specified in the resolution, ordinance, or petition initiating the question. A petition initiating a question described in this subsection shall be filed with the election authority having jurisdiction over the municipality. The petition shall be filed and objections to the petition shall be made in the manner provided in the Election Code. A resolution, ordinance, or petition initiating a question described in this subsection shall specify the election at which the question is to be submitted. The referendum on the question shall be held in accordance with the Election Code. The question shall be in substantially the following form:

"Shall the (name of the home equity program) implement a Foreclosure Prevention Loan Fund with money from the guarantee fund of the established guaranteed home equity program?"

The votes must be recorded as "Yes" or "No".

Whenever a majority of the voters on the public question approve the creation of a Foreclosure Prevention Loan Fund as certified by the proper election authorities, the commission shall establish the program and administer the program with funds collected under the Guaranteed Home Equity Program, subject to the following conditions:

(1) At any given time, the cumulative total of all loans and loan guarantees (if applicable) issued under this program may not exceed \$3,000,000.

(2) Only eligible applicants may apply for a loan. The Commission may establish, by resolution, additional criteria for eligibility.

(3) The loan must be used to assist with preventing foreclosure proceedings.

(4) An eligible applicant may not borrow more than the amount of equity value in his or her residence.

(5) A commission must ensure that loans issued are secured as a second lien on the property.

(6) A commission shall charge an interest rate which it determines to be below the market rate of interest generally available to the applicant.

(7) A commission may, by resolution, establish other administrative rules and procedures as are necessary to implement this program including, but not limited to, eligibility requirements for eligible applicants, loan dollar amounts, and loan terms.

(8) A commission may also impose on loan applicants a one-time application fee for the purpose of defraying the costs of administering the program.

(e) The guarantee fund shall be maintained, invested, and expended exclusively by the governing commission of the program for whose purposes it was created. Under no circumstance shall the guarantee fund be used by any person or persons, governmental body, or public or private agency or concern other than the governing commission of the program for whose purposes it was created. Under no circumstances shall the guarantee fund be commingled with other funds or investments.

(e-1) No commissioner or family member of a commissioner, or employee or family member of an employee, may receive any financial benefit, either directly or indirectly, from the guarantee fund. Nothing in this subsection (e-1) shall be construed to prohibit payment of expenses to a commissioner in accordance with Section 4 or payment of salaries or expenses to an employee in accordance with this Section.

As used in this subsection (e-1), "family member" means a spouse, child, stepchild, parent, brother, or sister of a commissioner or a child, stepchild, parent, brother, or sister of a commissioner's spouse.

(f) An independent audit of the guarantee fund and the management of the program shall be conducted annually and made available to the public through any office of the governing commission or a public facility such as a local public library located within the territory of the program.  
(Source: P.A. 91-492, eff. 1-1-00.)

Section 15. The Illinois Banking Act is amended by changing Section 48 as follows:

(205 ILCS 5/48) (from Ch. 17, par. 359)

Sec. 48. Commissioner's powers; duties. The Commissioner shall have the powers and authority, and is charged with the duties and responsibilities designated in this Act, and a State bank shall not be subject to any other visitatorial power other than as authorized by this Act, except those vested in the courts, or upon prior consultation with the Commissioner, a foreign bank regulator with an appropriate supervisory interest in the parent or affiliate of a state bank. In the performance of the Commissioner's duties:

(1) The Commissioner shall call for statements from all State banks as provided in Section 47 at least one time during each calendar quarter.

(2) (a) The Commissioner, as often as the Commissioner shall deem necessary or proper, and no less frequently than 18 months following the preceding examination, shall appoint a suitable person or persons to make an examination of the affairs of every State bank, except that for every eligible State bank, as defined by regulation, the Commissioner in lieu of the examination may accept on an alternating basis the examination made by the eligible State bank's appropriate federal banking agency pursuant to Section 111 of the Federal Deposit Insurance Corporation Improvement Act of 1991, provided the appropriate federal banking agency has made such an examination. A person so appointed shall not be a stockholder or officer or employee of any bank which that person may be directed to examine, and shall have powers to make a thorough examination into all the affairs of the bank and in so doing to examine any of the officers or agents or employees thereof on oath and shall make a full and detailed report of the condition of the bank to the Commissioner. In making the examination the examiners shall include an examination of the affairs of all the affiliates of the bank, as defined in subsection (b) of Section 35.2 of this Act, or subsidiaries of the bank as shall be necessary to disclose fully the conditions of the subsidiaries or affiliates, the relations between the bank and the subsidiaries or affiliates and the effect of those relations upon the affairs of the bank, and in connection therewith shall have power to examine any of the officers, directors, agents, or employees of the subsidiaries or affiliates on oath. After May 31, 1997, the Commissioner may enter into cooperative agreements with state regulatory authorities of other states to provide for examination of State bank branches in those states, and the Commissioner may accept reports of examinations of State bank branches from those state regulatory authorities. These cooperative agreements may set forth the manner in which the other state regulatory authorities may be compensated for examinations prepared for and submitted to the Commissioner.

(b) After May 31, 1997, the Commissioner is authorized to examine, as often as the Commissioner shall deem necessary or proper, branches of out-of-state banks. The Commissioner may establish and may assess fees to be paid to the Commissioner for examinations under this subsection (b). The fees shall be borne by the out-of-state bank, unless the fees are borne by the state regulatory authority that chartered the out-of-state bank, as determined by a cooperative agreement between the Commissioner and the state regulatory authority that chartered the out-of-state bank.

(2.5) Whenever any State bank, any subsidiary or affiliate of a State bank, or after May 31, 1997, any branch of an out-of-state bank causes to be performed, by contract or otherwise, any bank services for itself, whether on or off its premises:

(a) that performance shall be subject to examination by the Commissioner to the same extent as if services were being performed by the bank or, after May 31, 1997, branch of the out-of-state bank itself on its own premises; and

(b) the bank or, after May 31, 1997, branch of the out-of-state bank shall notify the Commissioner of the existence of a service relationship. The notification shall be submitted with the first statement of condition (as required by Section 47 of this Act) due after the making of the service contract or the performance of the service, whichever occurs first. The Commissioner shall be notified of each subsequent contract in the same manner.

For purposes of this subsection (2.5), the term "bank services" means services such as sorting and posting of checks and deposits, computation and posting of interest and other credits and charges, preparation and mailing of checks, statements, notices, and similar items, or any other clerical, bookkeeping, accounting, statistical, or similar functions performed for a State bank, including but not limited to electronic data processing related to those bank services.

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(3) The expense of administering this Act, including the expense of the examinations of State banks as provided in this Act, shall to the extent of the amounts resulting from the fees provided for in paragraphs (a), (a-2), and (b) of this subsection (3) be assessed against and borne by the State banks:

(a) Each bank shall pay to the Commissioner a Call Report Fee which shall be paid in quarterly installments equal to one-fourth of the sum of the annual fixed fee of \$800, plus a variable fee based on the assets shown on the quarterly statement of condition delivered to the Commissioner in accordance with Section 47 for the preceding quarter according to the following schedule: 16¢ per \$1,000 of the first \$5,000,000 of total assets, 15¢ per \$1,000 of the next \$20,000,000 of total assets, 13¢ per \$1,000 of the next \$75,000,000 of total assets, 9¢ per \$1,000 of the next \$400,000,000 of total assets, 7¢ per \$1,000 of the next \$500,000,000 of total assets, and 5¢ per \$1,000 of all assets in excess of \$1,000,000,000, of the State bank. The Call Report Fee shall be calculated by the Commissioner and billed to the banks for remittance at the time of the quarterly statements of condition provided for in Section 47. The Commissioner may require payment of the fees provided in this Section by an electronic transfer of funds or an automatic debit of an account of each of the State banks. In case more than one examination of any bank is deemed by the Commissioner to be necessary in any examination frequency cycle specified in subsection 2(a) of this Section, and is performed at his direction, the Commissioner may assess a reasonable additional fee to recover the cost of the additional examination; provided, however, that an examination conducted at the request of the State Treasurer pursuant to the Uniform Disposition of Unclaimed Property Act shall not be deemed to be an additional examination under this Section. In lieu of the method and amounts set forth in this paragraph (a) for the calculation of the Call Report Fee, the Commissioner may specify by rule that the Call Report Fees provided by this Section may be assessed semiannually or some other period and may provide in the rule the formula to be used for calculating and assessing the periodic Call Report Fees to be paid by State banks.

(a-1) If in the opinion of the Commissioner an emergency exists or appears likely, the Commissioner may assign an examiner or examiners to monitor the affairs of a State bank with whatever frequency he deems appropriate, including but not limited to a daily basis. The reasonable and necessary expenses of the Commissioner during the period of the monitoring shall be borne by the subject bank. The Commissioner shall furnish the State bank a statement of time and expenses if requested to do so within 30 days of the conclusion of the monitoring period.

(a-2) On and after January 1, 1990, the reasonable and necessary expenses of the Commissioner during examination of the performance of electronic data processing services under subsection (2.5) shall be borne by the banks for which the services are provided. An amount, based upon a fee structure prescribed by the Commissioner, shall be paid by the banks or, after May 31, 1997, branches of out-of-state banks receiving the electronic data processing services along with the Call Report Fee assessed under paragraph (a) of this subsection (3).

(a-3) After May 31, 1997, the reasonable and necessary expenses of the Commissioner during examination of the performance of electronic data processing services under subsection (2.5) at or on behalf of branches of out-of-state banks shall be borne by the out-of-state banks, unless those expenses are borne by the state regulatory authorities that chartered the out-of-state banks, as determined by cooperative agreements between the Commissioner and the state regulatory authorities that chartered the out-of-state banks.

(b) "Fiscal year" for purposes of this Section 48 is defined as a period beginning July 1 of any year and ending June 30 of the next year. The Commissioner shall receive for each fiscal year, commencing with the fiscal year ending June 30, 1987, a contingent fee equal to the lesser of the aggregate of the fees paid by all State banks under paragraph (a) of subsection (3) for that year, or the amount, if any, whereby the aggregate of the administration expenses, as defined in paragraph (c), for that fiscal year exceeds the sum of the aggregate of the fees payable by all State banks for that year under paragraph (a) of subsection (3), plus any amounts transferred into the Bank and Trust Company Fund from the State Pensions Fund for that year, plus all other amounts collected by the Commissioner for that year under any other provision of this Act, plus the aggregate of all fees collected for that year by the Commissioner under the Corporate Fiduciary Act, excluding the receivership fees provided for in Section 5-10 of the Corporate Fiduciary Act, and the Foreign Banking Office Act. The aggregate amount of the contingent fee thus arrived at for any fiscal year shall be apportioned amongst, assessed upon, and paid by the State banks and foreign banking corporations, respectively, in the same proportion that the fee of each under paragraph (a) of subsection (3), respectively, for that year bears to the aggregate for that year of the fees collected under paragraph (a) of subsection (3). The aggregate amount of the contingent fee, and the portion thereof to be assessed upon each State bank and foreign banking corporation, respectively, shall be

determined by the Commissioner and shall be paid by each, respectively, within 120 days of the close of the period for which the contingent fee is computed and is payable, and the Commissioner shall give 20 days advance notice of the amount of the contingent fee payable by the State bank and of the date fixed by the Commissioner for payment of the fee.

(c) The "administration expenses" for any fiscal year shall mean the ordinary and contingent expenses for that year incident to making the examinations provided for by, and for otherwise administering, this Act, the Corporate Fiduciary Act, excluding the expenses paid from the Corporate Fiduciary Receivership account in the Bank and Trust Company Fund, the Foreign Banking Office Act, the Electronic Fund Transfer Act, and the Illinois Bank Examiners' Education Foundation Act, including all salaries and other compensation paid for personal services rendered for the State by officers or employees of the State, including the Commissioner and the Deputy Commissioners, all expenditures for telephone and telegraph charges, postage and postal charges, office stationery, supplies and services, and office furniture and equipment, including typewriters and copying and duplicating machines and filing equipment, surety bond premiums, and travel expenses of those officers and employees, employees, expenditures or charges for the acquisition, enlargement or improvement of, or for the use of, any office space, building, or structure, or expenditures for the maintenance thereof or for furnishing heat, light, or power with respect thereto, all to the extent that those expenditures are directly incidental to such examinations or administration. The Commissioner shall not be required by paragraphs (c) or (d-1) of this subsection (3) to maintain in any fiscal year's budget appropriated reserves for accrued vacation and accrued sick leave that is required to be paid to employees of the Commissioner upon termination of their service with the Commissioner in an amount that is more than is reasonably anticipated to be necessary for any anticipated turnover in employees, whether due to normal attrition or due to layoffs, terminations, or resignations.

(d) The aggregate of all fees collected by the Commissioner under this Act, the Corporate Fiduciary Act, or the Foreign Banking Office Act on and after July 1, 1979, shall be paid promptly after receipt of the same, accompanied by a detailed statement thereof, into the State treasury and shall be set apart in a special fund to be known as the "Bank and Trust Company Fund", except as provided in paragraph (c) of subsection (11) of this Section. All earnings received from investments of funds in the Bank and Trust Company Fund shall be deposited in the Bank and Trust Company Fund and may be used for the same purposes as fees deposited in that Fund. The amount from time to time deposited into the Bank and Trust Company Fund shall be used: (i) to offset the ordinary administrative expenses of the Commissioner of Banks and Real Estate as defined in this Section or (ii) as a credit against fees under paragraph (d-1) of this subsection. Nothing in this amendatory Act of 1979 shall prevent continuing the practice of paying expenses involving salaries, retirement, social security, and State-paid insurance premiums of State officers by appropriations from the General Revenue Fund. However, the General Revenue Fund shall be reimbursed for those payments made on and after July 1, 1979, by an annual transfer of funds from the Bank and Trust Company Fund. Moneys in the Bank and Trust Company Fund may be transferred to the Professions Indirect Cost Fund, as authorized under Section 2105-300 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

(d-1) Adequate funds shall be available in the Bank and Trust Company Fund to permit the timely payment of administration expenses. In each fiscal year the total administration expenses shall be deducted from the total fees collected by the Commissioner and the remainder transferred into the Cash Flow Reserve Account, unless the balance of the Cash Flow Reserve Account prior to the transfer equals or exceeds one-fourth of the total initial appropriations from the Bank and Trust Company Fund for the subsequent year, in which case the remainder shall be credited to State banks and foreign banking corporations and applied against their fees for the subsequent year. For the fiscal year beginning July 1, 2007, the Commissioner must adopt rules to adjust regulatory fee rates to those in effect prior to the escalation in rates published in 38 Ill. Adm. Code 375 unless an audit by the Auditor General of banking regulatory oversight activities requires a different rate to be set. Any adjustments made pursuant to an Auditor General's audit must be set forth in the form of a notice to each affected entity 45 days prior to making those adjustments. The notice must contain an explanation that includes a description of the audit results pertaining to the banking industry and a description of each reason why adjustments to the regulatory fee rates are required. The amount credited to each State bank and foreign banking corporation shall be in the same proportion as the Call Report Fees paid by each for the year bear to the total Call Report Fees collected for the year. If, after a transfer to the Cash Flow Reserve Account is made or if no remainder is available for transfer, the balance of the Cash Flow Reserve Account is less than one-fourth of the total initial appropriations for the subsequent year and the amount transferred is less than 5% of the total Call Report Fees for the

year, additional amounts needed to make the transfer equal to 5% of the total Call Report Fees for the year shall be apportioned amongst, assessed upon, and paid by the State banks and foreign banking corporations in the same proportion that the Call Report Fees of each, respectively, for the year bear to the total Call Report Fees collected for the year. The additional amounts assessed shall be transferred into the Cash Flow Reserve Account. For purposes of this paragraph (d-1), the calculation of the fees collected by the Commissioner shall exclude the receivership fees provided for in Section 5-10 of the Corporate Fiduciary Act.

(e) The Commissioner may upon request certify to any public record in his keeping and shall have authority to levy a reasonable charge for issuing certifications of any public record in his keeping.

(f) In addition to fees authorized elsewhere in this Act, the Commissioner may, in connection with a review, approval, or provision of a service, levy a reasonable charge to recover the cost of the review, approval, or service.

(4) Nothing contained in this Act shall be construed to limit the obligation relative to examinations and reports of any State bank, deposits in which are to any extent insured by the United States or any agency thereof, nor to limit in any way the powers of the Commissioner with reference to examinations and reports of that bank.

(5) The nature and condition of the assets in or investment of any bonus, pension, or profit sharing plan for officers or employees of every State bank or, after May 31, 1997, branch of an out-of-state bank shall be deemed to be included in the affairs of that State bank or branch of an out-of-state bank subject to examination by the Commissioner under the provisions of subsection (2) of this Section, and if the Commissioner shall find from an examination that the condition of or operation of the investments or assets of the plan is unlawful, fraudulent, or unsafe, or that any trustee has abused his trust, the Commissioner shall, if the situation so found by the Commissioner shall not be corrected to his satisfaction within 60 days after the Commissioner has given notice to the board of directors of the State bank or out-of-state bank of his findings, report the facts to the Attorney General who shall thereupon institute proceedings against the State bank or out-of-state bank, the board of directors thereof, or the trustees under such plan as the nature of the case may require.

(6) The Commissioner shall have the power:

(a) To promulgate reasonable rules for the purpose of administering the provisions of this Act.

(a-5) To impose conditions on any approval issued by the Commissioner if he determines that the conditions are necessary or appropriate. These conditions shall be imposed in writing and shall continue in effect for the period prescribed by the Commissioner.

(b) To issue orders against any person, if the Commissioner has reasonable cause to believe that an unsafe or unsound banking practice has occurred, is occurring, or is about to occur, if any person has violated, is violating, or is about to violate any law, rule, or written agreement with the Commissioner, or for the purpose of administering the provisions of this Act and any rule promulgated in accordance with this Act.

(b-1) To enter into agreements with a bank establishing a program to correct the condition of the bank or its practices.

(c) To appoint hearing officers to execute any of the powers granted to the Commissioner under this Section for the purpose of administering this Act and any rule promulgated in accordance with this Act and otherwise to authorize, in writing, an officer or employee of the Office of Banks and Real Estate to exercise his powers under this Act.

(d) To subpoena witnesses, to compel their attendance, to administer an oath, to examine any person under oath, and to require the production of any relevant books, papers, accounts, and documents in the course of and pursuant to any investigation being conducted, or any action being taken, by the Commissioner in respect of any matter relating to the duties imposed upon, or the powers vested in, the Commissioner under the provisions of this Act or any rule promulgated in accordance with this Act.

(e) To conduct hearings.

(7) Whenever, in the opinion of the Commissioner, any director, officer, employee, or agent of a State bank or any subsidiary or bank holding company of the bank or, after May 31, 1997, of any branch of an out-of-state bank or any subsidiary or bank holding company of the bank shall have violated any law, rule, or order relating to that bank or any subsidiary or bank holding company of the bank, shall have obstructed or impeded any examination or investigation by the Commissioner, shall have engaged in an unsafe or unsound practice in conducting the business of that bank or any subsidiary or bank holding company of the bank, or shall have violated any law or engaged or participated in any unsafe or unsound

practice in connection with any financial institution or other business entity such that the character and fitness of the director, officer, employee, or agent does not assure reasonable promise of safe and sound operation of the State bank, the Commissioner may issue an order of removal. If, in the opinion of the Commissioner, any former director, officer, employee, or agent of a State bank or any subsidiary or bank holding company of the bank, prior to the termination of his or her service with that bank or any subsidiary or bank holding company of the bank, violated any law, rule, or order relating to that State bank or any subsidiary or bank holding company of the bank, obstructed or impeded any examination or investigation by the Commissioner, engaged in an unsafe or unsound practice in conducting the business of that bank or any subsidiary or bank holding company of the bank, or violated any law or engaged or participated in any unsafe or unsound practice in connection with any financial institution or other business entity such that the character and fitness of the director, officer, employee, or agent would not have assured reasonable promise of safe and sound operation of the State bank, the Commissioner may issue an order prohibiting that person from further service with a bank or any subsidiary or bank holding company of the bank as a director, officer, employee, or agent. An order issued pursuant to this subsection shall be served upon the director, officer, employee, or agent. A copy of the order shall be sent to each director of the bank affected by registered mail. The person affected by the action may request a hearing before the State Banking Board within 10 days after receipt of the order. The hearing shall be held by the Board within 30 days after the request has been received by the Board. The Board shall make a determination approving, modifying, or disapproving the order of the Commissioner as its final administrative decision. If a hearing is held by the Board, the Board shall make its determination within 60 days from the conclusion of the hearing. Any person affected by a decision of the Board under this subsection (7) of Section 48 of this Act may have the decision reviewed only under and in accordance with the Administrative Review Law and the rules adopted pursuant thereto. A copy of the order shall also be served upon the bank of which he is a director, officer, employee, or agent, whereupon he shall cease to be a director, officer, employee, or agent of that bank. The Commissioner may institute a civil action against the director, officer, or agent of the State bank or, after May 31, 1997, of the branch of the out-of-state bank against whom any order provided for by this subsection (7) of this Section 48 has been issued, and against the State bank or, after May 31, 1997, out-of-state bank, to enforce compliance with or to enjoin any violation of the terms of the order. Any person who has been the subject of an order of removal or an order of prohibition issued by the Commissioner under this subsection or Section 5-6 of the Corporate Fiduciary Act may not thereafter serve as director, officer, employee, or agent of any State bank or of any branch of any out-of-state bank, or of any corporate fiduciary, as defined in Section 1-5.05 of the Corporate Fiduciary Act, or of any other entity that is subject to licensure or regulation by the Commissioner or the Office of Banks and Real Estate unless the Commissioner has granted prior approval in writing.

For purposes of this paragraph (7), "bank holding company" has the meaning prescribed in Section 2 of the Illinois Bank Holding Company Act of 1957.

(8) The Commissioner may impose civil penalties of up to \$10,000 against any person for each violation of any provision of this Act, any rule promulgated in accordance with this Act, any order of the Commissioner, or any other action which in the Commissioner's discretion is an unsafe or unsound banking practice.

(9) The Commissioner may impose civil penalties of up to \$100 against any person for the first failure to comply with reporting requirements set forth in the report of examination of the bank and up to \$200 for the second and subsequent failures to comply with those reporting requirements.

(10) All final administrative decisions of the Commissioner hereunder shall be subject to judicial review pursuant to the provisions of the Administrative Review Law. For matters involving administrative review, venue shall be in either Sangamon County or Cook County.

(11) The endowment fund for the Illinois Bank Examiners' Education Foundation shall be administered as follows:

(a) (Blank).

(b) The Foundation is empowered to receive voluntary contributions, gifts, grants, bequests, and donations on behalf of the Illinois Bank Examiners' Education Foundation from national banks and other persons for the purpose of funding the endowment of the Illinois Bank Examiners' Education Foundation.

(c) The aggregate of all special educational fees collected by the Commissioner and property received by the Commissioner on behalf of the Illinois Bank Examiners' Education Foundation under this subsection (11) on or after June 30, 1986, shall be either (i) promptly paid after receipt of the same, accompanied by a detailed statement thereof, into the State Treasury and shall be set apart in a special fund to be known as "The Illinois Bank Examiners' Education Fund" to be

invested by either the Treasurer of the State of Illinois in the Public Treasurers' Investment Pool or in any other investment he is authorized to make or by the Illinois State Board of Investment as the board of trustees of the Illinois Bank Examiners' Education Foundation may direct or (ii) deposited into an account maintained in a commercial bank or corporate fiduciary in the name of the Illinois Bank Examiners' Education Foundation pursuant to the order and direction of the Board of Trustees of the Illinois Bank Examiners' Education Foundation.

(12) (Blank).

(Source: P.A. 94-91, eff. 7-1-05.)

Section 20. The Illinois Savings and Loan Act of 1985 is amended by changing Sections 7-3 and 7-19.1 as follows:

(205 ILCS 105/7-3) (from Ch. 17, par. 3307-3)

Sec. 7-3. Personnel, records, files, actions and duties, etc. (a) The Commissioner shall appoint, subject to applicable provisions of the Personnel Code, a supervisor, such examiners, employees, experts and special assistants as may be necessary to carry out effectively this Act. The Commissioner shall require each supervisor, examiner, expert and special assistant employed or appointed by him to give bond, with security to be approved by the Commissioner, not less in any case than \$15,000, conditioned for the faithful discharge of his duties. The premium on such bond shall be paid by the Commissioner from funds appropriated for that purpose. The bond, along with verification of payment of the premium on such bond, shall be filed in the office of the Secretary of State.

(b) The Commissioner shall have the following duties and powers:

(1) To exercise the rights, powers and duties set forth in this Act or in any other related Act;

(2) To establish such regulations as may be reasonable or necessary to accomplish the purposes of this Act;

(3) To direct and supervise all the administrative and technical activities of this office and create an Advisory Committee which upon request will make recommendations to him;

(4) To make an annual report regarding the work of his office as he may consider desirable to the Governor, or as the Governor may request;

(5) To cause a suit to be filed in his name to enforce any law of this State that applies to an association, subsidiary of an association, or holding company operating under this Act and shall include the enforcement of any obligation of the officers, directors or employees of any association;

(6) To prescribe a uniform manner in which the books and records of every association are to be maintained; and

(7) To establish reasonable and rationally based fee structures for each association and holding company operating under this Act and for their service corporations and subsidiaries, which fees shall include but not be limited to annual fees, application fees, regular and special examination fees, and such other fees as the Commissioner establishes and demonstrates to be directly resultant from his responsibilities under this Act and as are directly attributable to individual entities operating under this Act. For the fiscal year beginning July 1, 2007, the Commissioner must adopt rules to adjust regulatory fee rates to those in effect prior to the escalation in rates published in 38 Ill. Adm. Code 375 unless an audit by the Auditor General of banking regulatory oversight activities requires a different rate to be set. Any adjustments made pursuant to an Auditor General's audit must be set forth in the form of a notice to each affected entity 45 days prior to making those adjustments. The notice must contain an explanation that includes a description of the audit results pertaining to the banking industry and a description of each reason why adjustments to the regulatory fee rates are required.

(Source: P.A. 85-313.)

(205 ILCS 105/7-19.1) (from Ch. 17, par. 3307-19.1)

Sec. 7-19.1. Savings and Residential Finance Regulatory Fund.

(a) The aggregate of all fees collected by the Commissioner under this Act shall be paid promptly after receipt of the same, accompanied by a detailed statement thereof, into the State treasury and shall be set apart in the Savings and Residential Finance Regulatory Fund, a special fund hereby created in the State treasury. The amounts deposited into the Fund shall be used for the ordinary and contingent expenses of the Commissioner, in administering the Illinois Savings and Loan Act of 1985 and the Savings Bank Act ~~Office of Banks and Real Estate~~. Nothing in this Act shall prevent continuing the practice of paying expenses involving salaries, retirement, social security, and State-paid insurance of State officers by appropriation from the General Revenue Fund.

(b) Except as otherwise provided in subsection (b-5), moneys in the Savings and Residential Finance Regulatory Fund may not be appropriated, assigned, or transferred to another State fund. The moneys in the Fund shall be for the sole benefit of the institutions assessed.

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(b-5) Moneys in the Savings and Residential Finance Regulatory Fund may be transferred to the Professions Indirect Cost Fund, as authorized under Section 2105-300 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

(c) All earnings received from investments of funds in the Savings and Residential Finance Regulatory Fund shall be deposited into the Savings and Residential Finance Regulatory Fund and may be used for the same purposes as fees deposited into that Fund.

(d) When the amount remaining in the Savings and Residential Finance Regulatory Fund at the end of a fiscal year exceeds 25% of the total actual administrative and operational expenses incurred under the Illinois Savings and Loan Act of 1985 and the Savings Bank Act for that fiscal year, the excess must be credited to the appropriate institutions and entities and applied against their regulatory fees for the subsequent fiscal year. The amount credited to the institution or entity must be in the same proportion that the fees paid by the institution or entity for the fiscal year in which the excess is produced bears to the aggregate of the fees collected by the Commissioner under the Illinois Savings and Loan Act of 1985 and the Savings Bank Act of 1987 for the same fiscal year. For the purpose of this Section, "fiscal year" means the period beginning July 1 of any year and ending June 30 of the next calendar year.

(Source: P.A. 94-91, eff. 7-1-05.)

Section 25. The Savings Bank Act is amended by changing Section 9002 as follows:

(205 ILCS 205/9002) (from Ch. 17, par. 7309-2)

Sec. 9002. Powers of Commissioner. The Commissioner shall have the following powers and duties:

- (1) To exercise the rights, powers, and duties set forth in this Act or in any related Act.
- (2) To establish regulations as may be reasonable or necessary to accomplish the purposes of this Act.
- (3) To make an annual report regarding the work of his office under this Act as he may consider desirable to the Governor, or as the Governor may request.
- (4) To cause a suit to be filed in his name to enforce any law of this State that applies to savings banks, their service corporations, subsidiaries, affiliates, or holding companies operating under this Act, including the enforcement of any obligation of the officers, directors, agents, or employees of any savings bank.
- (5) To prescribe a uniform manner in which the books and records of every savings bank are to be maintained.
- (6) To establish a reasonable fee structure for savings banks and holding companies operating under this Act and for their service corporations and subsidiaries. The fees shall include, but not be limited to, annual fees, application fees, regular and special examination fees, and other fees as the Commissioner establishes and demonstrates to be directly resultant from the Commissioner's responsibilities under this Act and as are directly attributable to individual entities operating under this Act. The aggregate of all fees collected by the Commissioner on and after the effective date of this Act shall be paid promptly after receipt of the same, accompanied by a detailed statement thereof, into the Savings and Residential Finance Regulatory Fund. The amounts deposited into the Fund shall be used for the ordinary and contingent expenses of the Office of Banks and Real Estate. For the fiscal year beginning July 1, 2007, the Commissioner must adopt rules to adjust regulatory fee rates to those in effect prior to the escalation in rates published in 38 Ill. Adm. Code 375 unless an audit by the Auditor General of banking regulatory oversight activities requires a different rate to be set. Any adjustments made pursuant to an Auditor General's audit must be set forth in the form of a notice to each affected entity 45 days prior to making those adjustments. The notice must contain an explanation that includes a description of the audit results pertaining to the banking industry and a description of each reason why adjustments to the regulatory fee rates are required. Nothing in this Act shall prevent continuing the practice of paying expenses involving salaries, retirement, social security, and State-paid insurance of State officers by appropriation from the General Revenue Fund.

(Source: P.A. 89-508, eff. 7-3-96.)

Section 30. The Illinois Credit Union Act is amended by changing Section 12 as follows:

(205 ILCS 305/12) (from Ch. 17, par. 4413)

Sec. 12. Regulatory fees.

(1) A credit union regulated by the Department pursuant to a regulatory fee schedule shall pay a regulatory fee to the Department based upon the credit union's ~~its~~ total assets as shown by its Year-end Call Report at the following rates or at a lesser rate established in a manner proportionately consistent with the following rates and that would fund the actual administrative and operational expenses of the Credit Union Section pursuant to subsection (5):

TOTAL ASSETS

REGULATORY FEE

[May 31, 2007]



\$25,000 or less .....	\$100
Over \$25,000 and not over \$100,000 .....	\$100 plus \$4 per \$1,000 of assets in excess of \$25,000
Over \$100,000 and not over \$200,000 .....	\$400 plus \$3 per \$1,000 of assets in excess of \$100,000
Over \$200,000 and not over \$500,000 .....	\$700 plus \$2 per \$1,000 of assets in excess of \$200,000
Over \$500,000 and not over \$1,000,000 .....	\$1,300 plus \$1.40 per \$1,000 of assets in excess of \$500,000
Over \$1,000,000 and not over \$5,000,000.....	\$2,000 plus \$0.50 per \$1,000 of assets in excess of \$1,000,000
Over \$5,000,000 and not over \$30,000,000 .....	<del>\$4,000</del> <del>\$5,080</del> plus <del>\$0.35</del> <del>\$0.44</del> per \$1,000 assets in excess of \$5,000,000
Over \$30,000,000 and not over \$100,000,000 .....	<del>\$12,750</del> <del>\$16,192</del> plus <del>\$0.30</del> <del>\$0.38</del> per \$1,000 of assets in excess of \$30,000,000
Over \$100,000,000 and not over \$500,000,000 .....	<del>\$33,750</del> <del>\$42,862</del> plus <del>\$0.15</del> <del>\$0.19</del> per \$1,000 of assets in excess of \$100,000,000
Over \$500,000,000 .....	<del>\$93,750</del> <del>\$140,625</del> plus <del>\$0.05</del> <del>\$0.075</del> per \$1,000 of assets in excess of \$500,000,000

(2) The Director shall review the regulatory fee schedule ~~in subsection (1)~~ and the projected earnings on those fees on an annual basis and adjust the fee schedule ~~on an annual basis. The fee schedule may be increased by no more than 5% annually if necessary to defray the actual estimated administrative and operational expenses of the Credit Union Section Department as defined in subsection (5). However, the fee schedule shall not be increased if the amount remaining in the Credit Union Fund at the end of the calendar year is equal to or greater than 25% of the actual administrative and operational expenses for the preceding year. The regulatory fee for the next calendar year shall be calculated by the Director based on the credit union's total assets as of December 31 of the preceding year.~~ The Director shall provide credit unions with written notice of any adjustment made in the regulatory fee schedule.

(3) Not later than March 1 of each calendar year, a credit union shall pay to the Department a regulatory fee for that calendar year in accordance with the regulatory fee schedule in subsection (1), on the basis of assets as of the Year-end Call Report of the preceding year. The total annual regulatory fee shall not be less than \$100 or more than ~~\$125,000~~ ~~\$187,500~~, provided that the regulatory fee cap of ~~\$125,000~~ ~~\$187,500~~ shall be adjusted to incorporate the same percentage increase as the Director makes in the regulatory fee schedule from time to time under subsection (2). No regulatory fee shall be collected from a credit union until it has been in operation for one year.

(4) The aggregate of all fees collected by the Department under this Act shall be paid promptly after they are received, accompanied by a detailed statement thereof, into the State Treasury and shall be set apart in the Credit Union Fund, a special fund hereby created in the State treasury. The amount from time to time deposited in the Credit Union Fund and shall be used to offset the actual ordinary administrative and operational expenses of the Credit Union Section Department under this Act. All earnings received from investments of funds in the Credit Union Fund shall be deposited into the Credit Union Fund and may be used for the same purposes as fees deposited into that Fund. Moneys in the

Credit Union Fund may be transferred to the Professions Indirect Cost Fund, as authorized under Section 2105-300 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

(5) The actual administrative and operational expenses of the Credit Union Section for any calendar year shall mean the ordinary and contingent expenses for that year incidental to making the examinations provided for by, and for administering, this Act, including all salaries and other compensation paid for personal services rendered for the State by officers or employees of the State to enforce this Act; all expenditures for telephone and telegraph charges, postage and postal charges, office supplies and services, furniture and equipment, office space and maintenance thereof, travel expenses and other necessary expenses; all to the extent that such expenditures are directly incidental to such examination or administration.

(6) When the balance in the Credit Union Fund at the end of a calendar year exceeds 25% aggregate of all fees collected by the Department under this Act and all earnings thereon for any calendar year exceeds 150% of the total actual administrative and operational expenses under this Act for that year, such excess shall be credited to credit unions and applied against their regulatory fees for the subsequent year. The amount credited to a credit union shall be in the same proportion as the fee paid by such credit union for the calendar year in which the excess is produced bears to the aggregate of the fees collected by the Department under this Act for the same year.

(7) Examination fees for the year 2000 statutory examinations paid pursuant to the examination fee schedule in effect at that time shall be credited toward the regulatory fee to be assessed the credit union in calendar year 2001.

(8) Nothing in this Act shall prohibit the General Assembly from appropriating funds to the Department from the General Revenue Fund for the purpose of administering this Act.

(Source: P.A. 93-32, eff. 7-1-03; 93-652, eff. 1-8-04; 94-91, eff. 7-1-05.)

Section 35. The Residential Mortgage License Act of 1987 is amended by changing Section 2-6 and by adding Sections 4-15, 4-16, 5-6, 5-7, 5-8, 5-9, 5-10, 5-11, 5-12, 5-14, 5-15, 5-16, 5-17, and 7-2 as follows:

(205 ILCS 635/2-6) (from Ch. 17, par. 2322-6)

Sec. 2-6. License issuance and renewal; fee.

(a) Beginning July 1, 2003, licenses shall be renewed every year on the anniversary of the date of issuance of the original license. Properly completed renewal application forms and filing fees must be received by the Commissioner 60 days prior to the renewal date.

(b) It shall be the responsibility of each licensee to accomplish renewal of its license; failure of the licensee to receive renewal forms absent a request sent by certified mail for such forms will not waive said responsibility. Failure by a licensee to submit a properly completed renewal application form and fees in a timely fashion, absent a written extension from the Commissioner, will result in the assessment of additional fees, as follows:

(1) A fee of \$750 will be assessed to the licensee 30 days after the proper renewal date and \$1,500 each month thereafter, until the license is either renewed or expires pursuant to Section 2-6, subsections (c) and (d), of this Act.

(2) Such fee will be assessed without prior notice to the licensee, but will be assessed only in cases wherein the Commissioner has in his or her possession documentation of the licensee's continuing activity for which the unrenewed license was issued.

(c) A license which is not renewed by the date required in this Section shall automatically become inactive. No activity regulated by this Act shall be conducted by the licensee when a license becomes inactive. The Commissioner may require the licensee to provide a plan for the disposition of any residential mortgage loans not closed or funded when the license becomes inactive. The Commissioner may allow a licensee with an inactive license to conduct activities regulated by this Act for the sole purpose of assisting borrowers in the closing or funding of loans for which the loan application was taken from a borrower while the license was active. An inactive license may be reactivated by the Commissioner upon payment of the renewal fee, and payment of a reactivation fee equal to the renewal fee.

(d) A license which is not renewed within one year of becoming inactive shall expire.

(e) A licensee ceasing an activity or activities regulated by this Act and desiring to no longer be licensed shall so inform the Commissioner in writing and, at the same time, convey the license and all other symbols or indicia of licensure. The licensee shall include a plan for the withdrawal from regulated business, including a timetable for the disposition of the business. Upon receipt of such written notice, the Commissioner shall issue a certified statement canceling the license.

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(f) Each entity licensed under this Act shall pay, in addition to the license fees imposed under the Residential Mortgage License Act of 1987, an additional annual fee of \$300. The additional annual fee shall be deposited into the Predatory Lending Database Program Fund.

(Source: P.A. 93-32, eff. 7-1-03; 93-561, eff. 1-1-04; 93-1018, eff. 1-1-05.)

(205 ILCS 635/4-15 new)

Sec. 4-15. Enforcement and reporting provisions.

(a) The Attorney General may enforce any violation of Section 5-6, 5-7, 5-8, 5-9, 5-10, 5-11, 5-12, 5-14, or 5-15 of this Act as an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act.

(b) The Department of Financial and Professional Regulation and the Department of Financial Institutions must report to the Attorney General all violations of this amendatory Act of which they become aware.

(205 ILCS 635/4-16 new)

Sec. 4-16. Private right of action. A borrower injured by a violation of the standards, duties, prohibitions, or requirements of Sections 5-6, 5-7, 5-8, 5-9, 5-10, 5-11, 5-12, 5-13, 5-14, 5-15, and 5-16 of this Act shall have a private right of action.

(a) A licensee is not liable for a violation of this Act if:

(1) within 30 days of the loan closing and prior to receiving any notice from the borrower of the violation, the licensee has made appropriate restitution to the borrower and appropriate adjustments are made to the loan; or

(2) the violation was not intentional and resulted from a bona fide error in fact, notwithstanding the maintenance of procedures reasonably adopted to avoid such errors, and within 60 days of the discovery of the violation and prior to receiving any notice from the borrower of the violation, the borrower is notified of the violation, appropriate restitution is made to the borrower, and appropriate adjustments are made to the loan.

(b) The remedies and rights provided for in this Act are not exclusive, but cumulative, and all other applicable claims are specifically preserved.

(205 ILCS 635/5-6 new)

Sec. 5-6. Verification of borrower's ability to repay.

(a) No licensee may make, provide, or arrange for a residential mortgage loan without verifying the borrower's reasonable ability to pay the principal and interest on the loan, real estate taxes, homeowner's insurance, assessments, and mortgage insurance premiums, if applicable.

For residential mortgage loans in which the interest rate may vary, the reasonable ability to pay the principal and interest on the loan shall be determined based on a fully indexed rate, which rate shall be calculated by using the index rate prevailing at the time of origination of the loan plus the margin that will apply when calculating the adjustable rate under the terms of the loan, assuming a fully amortizing repayment schedule based on the term of the loan.

For loans that allow for negative amortization, the principal amount of the loan shall be calculated by including the maximum amount the principal balance may increase due to negative amortization under the terms of the loan.

(b) For all residential mortgage loans made by a licensee, the borrower's income and financial resources must be verified by tax returns, payroll receipts, bank records, or other similarly reliable documents. Nothing in this Section shall be construed to limit a licensee's ability to rely on criteria other than the borrower's income and financial resources to establish the borrower's reasonable ability to repay a residential mortgage loan; however, such other criteria must be verified through reasonably reliable methods and documentation. A statement by the borrower to the licensee of the borrower's income and resources is not sufficient to establish the existence of the income or resources when verifying the reasonable ability to pay.

(205 ILCS 635/5-7 new)

Sec. 5-7. Broker agency relationship.

(a) A mortgage broker shall be considered to have created an agency relationship with the borrower in all cases and shall comply with the following duties:

(1) mortgage brokers shall act in the borrower's best interest and in the utmost good faith toward borrowers, and shall not compromise a borrower's right or interest in favor of another's right or interest, including a right or interest of the mortgage broker. A mortgage broker shall not accept, give, or charge any undisclosed compensation or realize any undisclosed remuneration, either through direct or indirect means, that inures to the benefit of the mortgage broker on an expenditure made for the borrower;

(2) mortgage brokers shall carry out all lawful instructions given by borrowers;

(3) mortgage brokers shall disclose to borrowers all material facts of which the mortgage broker has

knowledge which might reasonably affect the borrower's rights, interests, or ability, or both, to receive the borrower's intended benefit from the residential mortgage loan, but not facts which are reasonably susceptible to the knowledge of the borrower;

(4) mortgage brokers shall use reasonable care in performing duties; and

(5) mortgage brokers shall account to a borrower for all the borrower's money and property received as agent.

(b) Nothing in this Section prohibits a mortgage broker from contracting for or collecting a fee for services rendered and which had been disclosed to the borrower in advance of the provision of those services.

(c) Nothing in this Section requires a mortgage broker to obtain a loan containing terms or conditions not available to the mortgage broker in the mortgage broker's usual course of business, or to obtain a loan for the borrower from a mortgage lender with whom the mortgage broker does not have a business relationship.

(205 ILCS 635/5-8 new)

Sec. 5-8. Prepayment penalties.

(a) No licensee may make, provide, or arrange a mortgage loan with a prepayment penalty unless the licensee offers the borrower a loan without a prepayment penalty, the offer is in writing, and the borrower initials the offer to indicate that the borrower has declined the offer. In addition, the licensee must disclose the discount in rate received in consideration for a mortgage loan with the prepayment penalty.

(b) If a borrower declines an offer required under subsection (a) of this Section, the licensee may include a prepayment penalty that extends no longer than three years or the first change date or rate adjustment of a variable rate mortgage, whichever comes earlier, provided that, if a prepayment is made during the fixed rate period, the licensee shall receive an amount that is no more than:

(1) 3% of the total loan amount if the prepayment is made within the first 12 month period following the date the loan was made;

(2) 2% of the total loan amount if the prepayment is made within the second 12-month period following the date the loan was made; or

(3) 1% of the total loan amount if the prepayment is made within the third 12- month period following the date the loan was made, if the fixed rate period extends 3 years.

(c) Notwithstanding any provision in this Section, prepayment penalties are prohibited in connection with the sale or destruction of a dwelling secured by a residential mortgage loan.

(d) This Section applies to loans made, refinanced, renewed, extended, or modified on or after the effective date of this amendatory Act of the 95th General Assembly.

(205 ILCS 635/5-9 new)

Sec. 5-9. Notice of change in loan terms.

(a) No licensee may fail to do either of the following:

(1) Provide timely notice to the borrower of any material change in the terms of the residential mortgage loan prior to the closing of the loan. For purposes of this Section, a "material change means" any of the following:

(A) A change in the type of loan being offered, such as a fixed or variable rate loan or a loan with a balloon payment.

(B) A change in the term of the loan, as reflected in the number of monthly payments due before a final payment is scheduled to be made.

(C) An increase in the interest rate of more than 0.15%, or an equivalent increase in the amount of discount points charged.

(D) An increase in the regular monthly payment of principal and interest of more than 5%.

(E) A change regarding the requirement or amount of escrow of taxes or insurance.

(F) A change regarding the requirement or payment, or both, of private mortgage insurance.

(2) Timely inform the borrower if any fees payable by the borrower to the licensee increase by more than 10% or \$100, whichever is greater.

(b) The disclosures required by this Section shall be deemed timely if the licensee provides the borrower with the revised information not later than 3 days after learning of the change or 24 hours before the residential mortgage loan is closed, whichever is earlier. If the licensee discloses a material change more than the 3 days after learning of the change but still 24 hours before the residential mortgage loan is closed, it will not be liable for penalties or forfeitures if the licensee cures in time for the borrower to avoid any damage.

(c) If an increase in the total amount of the fee to be paid by the borrower to the broker is not disclosed in accordance with this Section, the broker shall refund to the borrower the amount by which

the fee was increased. If the fee is financed into the residential mortgage loan, the broker shall also refund to the borrower the interest charged to finance the fee.

(d) Licensees limited to soliciting residential mortgage loan applications as approved by the Director under Title 38, Section 1050.2115(c)(1) of the Illinois Administrative Code are not required to provide the disclosures under this Section as long as the solicitor does not discuss the terms and conditions with the potential borrower.

(205 ILCS 635/5-10 new)

Sec. 5-10. Comparable monthly payment quotes. When comparing different loans, the licensee must not state or imply that monthly loan payments, if they include amounts escrowed for payment of property taxes and homeowner's insurance, are comparable with monthly loan payments that do not include these amounts.

(205 ILCS 635/5-11 new)

Sec. 5-11. Requirement to provide borrower with a copy of all appraisals. Licensees must provide to the borrower a complete copy of any appraisal, including any appraisal generated using the Automated Valuation Model, obtained by the lender for use in underwriting the residential mortgage loan within 3 business days of receipt by the licensee, but in no event less than 24 hours prior to the day of closing. The appraisal may be sent via first class mail, commercial carrier, by facsimile or by e-mail, if the borrower has supplied an email address.

(205 ILCS 635/5-12 new)

Sec. 5-12. Disclosure of refinancing options. If the subject of a future loan is discussed by a licensee making, providing, or arranging a mortgage loan, the licensee shall disclose the circumstances under which a new loan could be considered. Such disclosure shall clearly state that it is not a contract and that the licensee is not representing or promising that a new loan could or would be made at any time in the future.

(205 ILCS 635/5-14 new)

Sec. 5-14. Prohibition on equity stripping and loan flipping. No licensee may engage in equity stripping or loan flipping, as those terms are defined in the Illinois Fairness in Lending Act.

(205 ILCS 635/5-15 new)

Sec. 5-15. Prohibition on financing certain insurance premiums. No licensee may make, provide, or arrange for a residential mortgage loan that finances, directly or indirectly, any credit life, credit disability, or credit unemployment insurance; however, insurance premiums calculated and paid on a monthly basis shall not be considered to be financed by the lender.

(205 ILCS 635/5-16 new)

Sec. 5-16. Prohibition on encouraging default. A licensee may not recommend or encourage default or the failure to make timely payments on an existing residential mortgage loan or other debt prior to and in connection with the closing or planned closing of a residential mortgage loan that refinances all or any portion of the existing loan or debt.

(205 ILCS 635/5-17 new)

Sec. 5-17. Severability. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity of that provision or application does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application.

(205 ILCS 635/7-2 new)

Sec. 7-2. Continuing education required; course review. Before the end of fiscal year 2009, the Department of Financial and Professional Regulation shall adopt rules as to the required yearly continuing education of loan originators who are required to register under Section 7-1 of this Act. All continuing education courses and the providers of continuing education courses shall be approved by the Secretary pursuant to this Section. Continuing education courses and the providers of continuing education courses shall be subject to a review by a panel appointed by the Secretary. The panel shall consist of no less than 5 persons appointed by the Secretary. Two of the members of the panel shall be representatives of major trade associations representing the mortgage industry. The Secretary shall consider the recommendations of the panel prior to approving or disapproving continuing education courses or the providers of continuing education courses.

Section 45. The Residential Real Property Disclosure Act is amended by changing Sections 70, 72, and 74 and adding Sections 73, 78, and 80 as follows:

(765 ILCS 77/70)

Sec. 70. Predatory lending database ~~pilet~~ program.

(a) As used in this Article:

"Adjustable rate mortgage" or "ARM" means a closed end mortgage transaction that allows

adjustments of the loan interest rate during the first 5 years of the loan term.

"Borrower" means a person seeking a mortgage loan.

"Broker" means a "broker" or "loan broker", as defined in subsection (p) of Section 1-4 of the Residential Mortgage License Act of 1987.

"Closing agent" means an individual assigned by a title insurance company or a broker or originator to ensure that the execution of documents related to the closing of a real estate sale or the refinancing of a real estate loan and the disbursement of closing funds are in conformity with the instructions of the entity financing the transaction.

"Counseling" means in-person counseling provided by a counselor employed by a HUD-certified counseling agency to all borrowers, or documented telephone counseling where a hardship would be imposed on one or more borrowers. A hardship shall exist in instances in which the borrower is confined to his or her home due to medical conditions, as verified in writing by a physician, or the borrower resides 50 miles or more from the nearest participating HUD-certified housing counseling agency. In instances of telephone counseling, the borrower must supply all necessary documents to the counselor at least 72 hours prior to the scheduled telephone counseling session.

"Counselor" means a counselor employed by a HUD-certified housing counseling agency.

"Credit score" means a credit risk score as defined by the Fair Isaac Corporation, or its successor, and reported under such names as "BEACON", "EMPIRICA", and "FAIR ISAAC RISK SCORE" by one or more of the following credit reporting agencies or their successors: Equifax, Inc., Experian Information Solutions, Inc., and TransUnion LLC.

"Department" means the Department of Financial and Professional Regulation.

"Exempt person" means that term as it is defined in subsections (d)(1) and (d)(1.5) of Section 1-4 of the Residential Mortgage License Act of 1987.

"First-time homebuyer" means a borrower who has not held an ownership interest in residential property.

"HUD-certified counseling" or "counseling" means counseling given to a borrower by a counselor employed by a HUD-certified housing counseling agency.

"Interest only" means a loan that permits one or more payments of interest without any reduction of the principal balance of the loan.

"Lender" means that term as it is defined in subsection (g) of Section 1-4 of the Residential Mortgage License Act.

"Licensee" means that term as it is defined in subsection (e) of Section 1-4 of the Residential Mortgage License Act of 1987.

"Mortgage loan" means that term as it is defined in subsection (f) of Section 1-4 of the Residential Mortgage License Act of 1987.

"Negative amortization" means an amortization method under which the outstanding balance may increase at any time over the course of the loan because the regular periodic payment does not cover the full amount of interest due.

"Originator" means a "loan originator" as defined in subsection (hh) of Section 1-4 of the Residential Mortgage License Act of 1987, except an exempt person.

~~"Pilot program area" means all areas within Cook County designated as such by the Department due to the high rate of foreclosure on residential home mortgages that is primarily the result of predatory lending practices. The Department shall designate the pilot program area within 30 days after the effective date of this amendatory Act of the 94th General Assembly.~~

"Points and fees" has the meaning ascribed to that term in Section 10 of the High Risk Home Loan Act.

"Prepayment penalty" means a charge imposed by a lender under a mortgage note or rider when the loan is paid before the expiration of the term of the loan.

"Refinancing" means a loan secured by the borrower's or borrowers' primary residence where the proceeds are not used as purchase money for the residence.

"Stated income" means an income figure provided by the borrower and not verified by tax returns, payroll receipts, bank records, or other similarly reliable documents. A statement made by the borrower to the licensee of the borrower's income and resources is not sufficient to establish the existence of the income or resources.

"Title insurance company" means any domestic company organized under the laws of this State for the purpose of conducting the business of guaranteeing or insuring titles to real estate and any title insurance company organized under the laws of another State, the District of Columbia, or a foreign government and authorized to transact the business of guaranteeing or insuring titles to real estate in this State.

(a-5) A predatory lending database program is established within Cook County. The program shall be administered in accordance with this Article. The inception date of the program shall be: (1) November 1, 2007 in the first assessment district established under clause (i) of subsection (b) of Section 9-220 of the Property Tax Code; (2) May 1, 2008 in the second assessment district established under clause (ii) of subsection (b) of Section 9-220 of the Property Tax Code; (3) November 1, 2008 in the third assessment district established under clause (iii) of subsection (b) of Section 9-220 of the Property Tax Code. ~~Inception date. The Secretary of Financial and Professional Regulation shall declare in writing the date of inception of the pilot program. The inception date shall be no later than September 1, 2006, and shall be at least 30 days after the date the Secretary issues a declaration establishing that date. The Secretary's declaration shall be posted on the Department's website, and the Department shall communicate the declaration to affected licensees of the Department.~~ Until the inception date, none of the duties, obligations, contingencies, or consequences of or from the ~~pilot~~ program shall be imposed. The ~~pilot~~ program shall apply to all mortgage applications that are governed by this Article and that are made or taken on or after the inception of the ~~pilot~~ program.

(b) ~~A predatory lending database pilot program is established within the pilot program area, effective upon the inception date established by the Secretary of the Department. The pilot program shall be in effect and operational for a total of 4 years and shall be administered in accordance with Article 3 of this Act.~~ The database created under this program shall be maintained and administered by the Department. The database shall be designed to allow brokers, originators, ~~credit~~ counselors, title insurance companies, and closing agents to submit information to the database online. The database shall not be designed to allow those entities to retrieve information from the database, except as otherwise provided in this Article. Information submitted by the broker or originator to the Department may be used to populate the online form submitted by a ~~credit~~ counselor, title insurance company, or closing agent.

(c) Within 10 days after taking a mortgage application, the broker or originator for any mortgage on residential property within the ~~pilot~~ program area must submit to the predatory lending database all of the information required under Section 72 and any other information required by the Department by rule. Within 7 days after receipt of the information, the Department shall compare that information to the housing credit counseling standards in Section 73 developed by the Department by rule and issue to the borrower and the broker or originator a determination of whether ~~credit~~ counseling is recommended for the borrower. The borrower may not waive ~~credit~~ counseling. If at any time after submitting the information required under Section 72 the broker or originator (i) changes the terms of the loan or (ii) issues a new commitment to the borrower, then, within 5 days thereafter, the broker or originator shall re-submit all of the information required under Section 72 and, within 4 days after receipt of the information re-submitted by the broker or originator, the Department shall compare that information to the housing credit counseling standards in Section 73 developed by the Department by rule and shall issue to the borrower and the broker or originator a new determination of whether re-counseling credit counseling is recommended for the borrower based on the information re-submitted by the broker or originator.

(d) If the Department recommends ~~credit~~ counseling for the borrower under subsection (c), then the Department shall notify the borrower of all participating HUD-certified counseling agencies located within the State and direct the borrower to interview with a counselor associated with one of those agencies. Within 10 days after receipt of the notice of HUD-certified counseling agencies, the borrower shall select one of those agencies and shall engage in an interview with a counselor associated with that agency. Within 7 days after interviewing the borrower, the ~~credit~~ counselor must submit to the predatory lending database all of the information required under Section 74 and any other information required by the Department by rule. Reasonable and customary costs not to exceed \$300 ~~Any costs~~ associated with ~~credit~~ counseling provided under the ~~pilot~~ program shall be paid by the broker or originator. The Department shall annually calculate to the nearest dollar an adjusted rate for inflation. A counselor shall not recommend or suggest that a borrower contact any specific mortgage origination company, financial institution, or entity that deals in mortgage finance to obtain a loan; however, a counselor may suggest that the borrower seek an opinion or a quote from another mortgage origination company, financial institution, or entity that deals in mortgage finance. A ~~credit~~ counselor or housing counseling agency that ~~who~~ in good faith provides counseling ~~services~~ shall not be liable to a broker or originator or borrower for civil damages, except for willful or wanton misconduct on the part of the counselor in providing the counseling ~~services~~.

(e) The broker or originator and the borrower may not take any legally binding action concerning the loan transaction until the later of the following:

(1) the Department issues a determination not to recommend HUD-certified credit counseling for the borrower

in accordance with subsection (c); or

(2) the Department issues a determination that HUD-certified ~~credit~~ counseling is recommended for the

borrower and the ~~credit~~ counselor submits all required information to the database in accordance with subsection (d).

(f) Within 10 days after closing, the title insurance company or closing agent must submit to the predatory lending database all of the information required under Section 76 and any other information required by the Department by rule.

(g) The title insurance company or closing agent shall attach to the mortgage a certificate of compliance with the requirements of this Article, as generated by the database. If the title insurance company or closing agent fails to attach the certificate of compliance, then the mortgage is not recordable. In addition, if any lis pendens for a residential mortgage foreclosure is recorded on the property within the ~~pilot~~ program area, a certificate of service must be simultaneously recorded that affirms that a copy of the lis pendens was filed with the Department. If the certificate of service is not recorded, then the lis pendens pertaining to the residential mortgage foreclosure in question is not recordable and is of no force and effect.

(h) All information provided to the predatory lending database under the program is confidential and is not subject to disclosure under the Freedom of Information Act, except as otherwise provided in this Article. Information or documents obtained by employees of the Department in the course of maintaining and administering the predatory lending database are deemed confidential. Employees are prohibited from making disclosure of such confidential information or documents. Any request for production of information from the predatory lending database, whether by subpoena, notice, or any other source, shall be referred to the Department of Financial and Professional Regulation. Any borrower may authorize in writing the release of database information. The Department may use the information in the database without the consent of the borrower: (i) for the purposes of administering and enforcing the ~~pilot~~ program; (ii) to provide relevant information to a ~~credit~~ counselor providing ~~credit~~ counseling to a borrower under the ~~pilot~~ program; or (iii) to the appropriate law enforcement agency or the applicable administrative agency if the database information demonstrates criminal, fraudulent, or otherwise illegal activity.

(i) Nothing in this Article is intended to prevent a borrower from making his or her own decision as to whether to proceed with a transaction.

(j) Any person who violates any provision of this Article commits an unlawful practice within the meaning of the Consumer Fraud and Deceptive Business Practices Act.

(k) During the existence of the program, the Department shall submit semi-annual reports to the Governor and to the General Assembly by May 1 and November 1 of each year detailing its findings regarding the program. The report shall include at least the following information for each reporting period:

(1) the number of loans registered with the program;

(2) the number of borrowers receiving counseling;

(3) the number of loans closed;

(4) the number of loans requiring counseling for each of the standards set forth in Section 73;

(5) the number of loans requiring counseling where the mortgage originator changed the loan terms subsequent to counseling.

~~Not later than one year after the Department designates the pilot program area and annually thereafter during the existence of the pilot program, the Department shall report to the Governor and to the General Assembly concerning its administration and the effectiveness of the pilot program.~~

(Source: P.A. 94-280, eff. 1-1-06; 94-1029, eff. 7-14-06.)

(765 ILCS 77/72)

Sec. 72. Originator; required information. As part of the predatory lending database ~~pilot~~ program, the broker or originator must submit all of the following information for inclusion in the predatory lending database for each loan for which the originator takes an application:

(1) The borrower's name, address, social security number or taxpayer identification number, date of birth, and income and expense information contained in the mortgage application.

(2) The address, permanent index number, and a description of the collateral and information about the loan or loans being applied for and the loan terms, including the amount of the loan, the rate and whether the rate is fixed or adjustable, amortization or loan period terms, and any other material terms.

(3) The borrower's credit score at the time of application.

(4) Information about the originator and the company the originator works for, including



the originator's license number and address, fees being charged, whether the fees are being charged as points up front, the yield spread premium payable outside closing, and other charges made or remuneration required by the broker or originator or its affiliates or the broker's or originator's employer or its affiliates for the mortgage loans.

(5) Information about affiliated or third party service providers, including the names and addresses of appraisers, title insurance companies, closing agents, attorneys, and realtors who are involved with the transaction and the broker or originator and any moneys received from the broker or originator in connection with the transaction.

(6) All information indicated on the Good Faith Estimate and Truth in Lending statement disclosures given to the borrower by the broker or originator.

(7) Annual real estate taxes for the property, together with any assessments payable in connection with the property to be secured by the collateral and the proposed monthly principal and interest charge of all loans to be taken by the borrower and secured by the property of the borrower.

(8) Information concerning how the broker or originator obtained the client and the name of its referral source, if any.

(9) Information concerning the notices provided by the broker or originator to the borrower as required by law and the date those notices were given.

(10) Information concerning whether a sale and leaseback is contemplated and the names of the lessor and lessee, seller, and purchaser.

(11) Any and all financing by the borrower for the subject property within 12 months prior to the date of application.

(12) Loan information, including interest rate, term, purchase price, down payment, and closing costs.

(13) Whether the buyer is a first-time homebuyer or refinancing a primary residence.

(14) Whether the loan permits interest only payments.

(15) Whether the loan may result in negative amortization.

(16) Whether the total points and fees payable by the borrowers at or before closing will exceed 5%.

(17) Whether the loan relies on stated income.

(18) Whether the loan includes a prepayment penalty, and, if so, the terms of the penalty.

(19) Whether the loan is an ARM.

(Source: P.A. 94-280, eff. 1-1-06.)

(765 ILCS 77/73 new)

Sec. 73. Standards for counseling. A borrower or borrowers subject to this Article shall be recommended for counseling if, after reviewing the information in the predatory lending database submitted under Section 72, the Department finds the borrower or borrowers are all first-time homebuyers or refinancing a primary residence and the loan is a mortgage that includes one or more of the following:

(1) the loan permits interest only payments;

(2) the loan may result in negative amortization;

(3) the total points and fees payable by the borrower at or before closing will exceed 5%;

(4) the loan relies on stated income;

(5) the loan includes a prepayment penalty; or

(6) the loan is an ARM.

(765 ILCS 77/74)

Sec. 74. ~~Counselor~~ ~~Credit counselor~~, required information. As part of the predatory lending database pilot program, a ~~credit~~ counselor must submit all of the following information for inclusion in the predatory lending database:

(1) The information called for in items (1), (6), (9), (11), (12), (13), (14), (15), (16), (17), (18), and (19) of Section 72.

(2) Any information from the borrower that confirms or contradicts the information called for under item (1) of this Section.

(3) The name ~~and address~~ of the ~~credit~~ counselor and address of the HUD-certified housing counseling agency that employs the counselor.

(4) Information pertaining to the borrower's monthly expenses that assists the ~~credit~~ counselor in determining whether the borrower can afford the loans or loans for which the borrower is applying.

(5) A list of the disclosures furnished to the borrower, as seen and reviewed by the ~~credit~~ counselor, and a comparison of that list to all disclosures required by law.

- (6) Whether the borrower provided tax returns to the broker or originator or to the ~~credit~~ counselor, and, if so, who prepared the tax returns.
- (7) The date the loan commitment expires and whether a written commitment has been given, together with the proposed date of closing.
- (8) A statement of the recommendations of the ~~credit~~ counselor that indicates the counselor's response to each of the following statements:
- (A) The loan should not be approved due to indicia of fraud.
  - (B) The loan should be approved; no material problems noted.
  - (C) The borrower cannot afford the loan.
  - (D) The borrower does not understand the transaction.
  - (E) The borrower does not understand the costs associated with the transaction.
  - (F) The borrower's monthly income and expenses have been reviewed and disclosed.
  - (G) The rate of the loan is above market rate.
  - (H) The borrower should seek a competitive bid from another broker or originator.
  - (I) There are discrepancies between the borrower's verbal understanding and the originator's completed form.
  - (J) The borrower is precipitously close to not being able to afford the loan.
  - (K) The borrower understands the true cost of debt consolidation and the need for credit card discipline.
  - (L) The information that the borrower provided the originator has been amended by the originator.

(Source: P.A. 94-280, eff. 1-1-06.)

(765 ILCS 77/78 new)

Sec. 78. Exemption. Borrowers applying for reverse mortgage financing of residential real estate including under programs regulated by the Federal Housing Authority (FHA) that require HUD-certified counseling are exempt from the program and may submit a HUD counseling certificate to comply with the program.

(765 ILCS 77/80 new)

Sec. 80. Predatory Lending Database Program Fund. The Predatory Lending Database Program Fund is created as a special fund in the State treasury. Subject to appropriation, moneys in the Fund shall be used by the Department to make grants to assist with implementation and development for participating HUD-certified housing counseling agencies providing counseling to borrowers under the program.

Section 50. The Mortgage Rescue Fraud Act is amended by changing Section 5 as follows:  
(765 ILCS 940/5)

Sec. 5. Definitions. As used in this Act:

"Distressed property" means residential real property consisting of one to 6 family dwelling units that is in foreclosure or at risk of loss due to nonpayment of taxes, or whose owner is more than 90 days delinquent on any loan that is secured by the property.

"Distressed property consultant" means any person who, directly or indirectly, for compensation from the owner, makes any solicitation, representation, or offer to perform or who, for compensation from the owner, performs any service that the person represents will in any manner do any of the following:

- (1) stop or postpone the foreclosure sale or the loss of the home due to nonpayment of taxes;
- (2) obtain any forbearance from any beneficiary or mortgagee, or relief with respect to a tax sale of the property;
- (3) assist the owner to exercise any right of reinstatement or right of redemption;
- (4) obtain any extension of the period within which the owner may reinstate the owner's rights with respect to the property;
- (5) obtain any waiver of an acceleration clause contained in any promissory note or contract secured by a mortgage on a distressed property or contained in the mortgage;
- (6) assist the owner in foreclosure, loan default, or post-tax sale redemption period to obtain a loan or advance of funds;
- (7) avoid or ameliorate the impairment of the owner's credit resulting from the recording of a notice of default or the conduct of a foreclosure sale or tax sale; or
- (8) save the owner's residence from foreclosure or loss of home due to nonpayment of taxes.

A "distressed property consultant" does not include any of the following:

- (1) a person or the person's authorized agent acting under the express authority or

written approval of the Department of Housing and Urban Development;

(2) a person who holds or is owed an obligation secured by a lien on any distressed property, or a person acting under the express authorization or written approval of such person, when the person performs services in connection with the obligation or lien, if the obligation or lien did not arise as the result of or as part of a proposed distressed property conveyance;

(3) banks, savings banks, savings and loan associations, credit unions, and insurance companies organized, chartered, or holding a certificate of authority to do business under the laws of this State or any other state or under the laws of the United States;

(4) licensed attorneys engaged in the practice of law;

(5) a Department of Housing and Urban Development approved mortgagee and any subsidiary or affiliate of these persons or entities, and any agent or employee of these persons or entities, while engaged in the business of these persons or entities;

(6) a 501(c)(3) nonprofit agency or organization, doing business for no less than 5 years, that offers counseling or advice to an owner of a distressed property, if they do not contract for services with for-profit lenders or distressed property purchasers, or any person who structures or plans such a transaction;

(7) licensees of the Residential Mortgage License Act of 1987;

(8) licensees of the Consumer Installment Loan Act who are authorized to make loans secured by real property; or

(9) licensees of the Real Estate License Act of 2000 when providing licensed activities.

"Distressed property purchaser" means any person who acquires any interest in fee in a distressed property or a beneficial interest in a trust holding title to a distressed property while allowing the owner to possess, occupy, or retain any present or future interest in fee in the property, or any person who participates in a joint venture or joint enterprise involving a distressed property conveyance. "Distressed property purchaser" does not mean any person who acquires distressed property at a short sale or any person acting in participation with any person who acquires distressed property at a short sale, if that person does not promise to convey an interest in fee back to the owner or does not give the owner an option to purchase the property at a later date.

"Distressed property conveyance" means a transaction in which an owner of a distressed property transfers an interest in fee in the distressed property or in which the holder of all or some part of the beneficial interest in a trust holding title to a distressed property transfers that interest; the acquirer of the property allows the owner of the distressed property to occupy the property; and the acquirer of the property or a person acting in participation with the acquirer of the property conveys or promises to convey an interest in fee back to the owner or gives the owner an option to purchase the property at a later date.

"Person" means any individual, partnership, corporation, limited liability company, association, or other group or entity, however organized.

"Service" means, without limitation, any of the following:

(1) debt, budget, or financial counseling of any type;

(2) receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a lien on a distressed property;

(3) contacting creditors on behalf of an owner of a residence that is distressed property;

(4) arranging or attempting to arrange for an extension of the period within which the owner of a distressed property may cure the owner's default and reinstate his or her obligation;

(5) arranging or attempting to arrange for any delay or postponement of the time of sale of the distressed property;

(6) advising the filing of any document or assisting in any manner in the preparation of any document for filing with any court; or

(7) giving any advice, explanation, or instruction to an owner of a distressed property that in any manner relates to the cure of a default or forfeiture or to the postponement or avoidance of sale of the distressed property.

(Source: P.A. 94-822, eff. 1-1-07.)

Section 55. The Interest Act is amended by changing Section 4.1a as follows:

(815 ILCS 205/4.1a) (from Ch. 17, par. 6406)

Sec. 4.1a. Charges for and cost of the following items paid or incurred by any lender in connection with any loan shall not be deemed to be charges for or in connection with any loan of money referred to in Section 6 of this Act, or charges by the lender as a consideration for the loan referred to in this

[May 31, 2007]

## Section:

(a) hazard, mortgage or life insurance premiums, survey, credit report, title insurance, abstract and attorneys' fees, recording charges, escrow and appraisal fees, and similar charges.

(b) in the case of construction loans, in addition to the matters referred to in clause (a) above, the actual cost incurred by the lender for services for making physical inspections, processing payouts, examining and reviewing contractors' and subcontractors' sworn statements and waivers of lien and the like.

(c) in the case of any loan made pursuant to the provisions of the Emergency Home Purchase Assistance Act of 1974 (Section 313 of the National Housing Act, Chapter B of Title 12 of the United States Code), in addition to the matters referred to in paragraphs (a) and (b) of this Section all charges required or allowed by the Government National Mortgage Association, whether designated as processing fees, commitment fees, loss reserve and marketing fees, discounts, origination fees or otherwise designated.

(d) in the case of a single payment loan, made for a period of 6 months or less, a regulated financial institution or licensed lender may contract for and receive a maximum charge of \$15 in lieu of interest. Such charge may be collected when the loan is made, but only one such charge may be contracted for, received, or collected for any such loan, including any extension or renewal thereof.

(e) if the agreement governing the loan so provides, a charge not to exceed the rate permitted under Section 3-806 of the Uniform Commercial Code-Commercial Paper for any check, draft or order for the payment of money submitted in accordance with said agreement which is unpaid or not honored by a bank or other depository institution.

(f) if the agreement governing the loan so provides, for each loan installment in default for a period of not less than 10 days, a charge in an amount not in excess of 5% of such loan installment. Only one delinquency charge may be collected on any such loan installment regardless of the period during which it remains in default. Payments timely received by the lender under a written extension or deferral agreement shall not be subject to any delinquency charge.

Notwithstanding items (k) and (l) of subsection (1) of Section 4 of this Act, the lender, in the case of any nonexempt residential mortgage loan, as defined in Section 1-4 of the Residential Mortgage License Act of 1987, shall have the right to include a prepayment penalty that extends no longer than the fixed rate period of a variable rate mortgage provided that, if a prepayment is made during the fixed rate period and not in connection with the sale or destruction of the dwelling securing the loan, the lender shall receive an amount that is no more than:

(1) 3% of the total loan amount if the prepayment is made within the first 12 month period following the date the loan was made;

(2) 2% of the total loan amount if the prepayment is made within the second 12-month period following the date the loan was made; or

(3) 1% of the total loan amount if the prepayment is made within the third 12- month period following the date the loan was made, if the fixed rate period extends 3 years.

This Section applies to loans made, refinanced, renewed, extended, or modified on or after the effective date of this amendatory Act of the 95th General Assembly.

Where there is a charge in addition to the stated rate of interest payable directly or indirectly by the borrower and imposed directly or indirectly by the lender as a consideration for the loan, or for or in connection with the loan of money, whether paid or payable by the borrower, the seller, or any other person on behalf of the borrower to the lender or to a third party, or for or in connection with the loan of money, other than as hereinabove in this Section provided, whether denominated "points," "service charge," "discount," "comission," or otherwise, and without regard to declining balances of principal which would result from any required or optional amortization of the principal of the loan, the rate of interest shall be calculated in the following manner:

The percentage of the principal amount of the loan represented by all of such charges shall first be computed, which in the case of a loan with an interest rate in excess of 8% per annum secured by residential real estate, other than loans described in paragraphs (e) and (f) of Section 4, shall not exceed 3% of such principal amount. Said percentage shall then be divided by the number of years and fractions thereof of the period of the loan according to its stated maturity. The percentage thus obtained shall then be added to the percentage of the stated annual rate of interest.

~~The borrower in the case of nonexempt loan shall have the right to prepay the loan in whole or in part at any time, but, except as may otherwise be provided by Section 4, the lender may require payment of not more than 6 months' advance interest on that part of the aggregate amount of all prepayments on a~~

~~loan in one year, which exceeds 20% of the original principal amount of the loan.~~  
(Source: P.A. 87-496.)

Section 970. Severability. If any provision of this amendatory Act of the 95th General Assembly or its application to any person or circumstance is held invalid, the invalidity of that provision or application does not affect other provisions or applications of this amendatory Act that can be given effect without the invalid provision or application.

Section 999. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 1674**, with House Amendments numbered 1 and 3, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 133

A bill for AN ACT concerning public health.

SENATE BILL NO. 829

A bill for AN ACT concerning local government.

SENATE BILL NO. 835

A bill for AN ACT concerning local government.

Passed the House, May 30, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 543

A bill for AN ACT regarding schools.

SENATE BILL NO. 1260

A bill for AN ACT concerning courts.

SENATE BILL NO. 1306

A bill for AN ACT concerning government.

SENATE BILL NO. 1317

A bill for AN ACT concerning State government.

SENATE BILL NO. 1354

A bill for AN ACT concerning revenue.

SENATE BILL NO. 1375

A bill for AN ACT concerning civil law.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 767

A bill for AN ACT concerning State government.

SENATE BILL NO. 797

A bill for AN ACT concerning revenue.

SENATE BILL NO. 1467

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A bill for AN ACT concerning civil law.  
 SENATE BILL NO. 1472  
 A bill for AN ACT concerning education.  
 SENATE BILL NO. 1474  
 A bill for AN ACT concerning education.  
 SENATE BILL NO. 1479  
 A bill for AN ACT concerning safety.  
 Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by  
 Mr. Mahoney, Clerk:  
 Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:  
 SENATE BILL NO. 1224  
 A bill for AN ACT concerning teachers.  
 SENATE BILL NO. 1225  
 A bill for AN ACT concerning regulation.  
 SENATE BILL NO. 1241  
 A bill for AN ACT concerning safety.  
 SENATE BILL NO. 1242  
 A bill for AN ACT concerning climate change.  
 SENATE BILL NO. 1243  
 A bill for AN ACT concerning environmental protection.  
 SENATE BILL NO. 1249  
 A bill for AN ACT concerning employment benefits.  
 Passed the House, May 30, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by  
 Mr. Mahoney, Clerk:  
 Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:  
 SENATE BILL NO. 1253  
 A bill for AN ACT concerning health.  
 SENATE BILL NO. 1293  
 A bill for AN ACT concerning criminal law.  
 SENATE BILL NO. 1304  
 A bill for AN ACT concerning State government.  
 SENATE BILL NO. 1326  
 A bill for AN ACT concerning State government.  
 SENATE BILL NO. 1344  
 A bill for AN ACT concerning business.  
 SENATE BILL NO. 1349  
 A bill for AN ACT concerning public aid.  
 Passed the House, May 30, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by  
 Mr. Mahoney, Clerk:  
 Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:  
 SENATE BILL NO. 1363

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A bill for AN ACT concerning local government.  
                                     SENATE BILL NO. 1365  
 A bill for AN ACT concerning insurance.  
                                     SENATE BILL NO. 1398  
 A bill for AN ACT concerning regulation.  
                                     SENATE BILL NO. 1419  
 A bill for AN ACT concerning safety.  
                                     SENATE BILL NO. 1428  
 A bill for AN ACT concerning children.  
                                     SENATE BILL NO. 1433  
 A bill for AN ACT concerning revenue.  
 Passed the House, May 30, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by  
 Mr. Mahoney, Clerk:  
 Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

                                    SENATE BILL NO. 1385  
 A bill for AN ACT concerning finance.  
                                     SENATE BILL NO. 1434  
 A bill for AN ACT concerning citizen participation.  
                                     SENATE BILL NO. 1435  
 A bill for AN ACT concerning business.  
                                     SENATE BILL NO. 1438  
 A bill for AN ACT concerning transportation.  
                                     SENATE BILL NO. 1463  
 A bill for AN ACT concerning education.  
                                     SENATE BILL NO. 1464  
 A bill for AN ACT concerning business.  
 Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### **JOINT ACTION MOTIONS FILED**

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendment 1 to Senate Bill 65  
 Motion to Concur in House Amendments 1, 3 and 4 to Senate Bill 435  
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 705  
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 1201  
 Motion to Concur in House Amendment 1 to Senate Bill 1244  
 Motion to Concur in House Amendment 1 to Senate Bill 1245  
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 1348  
 Motion to Concur in House Amendment 1 to Senate Bill 1350  
 Motion to Concur in House Amendment 1 to Senate Bill 1360  
 Motion to Concur in House Amendment 1 to Senate Bill 1368  
 Motion to Concur in House Amendment 1 to Senate Bill 1379  
 Motion to Concur in House Amendment 1 to Senate Bill 1380  
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 1426  
 Motion to Concur in House Amendments 1 and 3 to Senate Bill 1674

#### **HOUSE BILL RECALLED**

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On motion of Senator Link, **House Bill No. 743** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 3 was held in the Committee on Rules.

Senator Link offered the following amendment and moved its adoption:

**AMENDMENT NO. 4 TO HOUSE BILL 743**

AMENDMENT NO. 4. Amend House Bill 743 on page 1, line 7 by changing "Billing" to "Payment application"; and

on page 1, line 10 by inserting after "retainage" the following:

"from the contractor to the owner"; and

on page 1, line 17 by inserting after "residences" the following:

"or multiple family residences with 12 or fewer units in a single building"; and

on page 2, line 3 by changing "billing" to "payment application"; and

on page 2, line 5 by changing "billing" to "payment application"; and

on page 2, line 6 by changing "billing" to "payment application"; and

on page 2, line 15 by inserting after the period the following:

"Instructions or notification from an owner to his or her lender or architect to process or pay a payment application does not constitute approval of the payment application under this Act."; and

on page 3, lines 5 and 6 by changing "money owed under the construction contract" to "that payment"; and

on page 3, by inserting after line 12 the following:

"(c) The interest imposed by this Act shall not be duplicative of the interest charged under the Mechanics Lien Act."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

**READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME**

On motion of Senator Link, **House Bill No. 743**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

Yeas 56; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Rutherford
Bomke	Frerichs	Link	Schoenberg
Bond	Garrett	Luechtefeld	Sieben
Brady	Haine	Maloney	Silverstein
Burzynski	Halvorson	Martinez	Sullivan
Clayborne	Harmon	Millner	Syverson
Collins	Hendon	Munoz	Trotter
Cronin	Holmes	Murphy	Viverito
Crotty	Hultgren	Noland	Watson

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Cullerton	Hunter	Pankau	Wilhelmi
Dahl	Jacobs	Peterson	Mr. President
DeLeo	Jones, J.	Radogno	
Delgado	Koehler	Raoul	
Demuzio	Kotowski	Righter	
Dillard	Lauzen	Ronen	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

### HOUSE BILL RECALLED

On motion of Senator Haine, **House Bill No. 828** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 1 was held in the Committee on Rules.

Senator Haine offered the following amendment and moved its adoption:

#### AMENDMENT NO. 2 TO HOUSE BILL 828

AMENDMENT NO. 2. Amend House Bill 828 on page 4, below line 24, by inserting the following:

"Section 10. The Wireless Emergency Telephone Safety Act is amended by changing Sections 15, 17, 25, 35, and 70 as follows:

(50 ILCS 751/15)

(Section scheduled to be repealed on April 1, 2008)

Sec. 15. Wireless emergency 9-1-1 service. The digits "9-1-1" shall be the designated emergency telephone number within the wireless system.

(a) Standards. The Illinois Commerce Commission may set non-discriminatory, uniform technical and operational standards consistent with the rules of the Federal Communications Commission for directing calls to authorized public safety answering points. These standards shall not in any way prescribe the technology or manner a wireless carrier shall use to deliver wireless 9-1-1 or wireless E9-1-1 calls and these standards shall not exceed the requirements set by the Federal Communications Commission. However, standards for directing calls to the authorized public safety answering point shall be included. The authority given to the Illinois Commerce Commission in this Section is limited to setting standards as set forth herein and does not constitute authority to regulate wireless carriers.

(b) Wireless public safety answering points. For the purpose of providing wireless 9-1-1 emergency services, an emergency telephone system board or, in the absence of an emergency telephone system board, a qualified governmental entity may declare its intention for one or more of its public safety answering points to serve as a primary wireless 9-1-1 public safety answering point for its jurisdiction by notifying the Chief Clerk of the Illinois Commerce Commission and the Director of State Police in writing within 6 months after the effective date of this Act or within 6 months after receiving its authority to operate a 9-1-1 system under the Emergency Telephone System Act, whichever is later. In addition, 2 or more emergency telephone system boards or qualified units of local government may, by virtue of an intergovernmental agreement, provide wireless 9-1-1 service. The Department of State Police shall be the primary wireless 9-1-1 public safety answering point for any jurisdiction not providing notice to the Commission and the Department of State Police. Nothing in this Act shall require the provision of wireless enhanced 9-1-1 services.

The Illinois Commerce Commission, upon a ~~joint~~ request from ~~the Department of State Police and~~ a qualified governmental entity or an emergency telephone system board, may grant authority to the emergency telephone system board or a qualified governmental entity to provide wireless 9-1-1 service in areas for which the Department of State Police has accepted wireless 9-1-1 responsibility. The Illinois Commerce Commission shall maintain a current list of all 9-1-1 systems and qualified governmental entities providing wireless 9-1-1 service under this Act.

Any emergency telephone system board or qualified governmental entity providing wireless 9-1-1 service prior to the effective date of this Act may continue to operate upon notification as previously described in this Section. An emergency telephone system board or a qualified governmental entity shall

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submit, with its notification, the date upon which it commenced operating.

(c) Wireless Enhanced 9-1-1 Board. The Wireless Enhanced 9-1-1 Board is created. The Board consists of 7 members appointed by the Governor with the advice and consent of the Senate. It is recommended that the Governor appoint members from the following: the Illinois Chapter of the National Emergency Numbers Association, the Illinois State Police, law enforcement agencies, the wireless telecommunications industry, an emergency telephone system board in Cook County (outside the City of Chicago), an emergency telephone system board in the Metro-east area, and an emergency telephone system board in the collar counties (Lake, McHenry, DuPage, Kane, and Will counties). Members of the Board may not receive any compensation but may, however, be reimbursed for any necessary expenditure in connection with their duties.

Except as provided in Section 45, the Wireless Enhanced 9-1-1 Board shall set the amount of the monthly wireless surcharge required to be imposed under Section 17 on all wireless subscribers in this State. Prior to the Wireless Enhanced 9-1-1 Board setting any surcharge, the Board shall publish the proposed surcharge in the Illinois Register, hold hearings on the surcharge and the requirements for an efficient wireless emergency number system, and elicit public comment. The Board shall determine the minimum cost necessary for implementation of this system and the amount of revenue produced based upon the number of wireless telephones in use. The Board shall set the surcharge at the minimum amount necessary to achieve the goals of the Act and shall, by July 1, 2000, file this information with the Governor, the Clerk of the House, and the Secretary of the Senate. The surcharge may not be more than \$0.75 per month per CMRS connection.

The Wireless Enhanced 9-1-1 Board shall report to the General Assembly by July 1, 2000 on implementing wireless non-emergency services for the purpose of public safety using the digits 3-1-1. The Board shall consider the delivery of 3-1-1 services in a 6 county area, including rural Cook County (outside of the City of Chicago), and DuPage, Lake, McHenry, Will, and Kane Counties, as well as counties outside of this area by an emergency telephone system board, a qualified governmental entity, or private industry. The Board, upon completion of all its duties required under this Act, is dissolved.

(Source: P.A. 91-660, eff. 12-22-99.)

(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. Prior to the effective date of this amendatory Act of the 95th General Assembly, the surcharge amount shall be the amount set by the Wireless Enhanced 9-1-1 Board. Beginning on the effective date of this amendatory Act of the 95th General Assembly, the monthly surcharge imposed under this Section shall be \$0.73 per CMRS connection. 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 prior to the effective date of this amendatory Act of the 95th General Assembly, and for surcharges imposed before the effective date of this amendatory Act of the 95th General Assembly but remitted after its effective date, the State Treasurer shall deposit one-third into the Wireless Carrier Reimbursement Fund and two-thirds into the Wireless Service Emergency Fund. For surcharges collected and remitted on or after the effective date of this amendatory Act of the 95th General Assembly, \$0.1475 per surcharge collected shall be deposited into the Wireless Carrier Reimbursement Fund, and \$0.5825 per surcharge collected

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shall be deposited into the Wireless Service Emergency Fund. Of the amounts deposited into the Wireless Carrier Reimbursement Fund under this subsection, \$0.01 per surcharge collected may be distributed to the carriers to cover their administrative costs. Of the amounts deposited into the Wireless Service Emergency Fund under this subsection, \$0.01 per surcharge collected may be disbursed to the Illinois Commerce Commission to cover its administrative costs.

(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 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.

(d) Notwithstanding any provision of law to the contrary, nothing shall impair the right of wireless carriers to recover compliance costs for all emergency communications services directly from their customers via line-item charges on the customer's bill. Those compliance costs include all costs incurred by wireless carriers in complying with local, State, and federal regulatory or legislative mandates that require the transmission and receipt of emergency communications to and from the general public, including, but not limited to, E-911.

(e) The Auditor General shall conduct, on an annual basis, an audit of the Wireless Service Emergency Fund and the Wireless Carrier Reimbursement Fund for compliance with the requirements of this Act. The audit shall include, but not be limited to, the following determinations:

(1) Whether the Commission is maintaining detailed records of all receipts and disbursements from the Wireless Carrier Emergency Fund and the Wireless Carrier Reimbursement Fund.

(2) Whether the Commission's administrative costs charged to the funds are adequately documented and are reasonable.

(3) Whether the Commission's procedures for making grants and providing reimbursements in accordance with the Act are adequate.

(4) The status of the implementation of wireless 9-1-1 and E9-1-1 services in Illinois.

The Commission, the Department of State Police, and any other entity or person that may have information relevant to the audit shall cooperate fully and promptly with the Office of the Auditor General in conducting the audit. The Auditor General shall commence the audit as soon as possible and distribute the report upon completion in accordance with Section 3-14 of the Illinois State Auditing Act. (Source: P.A. 92-526, eff. 7-1-02; 93-507, eff. 1-1-04; 93-839, eff. 7-30-04.)

(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 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 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 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 with a valid copy of the appropriate Master Street Address Guide. The Illinois Commerce Commission 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, the recipient, upon notification from the Illinois Commerce Commission, shall redirect the funds to the correct jurisdiction. The Illinois Commerce Commission 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 shall resolve the dispute.

The Illinois Commerce Commission 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 shall adopt rules to govern the grant process.

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The Illinois Commerce Commission may also use moneys in the Wireless Service Emergency Fund to make grants to the Illinois National Emergency Number Association for the purpose of conducting a study to determine the future technological and financial needs of the wireless 9-1-1 systems. The study shall include input from the telecommunications industry and the public safety community.

(Source: P.A. 93-839, eff. 7-30-04.)

(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. 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% 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.

If in any month the total amount of invoices submitted to the Illinois Commerce Commission 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 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 shall adopt rules to govern the reimbursement process.

Upon the effective date of this amendatory Act of the 95th General Assembly, or as soon thereafter as practical, the State Comptroller shall order transferred and the State Treasurer shall transfer the sum of \$8,000,000 from the Wireless Carrier Reimbursement Fund to the Wireless Service Emergency Fund. That amount shall be used by the Illinois Commerce Commission to make grants in the manner described in Section 25 of this Act.

(Source: P.A. 93-507, eff. 1-1-04; 93-839, eff. 7-30-04.)

(50 ILCS 751/70)

(Section scheduled to be repealed on April 1, 2008)

Sec. 70. Repealer. This Act is repealed on April 1, 2013 ~~2008~~.

(Source: P.A. 93-507, eff. 1-1-04.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Haine offered the following amendment and moved its adoption:

#### **AMENDMENT NO. 3 TO HOUSE BILL 828**

AMENDMENT NO. 3. Amend House Bill 828, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 2, on page 11, by replacing lines 3 through 9 with the following:

"The Illinois Commerce Commission may also use moneys in the Wireless Service Emergency Fund for the purpose of conducting a study to determine the future technological and financial needs of the wireless 9-1-1 systems. A study shall include input from the telecommunications industry, the Illinois National Emergency Number Association, and the public safety community."

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Haine offered the following amendment and moved its adoption:

#### **AMENDMENT NO. 4 TO HOUSE BILL 828**

AMENDMENT NO. 4. Amend House Bill 828 by replacing everything after the enacting clause

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with the following:

"Section 5. The Emergency Telephone System Act is amended by changing Sections 15.3 and 15.4 as follows:

(50 ILCS 750/15.3) (from Ch. 134, par. 45.3)

Sec. 15.3. Surcharge.

(a) The corporate authorities of any municipality or any county may, subject to the limitations of subsections (c), (d), and (h), and in addition to any tax levied pursuant to the Simplified Municipal Telecommunications Tax Act, impose a monthly surcharge on billed subscribers of network connection provided by telecommunication carriers engaged in the business of transmitting messages by means of electricity originating within the corporate limits of the municipality or county imposing the surcharge at a rate per network connection determined in accordance with subsection (c). Provided, however, that where multiple voice grade communications channels are connected between the subscriber's premises and a public switched network through private branch exchange (PBX) or centrex type service, a municipality imposing a surcharge at a rate per network connection, as determined in accordance with this Act, shall impose 5 such surcharges per network connection, as determined in accordance with subsections (a) and (d) of Section 2.12 of this Act. For mobile telecommunications services, if a surcharge is imposed it 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. A municipality may enter into an intergovernmental agreement with any county in which it is partially located, when the county has adopted an ordinance to impose a surcharge as provided in subsection (c), to include that portion of the municipality lying outside the county in that county's surcharge referendum. If the county's surcharge referendum is approved, the portion of the municipality identified in the intergovernmental agreement shall automatically be disconnected from the county in which it lies and connected to the county which approved the referendum for purposes of a surcharge on telecommunications carriers.

(b) For purposes of computing the surcharge imposed by subsection (a), the network connections to which the surcharge shall apply shall be those in-service network connections, other than those network connections assigned to the municipality or county, where the service address for each such network connection or connections is located within the corporate limits of the municipality or county levying the surcharge. Except for mobile telecommunication services, the "service address" shall mean the location of the primary use of the network connection or connections. For mobile telecommunication services, "service address" means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. With respect to network connections provided for use with pay telephone services for which there is no billed subscriber, the telecommunications carrier providing the network connection shall be deemed to be its own billed subscriber for purposes of applying the surcharge.

(c) Upon the passage of an ordinance to impose a surcharge under this Section the clerk of the municipality or county shall certify the question of whether the surcharge may be imposed to the proper election authority who shall submit the public question to the electors of the municipality or county in accordance with the general election law; provided that such question shall not be submitted at a consolidated primary election. The public question shall be in substantially the following form:

-----  
 Shall the county (or city, village  
 or incorporated town) of ..... impose        YES  
 a surcharge of up to ...¢ per month per  
 network connection, which surcharge will  
 be added to the monthly bill you receive -----  
 for telephone or telecommunications  
 charges, for the purpose of installing  
 (or improving) a 9-1-1 Emergency        NO  
 Telephone System?  
 -----

If a majority of the votes cast upon the public question are in favor thereof, the surcharge shall be imposed.

However, if a Joint Emergency Telephone System Board is to be created pursuant to an intergovernmental agreement under Section 15.4, the ordinance to impose the surcharge shall be subject to the approval of a majority of the total number of votes cast upon the public question by the electors of all of the municipalities or counties, or combination thereof, that are parties to the intergovernmental

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agreement.

The referendum requirement of this subsection (c) shall not apply to any municipality with a population over 500,000 or to any county in which a proposition as to whether a sophisticated 9-1-1 Emergency Telephone System should be installed in the county, at a cost not to exceed a specified monthly amount per network connection, has previously been approved by a majority of the electors of the county voting on the proposition at an election conducted before the effective date of this amendatory Act of 1987.

(d) A county may not impose a surcharge, unless requested by a municipality, in any incorporated area which has previously approved a surcharge as provided in subsection (c) or in any incorporated area where the corporate authorities of the municipality have previously entered into a binding contract or letter of intent with a telecommunications carrier to provide sophisticated 9-1-1 service through municipal funds.

(e) A municipality or county may at any time by ordinance change the rate of the surcharge imposed under this Section if the new rate does not exceed the rate specified in the referendum held pursuant to subsection (c).

(f) The surcharge authorized by this Section shall be collected from the subscriber by the telecommunications carrier providing the subscriber the network connection as a separately stated item on the subscriber's bill.

(g) The amount of surcharge collected by the telecommunications carrier shall be paid to the particular municipality or county or Joint Emergency Telephone System Board not later than 30 days after the surcharge is collected, net of any network or other 9-1-1 or sophisticated 9-1-1 system charges then due the particular telecommunications carrier, as shown on an itemized bill. The telecommunications carrier collecting the surcharge shall also be entitled to deduct 3% of the gross amount of surcharge collected to reimburse the telecommunications carrier for the expense of accounting and collecting the surcharge.

(h) Except as expressly provided in subsection (a) of this Section, a municipality with a population over 500,000 may not impose a monthly surcharge in excess of ~~\$2.50~~ ~~\$1.25~~ per network connection.

(i) Any municipality or county or joint emergency telephone system board that has imposed a surcharge pursuant to this Section prior to the effective date of this amendatory Act of 1990 shall hereafter impose the surcharge in accordance with subsection (b) of this Section.

(j) The corporate authorities of any municipality or county may issue, in accordance with Illinois law, bonds, notes or other obligations secured in whole or in part by the proceeds of the surcharge described in this Section. Notwithstanding any change in law subsequent to the issuance of any bonds, notes or other obligations secured by the surcharge, every municipality or county issuing such bonds, notes or other obligations shall be authorized to impose the surcharge as though the laws relating to the imposition of the surcharge in effect at the time of issuance of the bonds, notes or other obligations were in full force and effect until the bonds, notes or other obligations are paid in full. The State of Illinois pledges and agrees that it will not limit or alter the rights and powers vested in municipalities and counties by this Section to impose the surcharge so as to impair the terms of or affect the security for bonds, notes or other obligations secured in whole or in part with the proceeds of the surcharge described in this Section.

(k) Any surcharge collected by or imposed on a telecommunications carrier pursuant to this Section shall be held to be a special fund in trust for the municipality, county or Joint Emergency Telephone Board imposing the surcharge. Except for the 3% deduction provided in subsection (g) above, the special fund shall not be subject to the claims of creditors of the telecommunication carrier.

(Source: P.A. 92-474, eff. 8-1-02; 92-526, eff. 1-1-03; 92-557, eff. 1-1-03; revised 10-2-02.)

(50 ILCS 750/15.4) (from Ch. 134, par. 45.4)

Sec. 15.4. Emergency Telephone System Board; powers.

(a) The corporate authorities of any county or municipality that imposes a surcharge under Section 15.3 shall establish an Emergency Telephone System Board. The corporate authorities shall provide for the manner of appointment and the number of members of the Board, provided that the board shall consist of not fewer than 5 members, one of whom must be a public member who is a resident of the local exchange service territory included in the 9-1-1 coverage area, one of whom (in counties with a population less than 100,000) must be a member of the county board, and at least 3 of whom shall be representative of the 9-1-1 public safety agencies, including but not limited to police departments, fire departments, emergency medical services providers, and emergency services and disaster agencies, and appointed on the basis of their ability or experience. Elected officials are also eligible to serve on the board. Members of the board shall serve without compensation but shall be reimbursed for their actual and necessary expenses. Any 2 or more municipalities, counties, or combination thereof, that impose a surcharge under Section 15.3 may, instead of establishing individual boards, establish by

intergovernmental agreement a Joint Emergency Telephone System Board pursuant to this Section. The manner of appointment of such a joint board shall be prescribed in the agreement.

(b) The powers and duties of the board shall be defined by ordinance of the municipality or county, or by intergovernmental agreement in the case of a joint board. The powers and duties shall include, but need not be limited to the following:

- (1) Planning a 9-1-1 system.
- (2) Coordinating and supervising the implementation, upgrading, or maintenance of the system, including the establishment of equipment specifications and coding systems.
- (3) Receiving monies from the surcharge imposed under Section 15.3, and from any other source, for deposit into the Emergency Telephone System Fund.
- (4) Authorizing all disbursements from the fund.
- (5) Hiring any staff necessary for the implementation or upgrade of the system.

(c) All monies received by a board pursuant to a surcharge imposed under Section 15.3 shall be deposited into a separate interest-bearing Emergency Telephone System Fund account. The treasurer of the municipality or county that has established the board or, in the case of a joint board, any municipal or county treasurer designated in the intergovernmental agreement, shall be custodian of the fund. All interest accruing on the fund shall remain in the fund. No expenditures may be made from such fund except upon the direction of the board by resolution passed by a majority of all members of the board. Expenditures may be made only to pay for the costs associated with the following:

- (1) The design of the Emergency Telephone System.
- (2) The coding of an initial Master Street Address Guide data base, and update and maintenance thereof.
- (3) The repayment of any monies advanced for the implementation of the system.
- (4) The charges for Automatic Number Identification and Automatic Location Identification equipment, a computer aided dispatch system that records, maintains, and integrates information, mobile data transmitters equipped with automatic vehicle locators, and maintenance, replacement and update thereof to increase operational efficiency and improve the provision of emergency services.
- (5) The non-recurring charges related to installation of the Emergency Telephone System and the ongoing network charges.
- (6) The acquisition and installation, or the reimbursement of costs therefor to other governmental bodies that have incurred those costs, of road or street signs that are essential to the implementation of the emergency telephone system and that are not duplicative of signs that are the responsibility of the jurisdiction charged with maintaining road and street signs.
- (7) Other products and services necessary for the implementation, upgrade, and maintenance of the system and any other purpose related to the operation of the system, including costs attributable directly to the construction, leasing, or maintenance of any buildings or facilities or costs of personnel attributable directly to the operation of the system. Costs attributable directly to the operation of an emergency telephone system do not include the costs of public safety agency personnel who are and equipment that is dispatched in response to an emergency call.

(8) In the case of a municipality that imposes a surcharge under subsection (h) of Section 15.3, moneys may also be used for any anti-terrorism or emergency preparedness measures, including, but not limited to, preparedness planning, providing local matching funds for federal or State grants, personnel training, and specialized equipment, including surveillance cameras as needed to deal with natural and terrorist-inspired emergency situations or events.

(d) The board shall complete the data base before implementation of the 9-1-1 system. The error ratio of the data base shall not at any time exceed 1% of the total data base.

(Source: P.A. 92-202, eff. 1-1-02.)

Section 10. The Wireless Emergency Telephone Safety Act is amended by changing Sections 15, 17, 25, 35, 45, and 70 as follows:

(50 ILCS 751/15)

(Section scheduled to be repealed on April 1, 2008)

Sec. 15. Wireless emergency 9-1-1 service. The digits "9-1-1" shall be the designated emergency telephone number within the wireless system.

(a) Standards. The Illinois Commerce Commission may set non-discriminatory, uniform technical and operational standards consistent with the rules of the Federal Communications Commission for directing calls to authorized public safety answering points. These standards shall not in any way prescribe the technology or manner a wireless carrier shall use to deliver wireless 9-1-1 or wireless E9-1-1 calls and

these standards shall not exceed the requirements set by the Federal Communications Commission. However, standards for directing calls to the authorized public safety answering point shall be included. The authority given to the Illinois Commerce Commission in this Section is limited to setting standards as set forth herein and does not constitute authority to regulate wireless carriers.

(b) Wireless public safety answering points. For the purpose of providing wireless 9-1-1 emergency services, an emergency telephone system board or, in the absence of an emergency telephone system board, a qualified governmental entity may declare its intention for one or more of its public safety answering points to serve as a primary wireless 9-1-1 public safety answering point for its jurisdiction by notifying the Chief Clerk of the Illinois Commerce Commission and the Director of State Police in writing within 6 months after the effective date of this Act or within 6 months after receiving its authority to operate a 9-1-1 system under the Emergency Telephone System Act, whichever is later. In addition, 2 or more emergency telephone system boards or qualified units of local government may, by virtue of an intergovernmental agreement, provide wireless 9-1-1 service. The Department of State Police shall be the primary wireless 9-1-1 public safety answering point for any jurisdiction not providing notice to the Commission and the Department of State Police. Nothing in this Act shall require the provision of wireless enhanced 9-1-1 services.

The Illinois Commerce Commission, upon a ~~joint~~ request from ~~the Department of State Police and~~ a qualified governmental entity or an emergency telephone system board, may grant authority to the emergency telephone system board or a qualified governmental entity to provide wireless 9-1-1 service in areas for which the Department of State Police has accepted wireless 9-1-1 responsibility. The Illinois Commerce Commission shall maintain a current list of all 9-1-1 systems and qualified governmental entities providing wireless 9-1-1 service under this Act.

Any emergency telephone system board or qualified governmental entity providing wireless 9-1-1 service prior to the effective date of this Act may continue to operate upon notification as previously described in this Section. An emergency telephone system board or a qualified governmental entity shall submit, with its notification, the date upon which it commenced operating.

(c) Wireless Enhanced 9-1-1 Board. The Wireless Enhanced 9-1-1 Board is created. The Board consists of 7 members appointed by the Governor with the advice and consent of the Senate. It is recommended that the Governor appoint members from the following: the Illinois Chapter of the National Emergency Numbers Association, the Illinois State Police, law enforcement agencies, the wireless telecommunications industry, an emergency telephone system board in Cook County (outside the City of Chicago), an emergency telephone system board in the Metro-east area, and an emergency telephone system board in the collar counties (Lake, McHenry, DuPage, Kane, and Will counties). Members of the Board may not receive any compensation but may, however, be reimbursed for any necessary expenditure in connection with their duties.

Except as provided in Section 45, the Wireless Enhanced 9-1-1 Board shall set the amount of the monthly wireless surcharge required to be imposed under Section 17 on all wireless subscribers in this State. Prior to the Wireless Enhanced 9-1-1 Board setting any surcharge, the Board shall publish the proposed surcharge in the Illinois Register, hold hearings on the surcharge and the requirements for an efficient wireless emergency number system, and elicit public comment. The Board shall determine the minimum cost necessary for implementation of this system and the amount of revenue produced based upon the number of wireless telephones in use. The Board shall set the surcharge at the minimum amount necessary to achieve the goals of the Act and shall, by July 1, 2000, file this information with the Governor, the Clerk of the House, and the Secretary of the Senate. The surcharge may not be more than \$0.75 per month per CMRS connection.

The Wireless Enhanced 9-1-1 Board shall report to the General Assembly by July 1, 2000 on implementing wireless non-emergency services for the purpose of public safety using the digits 3-1-1. The Board shall consider the delivery of 3-1-1 services in a 6 county area, including rural Cook County (outside of the City of Chicago), and DuPage, Lake, McHenry, Will, and Kane Counties, as well as counties outside of this area by an emergency telephone system board, a qualified governmental entity, or private industry. The Board, upon completion of all its duties required under this Act, is dissolved.

(Source: P.A. 91-660, eff. 12-22-99.)

(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. Prior to the effective date of this amendatory Act of the 95th General Assembly, the surcharge amount shall be the amount set by the Wireless Enhanced 9-1-1 Board. Beginning on the effective date of this amendatory Act of the 95th General Assembly, the monthly surcharge imposed under this Section shall be \$0.73 per CMRS connection. 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 prior to the effective date of this amendatory Act of the 95th General Assembly, and for surcharges imposed before the effective date of this amendatory Act of the 95th General Assembly but remitted after its effective date, the State Treasurer shall deposit one-third into the Wireless Carrier Reimbursement Fund and two-thirds into the Wireless Service Emergency Fund. For surcharges collected and remitted on or after the effective date of this amendatory Act of the 95th General Assembly, \$0.1475 per surcharge collected shall be deposited into the Wireless Carrier Reimbursement Fund, and \$0.5825 per surcharge collected shall be deposited into the Wireless Service Emergency Fund. Of the amounts deposited into the Wireless Carrier Reimbursement Fund under this subsection, \$0.01 per surcharge collected may be distributed to the carriers to cover their administrative costs. Of the amounts deposited into the Wireless Service Emergency Fund under this subsection, \$0.01 per surcharge collected may be disbursed to the Illinois Commerce Commission to cover its administrative costs.

(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 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.

(d) Notwithstanding any provision of law to the contrary, nothing shall impair the right of wireless carriers to recover compliance costs for all emergency communications services directly from their customers via line-item charges on the customer's bill. Those compliance costs include all costs incurred by wireless carriers in complying with local, State, and federal regulatory or legislative mandates that require the transmission and receipt of emergency communications to and from the general public, including, but not limited to, E-911.

(e) The Auditor General shall conduct, on an annual basis, an audit of the Wireless Service Emergency Fund and the Wireless Carrier Reimbursement Fund for compliance with the requirements of this Act. The audit shall include, but not be limited to, the following determinations:

(1) Whether the Commission is maintaining detailed records of all receipts and disbursements from the Wireless Carrier Emergency Fund and the Wireless Carrier Reimbursement Fund.

(2) Whether the Commission's administrative costs charged to the funds are adequately documented and are reasonable.

(3) Whether the Commission's procedures for making grants and providing reimbursements in accordance with the Act are adequate.

(4) The status of the implementation of wireless 9-1-1 and E9-1-1 services in Illinois.

The Commission, the Department of State Police, and any other entity or person that may have information relevant to the audit shall cooperate fully and promptly with the Office of the Auditor General in conducting the audit. The Auditor General shall commence the audit as soon as possible and distribute the report upon completion in accordance with Section 3-14 of the Illinois State Auditing Act. (Source: P.A. 92-526, eff. 7-1-02; 93-507, eff. 1-1-04; 93-839, eff. 7-30-04.)

(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

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date of this Act, wireless carriers shall submit to the Illinois Commerce Commission 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 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 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 with a valid copy of the appropriate Master Street Address Guide. The Illinois Commerce Commission 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, the recipient, upon notification from the Illinois Commerce Commission, shall redirect the funds to the correct jurisdiction. The Illinois Commerce Commission 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 shall resolve the dispute.

The Illinois Commerce Commission 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 shall adopt rules to govern the grant process.

The Illinois Commerce Commission may also use moneys in the Wireless Service Emergency Fund for the purpose of conducting a study to determine the future technological and financial needs of the wireless 9-1-1 systems. A study shall include input from the telecommunications industry, the Illinois National Emergency Number Association, and the public safety community.

(Source: P.A. 93-839, eff. 7-30-04.)

(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. 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% 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.

If in any month the total amount of invoices submitted to the Illinois Commerce Commission 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 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 shall adopt rules to govern the reimbursement process.

Upon the effective date of this amendatory Act of the 95th General Assembly, or as soon thereafter as practical, the State Comptroller shall order transferred and the State Treasurer shall transfer the sum of \$8,000,000 from the Wireless Carrier Reimbursement Fund to the Wireless Service Emergency Fund. That amount shall be used by the Illinois Commerce Commission to make grants in the manner described in Section 25 of this Act.

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(Source: P.A. 93-507, eff. 1-1-04; 93-839, eff. 7-30-04.)

(50 ILCS 751/45)

(Section scheduled to be repealed on April 1, 2008)

Sec. 45. Continuation of current practices. Notwithstanding any other provision of this Act, a unit of local government or emergency telephone system board providing wireless 9-1-1 service and imposing and collecting a wireless carrier surcharge prior to July 1, 1998 may continue its practices of imposing and collecting its wireless carrier surcharge, but in no event shall that monthly surcharge exceed ~~\$2.50~~ ~~\$1.25~~ per commercial mobile radio service (CMRS) connection or in-service telephone number billed on a monthly basis. For mobile telecommunications services provided on and after August 1, 2002, any surcharge imposed 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.

In addition to any other lawful purpose, a municipality with a population over 500,000 may use the moneys collected under this Section for any anti-terrorism or emergency preparedness measures, including, but not limited to, preparedness planning, providing local matching funds for federal or State grants, personnel training, and specialized equipment, including surveillance cameras as needed to deal with natural and terrorist-inspired emergency situations or events.

(Source: P.A. 91-660, eff. 12-22-99; 92-526, eff. 7-1-02.)"

(50 ILCS 751/70)

(Section scheduled to be repealed on April 1, 2008)

Sec. 70. Repealer. This Act is repealed on April 1, ~~2013~~ ~~2008~~.

(Source: P.A. 93-507, eff. 1-1-04.)

Section 15. The Public Utilities Act is amended by changing Section 13-203 as follows:

(220 ILCS 5/13-203) (from Ch. 111 2/3, par. 13-203)

(Section scheduled to be repealed on July 1, 2007)

Sec. 13-203. Telecommunications service.

"Telecommunications service" means the provision or offering for rent, sale or lease, or in exchange for other value received, of the transmittal of information, by means of electromagnetic, including light, transmission with or without benefit of any closed transmission medium, including all instrumentalities, facilities, apparatus, and services (including the collection, storage, forwarding, switching, and delivery of such information) used to provide such transmission and also includes access and interconnection arrangements and services.

"Telecommunications service" does not include, however:

(a) the rent, sale, or lease, or exchange for other value received, of customer premises equipment except for customer premises equipment owned or provided by a telecommunications carrier and used for answering 911 calls, and except for customer premises equipment provided under Section 13-703;

(b) telephone or telecommunications answering services, paging services, and physical pickup and delivery incidental to the provision of information transmitted through electromagnetic, including light, transmission; or

(c) community antenna television service which is operated to perform for hire the service of receiving and distributing video and audio program signals by wire, cable or other means to members of the public who subscribe to such service, to the extent that such service is utilized solely for the one-way distribution of such entertainment services with no more than incidental subscriber interaction required for the selection of such entertainment service.

For the purposes of this Act only, "telecommunications service" does not include public mobile service, as defined under Section 13-214 of this Act, or commercial mobile service, as defined under 47 U.S.C. 332.

The Commission may, by rulemaking, exclude (1) private line service which is not directly or indirectly used for the origination or termination of switched telecommunications service, (2) cellular radio service, (3) high-speed point-to-point data transmission at or above 9.6 kilobits, or (4) the provision of telecommunications service by a company or person otherwise subject to Section 13-202 (c) to a telecommunications carrier, which is incidental to the provision of service subject to Section 13-202 (c), from active regulatory oversight to the extent it finds, after notice, hearing and comment that such exclusion is consistent with the public interest and the purposes and policies of this Article. To the extent that the Commission has excluded cellular radio service from active regulatory oversight for any provider of cellular radio service in this State pursuant to this Section, the Commission shall exclude all other providers of cellular radio service in the State from active regulatory oversight without an additional rulemaking proceeding where there are 2 or more certified providers of cellular radio service

in a geographic area.

(Source: P.A. 90-185, eff. 7-23-97.)".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

### READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Haine, **House Bill No. 828**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

Yeas 56; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Ronen
Bomke	Frerichs	Link	Rutherford
Bond	Garrett	Luechtefeld	Schoenberg
Brady	Haine	Maloney	Sieben
Burzynski	Halvorson	Martinez	Silverstein
Clayborne	Harmon	Millner	Sullivan
Collins	Hendon	Munoz	Syverson
Cronin	Holmes	Murphy	Trotter
Crotty	Hultgren	Noland	Viverito
Cullerton	Hunter	Pankau	Watson
Dahl	Jacobs	Peterson	Wilhelmi
DeLeo	Jones, J.	Radogno	
Delgado	Koehler	Raoul	
Demuzio	Kotowski	Righter	
Dillard	Lauzen	Risinger	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

### HOUSE BILL RECALLED

On motion of Senator Clayborne, **House Bill No. 1292** was recalled from the order of third reading to the order of second reading.

Senator Clayborne offered the following amendment and moved its adoption:

#### AMENDMENT NO. 2 TO HOUSE BILL 1292

AMENDMENT NO. 2. Amend House Bill 1292, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 1, line 4, after "amended", by inserting "by changing Section 13-1200 and"; and

on page 1, immediately below line 5, by inserting the following:

"(220 ILCS 5/13-1200)

(Section scheduled to be repealed on July 1, 2007)

Sec. 13-1200. Repealer. This Article is repealed July 1, 2009 ~~2007~~.

(Source: P.A. 94-76, eff. 6-24-05.)".

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The motion prevailed.

And the amendment was adopted and ordered printed.

Senate Floor Amendment No. 3 was held in the Committee on Rules.

There being no further amendments, the bill, as amended, was ordered to a third reading.

### READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Clayborne, **House Bill No. 1292**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

Yeas 49; Nays 6.

The following voted in the affirmative:

Althoff	Haine	Maloney	Sandoval
Bomke	Halvorson	Martinez	Schoenberg
Bond	Harmon	Meeks	Sieben
Clayborne	Hendon	Millner	Silverstein
Collins	Holmes	Munoz	Sullivan
Cronin	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito
DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Lauzen	Risinger	
Forby	Lightford	Ronen	
Frerichs	Link	Rutherford	

The following voted in the negative:

Brady	Cullerton	Hultgren
Burzynski	Garrett	Murphy

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

### HOUSE BILL RECALLED

On motion of Senator Link, **House Bill No. 1685** was recalled from the order of third reading to the order of second reading.

Senator Link offered the following amendment and moved its adoption:

#### AMENDMENT NO. 1 TO HOUSE BILL 1685

AMENDMENT NO. 1. Amend House Bill 1685 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Agreement Among the States to Elect the President by National Popular Vote Act.

Section 5. Ratification and approval of compact. The State of Illinois ratifies and approves the following compact:

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## "Agreement Among the States to Elect the President by National Popular Vote

### Article I-Membership

Any State of the United States and the District of Columbia may become a member of this agreement by enacting this agreement.

### Article II-Right of the People in Member States to Vote for President and Vice President

Each member state shall conduct a statewide popular election for President and Vice President of the United States.

### Article III-Manner of Appointing Presidential Electors in Member States

Prior to the time set by law for the meeting and voting by the presidential electors, the chief election official of each member state shall determine the number of votes for each presidential slate in each State of the United States and in the District of Columbia in which votes have been cast in a statewide popular election and shall add such votes together to produce a "national popular vote total" for each presidential slate.

The chief election official of each member state shall designate the presidential slate with the largest national popular vote total as the "national popular vote winner."

The presidential elector certifying official of each member state shall certify the appointment in that official's own state of the elector slate nominated in that state in association with the national popular vote winner.

At least six days before the day fixed by law for the meeting and voting by the presidential electors, each member state shall make a final determination of the number of popular votes cast in the state for each presidential slate and shall communicate an official statement of such determination within 24 hours to the chief election official of each other member state.

The chief election official of each member state shall treat as conclusive an official statement containing the number of popular votes in a state for each presidential slate made by the day established by federal law for making a state's final determination conclusive as to the counting of electoral votes by Congress.

In event of a tie for the national popular vote winner, the presidential elector certifying official of each member state shall certify the appointment of the elector slate nominated in association with the presidential slate receiving the largest number of popular votes within that official's own state.

If, for any reason, the number of presidential electors nominated in a member state in association with the national popular vote winner is less than or greater than that state's number of electoral votes, the presidential candidate on the presidential slate that has been designated as the national popular vote winner shall have the power to nominate the presidential electors for that state and that state's presidential elector certifying official shall certify the appointment of such nominees.

The chief election official of each member state shall immediately release to the public all vote counts or statements of votes as they are determined or obtained.

This article shall govern the appointment of presidential electors in each member state in any year in which this agreement is, on July 20, in effect in states cumulatively possessing a majority of the electoral votes.

### Article IV-Other Provisions

This agreement shall take effect when states cumulatively possessing a majority of the electoral votes have enacted this agreement in substantially the same form and the enactments by such states have taken effect in each state.

Any member state may withdraw from this agreement, except that a withdrawal occurring six months or less before the end of a President's term shall not become effective until a President or Vice President shall have been qualified to serve the next term.

The chief executive of each member state shall promptly notify the chief executive of all other states of when this agreement has been enacted and has taken effect in that official's state, when the state has withdrawn from this agreement, and when this agreement takes effect generally.

This agreement shall terminate if the electoral college is abolished.

If any provision of this agreement is held invalid, the remaining provisions shall not be affected.

### Article V-Definitions

For purposes of this agreement, "chief executive" shall mean the Governor of a State of the United States or the Mayor of the District of Columbia;

"elector slate" shall mean a slate of candidates who have been nominated in a state for the position of

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presidential elector in association with a presidential slate;

"chief election official" shall mean the state official or body that is authorized to certify the total number of popular votes for each presidential slate;

"presidential elector" shall mean an elector for President and Vice President of the United States;

"presidential elector certifying official" shall mean the state official or body that is authorized to certify the appointment of the state's presidential electors;

"presidential slate" shall mean a slate of two persons, the first of whom has been nominated as a candidate for President of the United States and the second of whom has been nominated as a candidate for Vice President of the United States, or any legal successors to such persons, regardless of whether both names appear on the ballot presented to the voter in a particular state;

"state" shall mean a State of the United States and the District of Columbia; and

"statewide popular election" shall mean a general election in which votes are cast for presidential slates by individual voters and counted on a statewide basis."

Section 10. Enforcement. The agencies and officers of this State and its subdivisions shall enforce this compact and do all things appropriate to effect its purpose and intent that may be within their respective jurisdictions."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

#### READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Link, **House Bill No. 1685**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

Yeas 37; Nays 22.

The following voted in the affirmative:

Bond	Forby	Kotowski	Silverstein
Brady	Frerichs	Lightford	Sullivan
Clayborne	Garrett	Link	Trotter
Collins	Haine	Maloney	Viverito
Crotty	Halvorson	Martinez	Watson
Cullerton	Harmon	Meeks	Wilhelmi
DeLeo	Hendon	Munoz	Mr. President
Delgado	Holmes	Noland	
Demuzio	Hunter	Raoul	
Dillard	Koehler	Sandoval	

The following voted in the negative:

Althoff	Jacobs	Pankau	Rutherford
Bomke	Jones, J.	Peterson	Schoenberg
Burzynski	Lauzen	Radogno	Sieben
Cronin	Luechtefeld	Righter	Syverson
Dahl	Millner	Risinger	
Hultgren	Murphy	Ronen	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

[May 31, 2007]

**CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON  
SECRETARY'S DESK**

On motion of Senator Harmon, **Senate Bill No. 15**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

The following voted in the affirmative:

Althoff	Forby	Luechtefeld	Rutherford
Bomke	Frerichs	Maloney	Sandoval
Bond	Garrett	Martinez	Schoenberg
Brady	Haine	Meeks	Sieben
Burzynski	Halvorson	Millner	Silverstein
Clayborne	Harmon	Munoz	Sullivan
Collins	Holmes	Murphy	Syverson
Cronin	Hultgren	Noland	Trotter
Crotty	Jacobs	Pankau	Viverito
Cullerton	Jones, J.	Peterson	Watson
Dahl	Koehler	Radogno	Wilhelmi
DeLeo	Kotowski	Raoul	Mr. President
Delgado	Lauzen	Righter	
Demuzio	Lightford	Risinger	
Dillard	Link	Ronen	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 15 to **Senate Bill No. 15**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Luechtefeld, **Senate Bill No. 253**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Luechtefeld moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 54; Nays None.

The following voted in the affirmative:

Althoff	Frerichs	Luechtefeld	Rutherford
Bomke	Garrett	Maloney	Sandoval
Bond	Haine	Martinez	Schoenberg
Brady	Halvorson	Meeks	Sieben
Burzynski	Holmes	Millner	Silverstein
Clayborne	Hultgren	Murphy	Sullivan
Collins	Hunter	Noland	Syverson
Cronin	Jacobs	Pankau	Trotter
Crotty	Jones, J.	Peterson	Viverito
Dahl	Koehler	Radogno	Watson
DeLeo	Kotowski	Raoul	Wilhelmi
Demuzio	Lauzen	Righter	Mr. President

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Dillard	Lightford	Risinger
Forby	Link	Ronen

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 253**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Haine, **Senate Bill No. 319**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Haine moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Forby	Link	Ronen
Bomke	Frerichs	Luechtefeld	Rutherford
Bond	Garrett	Maloney	Sandoval
Brady	Haine	Martinez	Schoenberg
Burzynski	Halvorson	Meeks	Sieben
Clayborne	Harmon	Millner	Silverstein
Collins	Holmes	Munoz	Sullivan
Cronin	Hultgren	Murphy	Syverson
Crotty	Hunter	Noland	Trotter
Cullerton	Jacobs	Pankau	Viverito
Dahl	Jones, J.	Peterson	Watson
DeLeo	Koehler	Radogno	Wilhelmi
Delgado	Kotowski	Raoul	Mr. President
Demuzio	Lauzen	Righter	
Dillard	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 319**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Forby, **Senate Bill No. 340**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Forby moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Forby	Link	Ronen
Bomke	Frerichs	Luechtefeld	Rutherford
Bond	Garrett	Maloney	Sandoval
Brady	Haine	Martinez	Schoenberg
Burzynski	Halvorson	Meeks	Sieben
Clayborne	Harmon	Millner	Silverstein
Collins	Holmes	Munoz	Sullivan
Cronin	Hultgren	Murphy	Syverson

Crotty	Hunter	Noland	Trotter
Cullerton	Jacobs	Pankau	Viverito
Dahl	Jones, J.	Peterson	Watson
DeLeo	Koehler	Radogno	Wilhelmi
Delgado	Kotowski	Raoul	Mr. President
Demuzio	Lauzen	Righter	
Dillard	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 340**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Peterson, **Senate Bill No. 345**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Peterson moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Forby	Link	Ronen
Bomke	Frerichs	Luechtefeld	Rutherford
Bond	Garrett	Maloney	Sandoval
Brady	Haine	Martinez	Schoenberg
Burzynski	Halvorson	Meeks	Sieben
Clayborne	Harmon	Millner	Silverstein
Collins	Holmes	Munoz	Sullivan
Cronin	Hultgren	Murphy	Syverson
Crotty	Hunter	Noland	Trotter
Cullerton	Jacobs	Pankau	Viverito
Dahl	Jones, J.	Peterson	Watson
DeLeo	Koehler	Radogno	Wilhelmi
Delgado	Kotowski	Raoul	Mr. President
Demuzio	Lauzen	Righter	
Dillard	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 345**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Martinez, **Senate Bill No. 446**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Martinez moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Forby	Link	Ronen
Bomke	Frerichs	Luechtefeld	Rutherford
Bond	Garrett	Maloney	Sandoval

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Brady	Haine	Martinez	Schoenberg
Burzynski	Halvorson	Meeks	Sieben
Clayborne	Harmon	Millner	Silverstein
Collins	Holmes	Munoz	Sullivan
Cronin	Hultgren	Murphy	Syverson
Crotty	Hunter	Noland	Trotter
Cullerton	Jacobs	Pankau	Viverito
Dahl	Jones, J.	Peterson	Watson
DeLeo	Koehler	Radogno	Wilhelmi
Delgado	Kotowski	Raoul	Mr. President
Demuzio	Lauzen	Righter	
Dillard	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 446**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Cullerton, **Senate Bill No. 486**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cullerton moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Forby	Link	Ronen
Bomke	Frerichs	Luechtefeld	Rutherford
Bond	Garrett	Maloney	Sandoval
Brady	Haine	Martinez	Schoenberg
Burzynski	Halvorson	Meeks	Sieben
Clayborne	Harmon	Millner	Silverstein
Collins	Holmes	Munoz	Sullivan
Cronin	Hultgren	Murphy	Syverson
Crotty	Hunter	Noland	Trotter
Cullerton	Jacobs	Pankau	Viverito
Dahl	Jones, J.	Peterson	Watson
DeLeo	Koehler	Radogno	Wilhelmi
Delgado	Kotowski	Raoul	Mr. President
Demuzio	Lauzen	Righter	
Dillard	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 486**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Cullerton, **Senate Bill No. 532**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cullerton moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

The following voted in the affirmative:

Althoff	Forby	Link	Ronen
Bomke	Frerichs	Luechtefeld	Rutherford
Bond	Garrett	Maloney	Sandoval
Brady	Haine	Martinez	Schoenberg
Burzynski	Halvorson	Meeks	Sieben
Clayborne	Harmon	Millner	Silverstein
Collins	Holmes	Munoz	Sullivan
Cronin	Hultgren	Murphy	Syverson
Crotty	Hunter	Noland	Trotter
Cullerton	Jacobs	Pankau	Viverito
Dahl	Jones, J.	Peterson	Wilhelmi
DeLeo	Koehler	Radogno	Mr. President
Delgado	Kotowski	Raoul	
Demuzio	Lauzen	Righter	
Dillard	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 532**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Delgado, **Senate Bill No. 547**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Delgado moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Forby	Link	Ronen
Bomke	Frerichs	Luechtefeld	Rutherford
Bond	Garrett	Maloney	Sandoval
Brady	Haine	Martinez	Schoenberg
Burzynski	Halvorson	Meeks	Sieben
Clayborne	Harmon	Millner	Silverstein
Collins	Holmes	Munoz	Sullivan
Cronin	Hultgren	Murphy	Syverson
Crotty	Hunter	Noland	Trotter
Cullerton	Jacobs	Pankau	Viverito
Dahl	Jones, J.	Peterson	Watson
DeLeo	Koehler	Radogno	Wilhelmi
Delgado	Kotowski	Raoul	Mr. President
Demuzio	Lauzen	Righter	
Dillard	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 547**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Koehler, **Senate Bill No. 595**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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Senator Koehler moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Risinger
Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson
Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Watson
DeLeo	Jones, J.	Peterson	Wilhelmi
Delgado	Koehler	Radogno	Mr. President
Demuzio	Kotowski	Raoul	
Dillard	Lauzen	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 595**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Viverito, **Senate Bill No. 599**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Viverito moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 52; Nays 3.

The following voted in the affirmative:

Althoff	Forby	Link	Rutherford
Bomke	Frerichs	Luechtefeld	Sandoval
Bond	Garrett	Maloney	Schoenberg
Brady	Haine	Meeks	Sieben
Clayborne	Halvorson	Millner	Silverstein
Collins	Harmon	Munoz	Sullivan
Cronin	Hendon	Noland	Trotter
Crotty	Holmes	Pankau	Viverito
Cullerton	Hultgren	Peterson	Wilhelmi
Dahl	Hunter	Radogno	Mr. President
DeLeo	Jacobs	Raoul	
Delgado	Koehler	Righter	
Demuzio	Kotowski	Risinger	
Dillard	Lightford	Ronen	

The following voted in the negative:

Burzynski  
Jones, J.

Lauzen

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 599**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Demuzio, **Senate Bill No. 641**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Demuzio moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 59; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Risinger
Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson
Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito
DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Lauzen	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 641**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Bond, **Senate Bill No. 680**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Bond moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 59; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Risinger
Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson

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Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito
DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Laufen	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 680**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Munoz, **Senate Bill No. 841**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Munoz moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 40; Nays 18; Present 1.

The following voted in the affirmative:

Bond	Garrett	Link	Schoenberg
Clayborne	Haine	Maloney	Silverstein
Collins	Halvorson	Martinez	Sullivan
Cronin	Harmon	Meeks	Trotter
Crotty	Hendon	Millner	Viverito
Cullerton	Holmes	Munoz	Wilhelmi
DeLeo	Hunter	Noland	Mr. President
Delgado	Jacobs	Pankau	
Demuzio	Koehler	Raoul	
Forby	Kotowski	Ronen	
Frerichs	Lightford	Sandoval	

The following voted in the negative:

Althoff	Hultgren	Peterson	Sieben
Bomke	Jones, J.	Radogno	Syverson
Brady	Laufen	Righter	Watson
Burzynski	Luechtefeld	Risinger	
Dahl	Murphy	Rutherford	

The following voted present:

Dillard

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 841**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Bond, **Senate Bill No. 1097**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Bond moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson
Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito
DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Lauzen	Righter	
Forby	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1097**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Demuzio, **Senate Bill No. 1165**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Demuzio moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 56; Nays None.

The following voted in the affirmative:

Bomke	Frerichs	Link	Sandoval
Bond	Garrett	Luechtefeld	Schoenberg
Brady	Haine	Maloney	Sieben
Burzynski	Halvorson	Martinez	Silverstein
Clayborne	Harmon	Meeks	Sullivan
Collins	Hendon	Millner	Syverson
Cronin	Holmes	Munoz	Trotter
Crotty	Hultgren	Murphy	Viverito
Cullerton	Hunter	Noland	Watson
Dahl	Jacobs	Pankau	Wilhelmi
DeLeo	Jones, J.	Peterson	Mr. President
Delgado	Koehler	Raoul	
Demuzio	Kotowski	Risinger	
Dillard	Lauzen	Ronen	
Forby	Lightford	Rutherford	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1165**.

Ordered that the Secretary inform the House of Representatives thereof.



On motion of Senator Collins, **Senate Bill No. 1169**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Collins moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Ronen
Bomke	Frerichs	Link	Rutherford
Bond	Garrett	Luechtefeld	Sandoval
Brady	Haine	Maloney	Schoenberg
Burzynski	Halvorson	Martinez	Sieben
Clayborne	Harmon	Meeks	Silverstein
Collins	Hendon	Millner	Sullivan
Cronin	Holmes	Murphy	Syversen
Crotty	Hultgren	Noland	Trotter
Cullerton	Hunter	Pankau	Viverito
Dahl	Jacobs	Peterson	Watson
DeLeo	Jones, J.	Radogno	Wilhelmi
Delgado	Koehler	Raoul	Mr. President
Demuzio	Kotowski	Righter	
Dillard	Laufen	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1169**.

Ordered that the Secretary inform the House of Representatives thereof.

## PRESENTATION OF RESOLUTION

### SENATE RESOLUTION 233

Offered by Senator Dillard and all Senators:

Mourns the death of Victor Markiewicz of Lemont.

By unanimous consent, the foregoing resolution was referred to the Resolutions Consent Calendar.

At the hour of 1:10 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

## AFTER RECESS

At the hour of 4:30 o'clock p.m., the Senate resumed consideration of business.

Senator DeLeo, presiding.

## MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 13

A bill for AN ACT concerning revenue.

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Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 13

House Amendment No. 2 to SENATE BILL NO. 13

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 13**

AMENDMENT NO. 1. Amend Senate Bill 13 by replacing everything after the enacting clause with the following:

"Section 5. The Economic Development Area Tax Increment Allocation Act is amended by changing Section 6 as follows:

(20 ILCS 620/6) (from Ch. 67 1/2, par. 1006)

Sec. 6. Filing with county clerk; certification of initial equalized assessed value.

(a) The municipality shall file a certified copy of any ordinance authorizing tax increment allocation financing for an economic development project area with the county clerk, and the county clerk shall immediately thereafter determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions provided by Sections 15-170, 15-175, and 15-176 of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such economic development project area, from which shall be deducted the homestead exemptions provided under Article 15 by Sections 15-170, 15-175, and 15-176 of the Property Tax Code, and shall certify such amount as the "total initial equalized assessed value" of the taxable real property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within that taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within that taxing district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of allocating taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the economic development project area, terminating the economic development project area, and terminating the use of tax increment allocation financing for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 93-715, eff. 7-12-04.)

Section 10. The Property Tax Code is amended by changing Sections 14-15, 15-10, 15-165, 15-170, 15-172, 15-175, 15-176, 20-15, and 20-178 and by adding Sections 15-167, 15-168, 15-169, 15-177, 18-178, and 24-35 as follows:

(35 ILCS 200/14-15)

Sec. 14-15. Certificate of error; counties of 3,000,000 or more.

(a) In counties with 3,000,000 or more inhabitants, if, after the assessment is certified pursuant to Section 16-150, but subject to the limitations of subsection (c) of this Section, the county assessor discovers an error or mistake in the assessment, the assessor shall execute a certificate setting forth the nature and cause of the error. The certificate when endorsed by the county assessor, or when endorsed by the county assessor and board of appeals (until the first Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter) where the certificate is executed for any assessment which was the subject of a complaint filed in the board of appeals (until the first

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Monday in December 1998 and the board of review beginning the first Monday in December 1998 and thereafter) for the tax year for which the certificate is issued, may, either be certified according to the procedure authorized by this Section or be presented and received in evidence in any court of competent jurisdiction. Certification is authorized, at the discretion of the county assessor, for: (1) certificates of error allowing homestead exemptions under Article 15 pursuant to Sections 15-170, 15-172, 15-175, and 15-176; (2) certificates of error on residential property of 6 units or less; (3) certificates of error allowing exemption of the property pursuant to Section 14-25; and (4) other certificates of error reducing assessed value by less than \$100,000. Any certificate of error not certified shall be presented to the court. The county assessor shall develop reasonable procedures for the filing and processing of certificates of error. Prior to the certification or presentation to the court, the county assessor or his or her designee shall execute and include in the certificate of error a statement attesting that all procedural requirements pertaining to the issuance of the certificate of error have been met and that in fact an error exists. When so introduced in evidence such certificate shall become a part of the court records, and shall not be removed from the files except upon the order of the court.

Certificates of error that will be presented to the court shall be filed as an objection in the application for judgment and order of sale for the year in relation to which the certificate is made or as an amendment to the objection under subsection (b). Certificates of error that are to be certified according to the procedure authorized by this Section need not be presented to the court as an objection or an amendment under subsection (b). The State's Attorney of the county in which the property is situated shall mail a copy of any final judgment entered by the court regarding any certificate of error to the taxpayer of record for the year in question.

Any unpaid taxes after the entry of the final judgment by the court or certification on certificates issued under this Section may be included in a special tax sale, provided that an advertisement is published and a notice is mailed to the person in whose name the taxes were last assessed, in a form and manner substantially similar to the advertisement and notice required under Sections 21-110 and 21-135. The advertisement and sale shall be subject to all provisions of law regulating the annual advertisement and sale of delinquent property, to the extent that those provisions may be made applicable.

A certificate of error certified under this Section shall be given effect by the county treasurer, who shall mark the tax books and, upon receipt of one of the following certificates from the county assessor or the county assessor and the board of review where the board of review is required to endorse the certificate of error, shall issue refunds to the taxpayer accordingly:

"CERTIFICATION

I, ....., county assessor, hereby certify that the Certificates of Error set out on the attached list have been duly issued to correct an error or mistake in the assessment."

"CERTIFICATION

I, ....., county assessor, and we, ....., members of the board of review, hereby certify that the Certificates of Error set out on the attached list have been duly issued to correct an error or mistake in the assessment and that any certificates of error required to be endorsed by the board of review have been so endorsed."

The county treasurer has the power to mark the tax books to reflect the issuance of certificates of error certified according to the procedure authorized in this Section for certificates of error issued under Section 14-25 or certificates of error issued to and including 3 years after the date on which the annual judgment and order of sale for that tax year was first entered. The county treasurer has the power to issue refunds to the taxpayer as set forth above until all refunds authorized by this Section have been completed.

To the extent that the certificate of error obviates the liability for nonpayment of taxes, certification of a certificate of error according to the procedure authorized in this Section shall operate to vacate any judgment or forfeiture as to that year's taxes, and the warrant books and judgment books shall be marked to reflect that the judgment or forfeiture has been vacated.

(b) Nothing in subsection (a) of this Section shall be construed to prohibit the execution, endorsement, issuance, and adjudication of a certificate of error if (i) the annual judgment and order of sale for the tax year in question is reopened for further proceedings upon consent of the county collector and county assessor, represented by the State's Attorney, and (ii) a new final judgment is subsequently entered

pursuant to the certificate. This subsection (b) shall be construed as declarative of existing law and not as a new enactment.

(c) No certificate of error, other than a certificate to establish an exemption under Section 14-25, shall be executed for any tax year more than 3 years after the date on which the annual judgment and order of sale for that tax year was first entered, except that during calendar years 1999 and 2000 a certificate of error may be executed for any tax year, provided that the error or mistake in the assessment was discovered no more than 3 years after the date on which the annual judgment and order of sale for that tax year was first entered.

(d) The time limitation of subsection (c) shall not apply to a certificate of error correcting an assessment to \$1, under Section 10-35, on a parcel that a subdivision or planned development has acquired by adverse possession, if during the tax year for which the certificate is executed the subdivision or planned development used the parcel as common area, as defined in Section 10-35, and if application for the certificate of error is made prior to December 1, 1997.

(e) The changes made by this amendatory Act of the 91st General Assembly apply to certificates of error issued before, on, and after the effective date of this amendatory Act of the 91st General Assembly. (Source: P.A. 93-715, eff. 7-12-04.)

(35 ILCS 200/15-10)

Sec. 15-10. Exempt property; procedures for certification. All property granted an exemption by the Department pursuant to the requirements of Section 15-5 and described in the Sections following Section 15-30 and preceding Section 16-5, to the extent therein limited, is exempt from taxation. In order to maintain that exempt status, the titleholder or the owner of the beneficial interest of any property that is exempt must file with the chief county assessment officer, on or before January 31 of each year (May 31 in the case of property exempted by Section 15-170), an affidavit stating whether there has been any change in the ownership or use of the property or the status of the owner-resident, or that a disabled veteran who qualifies under Section 15-165 owned and used the property as of January 1 of that year. The nature of any change shall be stated in the affidavit. Failure to file an affidavit shall, in the discretion of the assessment officer, constitute cause to terminate the exemption of that property, notwithstanding any other provision of this Code. Owners of 5 or more such exempt parcels within a county may file a single annual affidavit in lieu of an affidavit for each parcel. The assessment officer, upon request, shall furnish an affidavit form to the owners, in which the owner may state whether there has been any change in the ownership or use of the property or status of the owner or resident as of January 1 of that year. The owner of 5 or more exempt parcels shall list all the properties giving the same information for each parcel as required of owners who file individual affidavits.

However, titleholders or owners of the beneficial interest in any property exempted under any of the following provisions are not required to submit an annual filing under this Section:

- (1) Section 15-45 (burial grounds) in counties of less than 3,000,000 inhabitants and owned by a not-for-profit organization.
- (2) Section 15-40.
- (3) Section 15-50 (United States property).

If there is a change in use or ownership, however, notice must be filed pursuant to Section 15-20.

An application for homestead exemptions shall be filed as provided in Section 15-170 (senior citizens homestead exemption), Section 15-172 (senior citizens assessment freeze homestead exemption), and Sections 15-175 (general homestead exemption), ~~and~~ 15-176 (general alternative homestead exemption), and 15-177 (long-time occupant homestead exemption), respectively.

(Source: P.A. 92-333, eff. 8-10-01; 92-729, eff. 7-25-02; 93-715, eff. 7-12-04.)

(35 ILCS 200/15-165)

Sec. 15-165. Disabled veterans. Property up to an assessed value of \$70,000, owned and used exclusively by a disabled veteran, or the spouse or unmarried surviving spouse of the veteran, as a home, is exempt. As used in this Section, a disabled veteran means a person who has served in the Armed Forces of the United States and whose disability is of such a nature that the Federal Government has authorized payment for purchase or construction of Specially Adapted Housing as set forth in the United States Code, Title 38, Chapter 21, Section 2101.

The exemption applies to housing where Federal funds have been used to purchase or construct special adaptations to suit the veteran's disability.

The exemption also applies to housing that is specially adapted to suit the veteran's disability, and purchased entirely or in part by the proceeds of a sale, casualty loss reimbursement, or other transfer of a home for which the Federal Government had previously authorized payment for purchase or construction as Specially Adapted Housing.

However, the entire proceeds of the sale, casualty loss reimbursement, or other transfer of that housing

shall be applied to the acquisition of subsequent specially adapted housing to the extent that the proceeds equal the purchase price of the subsequently acquired housing.

For purposes of this Section, "unmarried surviving spouse" means the surviving spouse of the veteran at any time after the death of the veteran during which such surviving spouse is not married.

This exemption must be reestablished on an annual basis by certification from the Illinois Department of Veterans' Affairs to the Department, which shall forward a copy of the certification to local assessing officials.

A taxpayer who claims an exemption under Section 15-169 may not claim an exemption under this Section.

(Source: P.A. 94-310, eff. 7-25-05.)

(35 ILCS 200/15-167 new)

Sec. 15-167. Returning Veterans' Homestead Exemption.

(a) A homestead exemption, limited to a reduction set forth under subsection (b), from the property's value, as equalized or assessed by the Department, is granted for property that is owned and occupied as a residence by a veteran returning from an armed conflict involving the armed forces of the United States who is liable for paying real estate taxes on the property and is an owner of record of the property or has a legal or equitable interest therein as evidenced by a written instrument, except for a leasehold interest, other than a leasehold interest of land on which a single family residence is located, which is occupied as a residence by a veteran returning from an armed conflict involving the armed forces of the United States who has an ownership interest therein, legal, equitable or as a lessee, and on which he or she is liable for the payment of property taxes. For purposes of the exemption under this Section, "veteran" means an Illinois resident who has served as a member of the United States Armed Forces, a member of the Illinois National Guard, or a member of the United States Reserve Forces.

(b) In all counties, the reduction is \$5,000 and only for the tax year in which the veteran returns from active duty in an armed conflict involving the armed forces of the United States. For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, must be multiplied by the number of apartments or units occupied by a veteran returning from an armed conflict involving the armed forces of the United States who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. In a cooperative where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings is guilty of a Class B misdemeanor.

(c) Application must be made during the application period in effect for the county of his or her residence. The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire, or other reasonable methods. The determination must be made in accordance with guidelines established by the Department.

(d) The exemption under this Section is in addition to any other homestead provided in Sections 15-170 through 15-177. Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

(35 ILCS 200/15-168 new)

Sec. 15-168. Disabled persons' homestead exemption.

(a) Beginning with the assessment for the 2007 tax year, an annual homestead exemption is granted to disabled persons in the amount of \$2,000, except as provided in subsection (c), to be deducted from the property's value as equalized or assessed by the Department of Revenue. The disabled person shall receive the homestead exemption upon meeting the following requirements:

(1) The property must be occupied as a residence by the disabled person.

(2) The disabled person must be liable for paying the real estate taxes on the property.

(3) The disabled person must be an owner of record of the property or have a legal or equitable interest in the property as evidenced by a written instrument. In the case of a leasehold interest in property, the lease must be for a single family residence.

A person who is disabled during the current assessment year is eligible to apply for this homestead exemption during that assessment year. Application must be made during the application period in effect for the county of residence. If a homestead exemption has been granted under this Section and the person awarded the exemption subsequently becomes a resident of a facility licensed under the Nursing Home Care Act, then the exemption shall continue (i) so long as the residence continues to be occupied by the

qualifying person's spouse or (ii) if the residence remains unoccupied but is still owned by the person qualified for the homestead exemption.

(b) For the purposes of this Section, "disabled person" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months. Disabled persons filing claims under this Act shall submit proof of disability in such form and manner as the Department shall by rule and regulation prescribe. Proof that a claimant is eligible to receive disability benefits under the Federal Social Security Act shall constitute proof of disability for purposes of this Act. Issuance of an Illinois Disabled Person Identification Card stating that the claimant is under a Class 2 disability, as defined in Section 4A of The Illinois Identification Card Act, shall constitute proof that the person named thereon is a disabled person for purposes of this Act. A disabled person not covered under the Federal Social Security Act and not presenting a Disabled Person Identification Card stating that the claimant is under a Class 2 disability shall be examined by a physician designated by the Department, and his status as a disabled person determined using the same standards as used by the Social Security Administration. The costs of any required examination shall be borne by the claimant.

(c) For land improved with (i) an apartment building owned and operated as a cooperative or (ii) a life care facility as defined under Section 2 of the Life Care Facilities Act that is considered to be a cooperative, the maximum reduction from the value of the property, as equalized or assessed by the Department, shall be multiplied by the number of apartments or units occupied by a disabled person. The disabled person shall receive the homestead exemption upon meeting the following requirements:

(1) The property must be occupied as a residence by the disabled person.

(2) The disabled person must be liable by contract with the owner or owners of record for paying the apportioned property taxes on the property of the cooperative or life care facility. In the case of a life care facility, the disabled person must be liable for paying the apportioned property taxes under a life care contract as defined in Section 2 of the Life Care Facilities Act.

(3) The disabled person must be an owner of record of a legal or equitable interest in the cooperative apartment building. A leasehold interest does not meet this requirement.

If a homestead exemption is granted under this subsection, the cooperative association or management firm shall credit the savings resulting from the exemption to the apportioned tax liability of the qualifying disabled person. The chief county assessment officer may request reasonable proof that the association or firm has properly credited the exemption. A person who willfully refuses to credit an exemption to the qualified disabled person is guilty of a Class B misdemeanor.

(d) The chief county assessment officer shall determine the eligibility of property to receive the homestead exemption according to guidelines established by the Department. After a person has received an exemption under this Section, an annual verification of eligibility for the exemption shall be mailed to the taxpayer.

The chief county assessment officer shall provide to each person granted a homestead exemption under this Section a form to designate any other person to receive a duplicate of any notice of delinquency in the payment of taxes assessed and levied under this Code on the person's qualifying property. The duplicate notice shall be in addition to the notice required to be provided to the person receiving the exemption and shall be given in the manner required by this Code. The person filing the request for the duplicate notice shall pay an administrative fee of \$5 to the chief county assessment officer. The assessment officer shall then file the executed designation with the county collector, who shall issue the duplicate notices as indicated by the designation. A designation may be rescinded by the disabled person in the manner required by the chief county assessment officer.

(35 ILCS 200/15-169 new)

Sec. 15-169. Disabled veterans standard homestead exemption.

(a) An annual homestead exemption, limited to the amounts set forth in subsection (b), is granted for property that is used as a qualified residence by a disabled veteran.

(b) The amount of the exemption under this Section is as follows:

(1) for veterans with a service-connected disability of at least 75%, as certified by the United States Department of Veterans Affairs, the annual exemption is \$5,000; and

(2) for veterans with a service-connected disability of at least 50%, but less than 75%, as certified by the United States Department of Veterans Affairs, the annual exemption is \$2,500.

(c) The tax exemption under this Section carries over to the benefit of the veteran's surviving spouse as long as the spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence as long

as it is used as his or her primary residence and he or she does not remarry.

(d) The exemption under this Section applies for taxable year 2007 and thereafter. A taxpayer who claims an exemption under Section 16-165 may not claim an exemption under this Section.

(e) For the purposes of this Section:

"Qualified residence" means real property, but less any portion of that property that is used for commercial purposes, with an equalized assessed value of less than \$250,000. Property rented for more than 6 months is presumed to be used for commercial purposes.

"Veteran" means an Illinois resident who has served as a member of the United States Armed Forces on active duty or State active duty, a member of the Illinois National Guard, or a member of the United States Reserve Forces and who has received an honorable discharge.

(35 ILCS 200/15-170)

Sec. 15-170. Senior Citizens Homestead Exemption. An annual homestead exemption limited, except as described here with relation to cooperatives or life care facilities, to a maximum reduction set forth below from the property's value, as equalized or assessed by the Department, is granted for property that is occupied as a residence by a person 65 years of age or older who is liable for paying real estate taxes on the property and is an owner of record of the property or has a legal or equitable interest therein as evidenced by a written instrument, except for a leasehold interest, other than a leasehold interest of land on which a single family residence is located, which is occupied as a residence by a person 65 years or older who has an ownership interest therein, legal, equitable or as a lessee, and on which he or she is liable for the payment of property taxes. Before taxable year 2004, the maximum reduction shall be \$2,500 in counties with 3,000,000 or more inhabitants and \$2,000 in all other counties. For taxable years 2004 through 2005, the maximum reduction shall be \$3,000 in all counties. For taxable years 2006 and 2007 ~~thereafter~~, the maximum reduction shall be \$3,500 and, for taxable years 2008 and thereafter, the maximum reduction is \$4,000 in all counties.

For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by a person 65 years of age or older who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. For land improved with a life care facility, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by persons 65 years of age or older, irrespective of any legal, equitable, or leasehold interest in the facility, who are liable, under a contract with the owner or owners of record of the facility, for paying property taxes on the property. In a cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor. Under this Section and Sections 15-175 ~~and~~ 15-176, and 15-177 "life care facility" means a facility as defined in Section 2 of the Life Care Facilities Act, with which the applicant for the homestead exemption has a life care contract as defined in that Act.

When a homestead exemption has been granted under this Section and the person qualifying subsequently becomes a resident of a facility licensed under the Nursing Home Care Act, the exemption shall continue so long as the residence continues to be occupied by the qualifying person's spouse if the spouse is 65 years of age or older, or if the residence remains unoccupied but is still owned by the person qualified for the homestead exemption.

A person who will be 65 years of age during the current assessment year shall be eligible to apply for the homestead exemption during that assessment year. Application shall be made during the application period in effect for the county of his residence.

Beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the senior citizens homestead exemption under this Section must be granted a pro-rata exemption for the assessment year. The amount of the pro-rata exemption is the exemption allowed in the county under this Section divided by 365 and multiplied by the number of days during the assessment year the property is occupied as a residence by a person eligible for the exemption under this Section. The chief county assessment officer must adopt reasonable procedures to establish eligibility for this pro-rata exemption.

The assessor or chief county assessment officer may determine the eligibility of a life care facility to receive the benefits provided by this Section, by affidavit, application, visual inspection, questionnaire or other reasonable methods in order to insure that the tax savings resulting from the exemption are credited by the management firm to the apportioned tax liability of each qualifying resident. The assessor may

request reasonable proof that the management firm has so credited the exemption.

The chief county assessment officer of each county with less than 3,000,000 inhabitants shall provide to each person allowed a homestead exemption under this Section a form to designate any other person to receive a duplicate of any notice of delinquency in the payment of taxes assessed and levied under this Code on the property of the person receiving the exemption. The duplicate notice shall be in addition to the notice required to be provided to the person receiving the exemption, and shall be given in the manner required by this Code. The person filing the request for the duplicate notice shall pay a fee of \$5 to cover administrative costs to the supervisor of assessments, who shall then file the executed designation with the county collector. Notwithstanding any other provision of this Code to the contrary, the filing of such an executed designation requires the county collector to provide duplicate notices as indicated by the designation. A designation may be rescinded by the person who executed such designation at any time, in the manner and form required by the chief county assessment officer.

The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire or other reasonable methods. The determination shall be made in accordance with guidelines established by the Department.

In counties with less than 3,000,000 inhabitants, the county board may by resolution provide that if a person has been granted a homestead exemption under this Section, the person qualifying need not reapply for the exemption.

In counties with less than 3,000,000 inhabitants, if the assessor or chief county assessment officer requires annual application for verification of eligibility for an exemption once granted under this Section, the application shall be mailed to the taxpayer.

The assessor or chief county assessment officer shall notify each person who qualifies for an exemption under this Section that the person may also qualify for deferral of real estate taxes under the Senior Citizens Real Estate Tax Deferral Act. The notice shall set forth the qualifications needed for deferral of real estate taxes, the address and telephone number of county collector, and a statement that applications for deferral of real estate taxes may be obtained from the county collector.

Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

(Source: P.A. 93-511, eff. 8-11-03; 93-715, eff. 7-12-04; 94-794, eff. 5-22-06.)

(35 ILCS 200/15-172)

Sec. 15-172. Senior Citizens Assessment Freeze Homestead Exemption.

(a) This Section may be cited as the Senior Citizens Assessment Freeze Homestead Exemption.

(b) As used in this Section:

"Applicant" means an individual who has filed an application under this Section.

"Base amount" means the base year equalized assessed value of the residence plus the first year's equalized assessed value of any added improvements which increased the assessed value of the residence after the base year.

"Base year" means the taxable year prior to the taxable year for which the applicant first qualifies and applies for the exemption provided that in the prior taxable year the property was improved with a permanent structure that was occupied as a residence by the applicant who was liable for paying real property taxes on the property and who was either (i) an owner of record of the property or had legal or equitable interest in the property as evidenced by a written instrument or (ii) had a legal or equitable interest as a lessee in the parcel of property that was single family residence. If in any subsequent taxable year for which the applicant applies and qualifies for the exemption the equalized assessed value of the residence is less than the equalized assessed value in the existing base year (provided that such equalized assessed value is not based on an assessed value that results from a temporary irregularity in the property that reduces the assessed value for one or more taxable years), then that subsequent taxable year shall become the base year until a new base year is established under the terms of this paragraph. For taxable year 1999 only, the Chief County Assessment Officer shall review (i) all taxable years for which the applicant applied and qualified for the exemption and (ii) the existing base year. The assessment officer shall select as the new base year the year with the lowest equalized assessed value. An equalized assessed value that is based on an assessed value that results from a temporary irregularity in the property that reduces the assessed value for one or more taxable years shall not be considered the lowest equalized assessed value. The selected year shall be the base year for taxable year 1999 and thereafter until a new base year is established under the terms of this paragraph.

"Chief County Assessment Officer" means the County Assessor or Supervisor of Assessments of the county in which the property is located.

"Equalized assessed value" means the assessed value as equalized by the Illinois Department of



Revenue.

"Household" means the applicant, the spouse of the applicant, and all persons using the residence of the applicant as their principal place of residence.

"Household income" means the combined income of the members of a household for the calendar year preceding the taxable year.

"Income" has the same meaning as provided in Section 3.07 of the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, except that, beginning in assessment year 2001, "income" does not include veteran's benefits.

"Internal Revenue Code of 1986" means the United States Internal Revenue Code of 1986 or any successor law or laws relating to federal income taxes in effect for the year preceding the taxable year.

"Life care facility that qualifies as a cooperative" means a facility as defined in Section 2 of the Life Care Facilities Act.

"Maximum income limitation" means:

- (1) \$35,000 prior to taxable year 1999;
- (2) \$40,000 in taxable years 1999 through 2003;
- (3) \$45,000 in taxable years, 2004 through 2006;
- (4) \$50,000 in taxable year 2007; and
- (5) \$55,000 in taxable year 2008 and thereafter.

"Residence" means the principal dwelling place and appurtenant structures used for residential purposes in this State occupied on January 1 of the taxable year by a household and so much of the surrounding land, constituting the parcel upon which the dwelling place is situated, as is used for residential purposes. If the Chief County Assessment Officer has established a specific legal description for a portion of property constituting the residence, then that portion of property shall be deemed the residence for the purposes of this Section.

"Taxable year" means the calendar year during which ad valorem property taxes payable in the next succeeding year are levied.

(c) Beginning in taxable year 1994, a senior citizens assessment freeze homestead exemption is granted for real property that is improved with a permanent structure that is occupied as a residence by an applicant who (i) is 65 years of age or older during the taxable year, (ii) has a household income that does not exceed the maximum income limitation of \$35,000 or less prior to taxable year 1999, \$40,000 or less in taxable years 1999 through 2003, \$45,000 or less in taxable year 2004 and 2005, and \$50,000 or less in taxable year 2006 and thereafter, (iii) is liable for paying real property taxes on the property, and (iv) is an owner of record of the property or has a legal or equitable interest in the property as evidenced by a written instrument. This homestead exemption shall also apply to a leasehold interest in a parcel of property improved with a permanent structure that is a single family residence that is occupied as a residence by a person who (i) is 65 years of age or older during the taxable year, (ii) has a household income that does not exceed the maximum income limitation of \$35,000 or less prior to taxable year 1999, \$40,000 or less in taxable years 1999 through 2003, \$45,000 or less in taxable year 2004 and 2005, and \$50,000 or less in taxable year 2006 and thereafter, (iii) has a legal or equitable ownership interest in the property as lessee, and (iv) is liable for the payment of real property taxes on that property.

Through taxable year 2005 and for taxable year 2007 and thereafter, the amount of this exemption shall be the equalized assessed value of the residence in the taxable year for which application is made minus the base amount. For taxable year 2006 and thereafter, the amount of the exemption is as follows:

- (1) For an applicant who has a household income of \$45,000 or less, the amount of the exemption is the equalized assessed value of the residence in the taxable year for which application is made minus the base amount.
- (2) For an applicant who has a household income exceeding \$45,000 but not exceeding \$46,250, the amount of the exemption is (i) the equalized assessed value of the residence in the taxable year for which application is made minus the base amount (ii) multiplied by 0.8.
- (3) For an applicant who has a household income exceeding \$46,250 but not exceeding \$47,500, the amount of the exemption is (i) the equalized assessed value of the residence in the taxable year for which application is made minus the base amount (ii) multiplied by 0.6.
- (4) For an applicant who has a household income exceeding \$47,500 but not exceeding \$48,750, the amount of the exemption is (i) the equalized assessed value of the residence in the taxable year for which application is made minus the base amount (ii) multiplied by 0.4.
- (5) For an applicant who has a household income exceeding \$48,750 but not exceeding \$50,000, the amount of the exemption is (i) the equalized assessed value of the residence in the taxable year for which application is made minus the base amount (ii) multiplied by 0.2.

When the applicant is a surviving spouse of an applicant for a prior year for the same residence for

which an exemption under this Section has been granted, the base year and base amount for that residence are the same as for the applicant for the prior year.

Each year at the time the assessment books are certified to the County Clerk, the Board of Review or Board of Appeals shall give to the County Clerk a list of the assessed values of improvements on each parcel qualifying for this exemption that were added after the base year for this parcel and that increased the assessed value of the property.

In the case of land improved with an apartment building owned and operated as a cooperative or a building that is a life care facility that qualifies as a cooperative, the maximum reduction from the equalized assessed value of the property is limited to the sum of the reductions calculated for each unit occupied as a residence by a person or persons (i) 65 years of age or older, (ii) with a household income ~~that does not exceed the maximum income limitation of \$35,000 or less prior to taxable year 1999, \$40,000 or less in taxable years 1999 through 2003, \$45,000 or less in taxable year 2004 and 2005, and \$50,000 or less in taxable year 2006 and thereafter,~~ (iii) who is liable, by contract with the owner or owners of record, for paying real property taxes on the property, and (iv) who is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. In the instance of a cooperative where a homestead exemption has been granted under this Section, the cooperative association or its management firm shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner who qualified for the exemption. Any person who willfully refuses to credit that savings to an owner who qualifies for the exemption is guilty of a Class B misdemeanor.

When a homestead exemption has been granted under this Section and an applicant then becomes a resident of a facility licensed under the Nursing Home Care Act, the exemption shall be granted in subsequent years so long as the residence (i) continues to be occupied by the qualified applicant's spouse or (ii) if remaining unoccupied, is still owned by the qualified applicant for the homestead exemption.

Beginning January 1, 1997, when an individual dies who would have qualified for an exemption under this Section, and the surviving spouse does not independently qualify for this exemption because of age, the exemption under this Section shall be granted to the surviving spouse for the taxable year preceding and the taxable year of the death, provided that, except for age, the surviving spouse meets all other qualifications for the granting of this exemption for those years.

When married persons maintain separate residences, the exemption provided for in this Section may be claimed by only one of such persons and for only one residence.

For taxable year 1994 only, in counties having less than 3,000,000 inhabitants, to receive the exemption, a person shall submit an application by February 15, 1995 to the Chief County Assessment Officer of the county in which the property is located. In counties having 3,000,000 or more inhabitants, for taxable year 1994 and all subsequent taxable years, to receive the exemption, a person may submit an application to the Chief County Assessment Officer of the county in which the property is located during such period as may be specified by the Chief County Assessment Officer. The Chief County Assessment Officer in counties of 3,000,000 or more inhabitants shall annually give notice of the application period by mail or by publication. In counties having less than 3,000,000 inhabitants, beginning with taxable year 1995 and thereafter, to receive the exemption, a person shall submit an application by July 1 of each taxable year to the Chief County Assessment Officer of the county in which the property is located. A county may, by ordinance, establish a date for submission of applications that is different than July 1. The applicant shall submit with the application an affidavit of the applicant's total household income, age, marital status (and if married the name and address of the applicant's spouse, if known), and principal dwelling place of members of the household on January 1 of the taxable year. The Department shall establish, by rule, a method for verifying the accuracy of affidavits filed by applicants under this Section, and the Chief County Assessment Officer may conduct audits of any taxpayer claiming an exemption under this Section to verify that the taxpayer is eligible to receive the exemption. Each application shall contain or be verified by a written declaration that it is made under the penalties of perjury. A taxpayer's signing a fraudulent application under this Act is perjury, as defined in Section 32-2 of the Criminal Code of 1961. The applications shall be clearly marked as applications for the Senior Citizens Assessment Freeze Homestead Exemption and must contain a notice that any taxpayer who receives the exemption is subject to an audit by the Chief County Assessment Officer.

Notwithstanding any other provision to the contrary, in counties having fewer than 3,000,000 inhabitants, if an applicant fails to file the application required by this Section in a timely manner and this failure to file is due to a mental or physical condition sufficiently severe so as to render the applicant incapable of filing the application in a timely manner, the Chief County Assessment Officer may extend the filing deadline for a period of 30 days after the applicant regains the capability to file the application, but in no case may the filing deadline be extended beyond 3 months of the original filing deadline. In

order to receive the extension provided in this paragraph, the applicant shall provide the Chief County Assessment Officer with a signed statement from the applicant's physician stating the nature and extent of the condition, that, in the physician's opinion, the condition was so severe that it rendered the applicant incapable of filing the application in a timely manner, and the date on which the applicant regained the capability to file the application.

Beginning January 1, 1998, notwithstanding any other provision to the contrary, in counties having fewer than 3,000,000 inhabitants, if an applicant fails to file the application required by this Section in a timely manner and this failure to file is due to a mental or physical condition sufficiently severe so as to render the applicant incapable of filing the application in a timely manner, the Chief County Assessment Officer may extend the filing deadline for a period of 3 months. In order to receive the extension provided in this paragraph, the applicant shall provide the Chief County Assessment Officer with a signed statement from the applicant's physician stating the nature and extent of the condition, and that, in the physician's opinion, the condition was so severe that it rendered the applicant incapable of filing the application in a timely manner.

In counties having less than 3,000,000 inhabitants, if an applicant was denied an exemption in taxable year 1994 and the denial occurred due to an error on the part of an assessment official, or his or her agent or employee, then beginning in taxable year 1997 the applicant's base year, for purposes of determining the amount of the exemption, shall be 1993 rather than 1994. In addition, in taxable year 1997, the applicant's exemption shall also include an amount equal to (i) the amount of any exemption denied to the applicant in taxable year 1995 as a result of using 1994, rather than 1993, as the base year, (ii) the amount of any exemption denied to the applicant in taxable year 1996 as a result of using 1994, rather than 1993, as the base year, and (iii) the amount of the exemption erroneously denied for taxable year 1994.

For purposes of this Section, a person who will be 65 years of age during the current taxable year shall be eligible to apply for the homestead exemption during that taxable year. Application shall be made during the application period in effect for the county of his or her residence.

The Chief County Assessment Officer may determine the eligibility of a life care facility that qualifies as a cooperative to receive the benefits provided by this Section by use of an affidavit, application, visual inspection, questionnaire, or other reasonable method in order to insure that the tax savings resulting from the exemption are credited by the management firm to the apportioned tax liability of each qualifying resident. The Chief County Assessment Officer may request reasonable proof that the management firm has so credited that exemption.

Except as provided in this Section, all information received by the chief county assessment officer or the Department from applications filed under this Section, or from any investigation conducted under the provisions of this Section, shall be confidential, except for official purposes or pursuant to official procedures for collection of any State or local tax or enforcement of any civil or criminal penalty or sanction imposed by this Act or by any statute or ordinance imposing a State or local tax. Any person who divulges any such information in any manner, except in accordance with a proper judicial order, is guilty of a Class A misdemeanor.

Nothing contained in this Section shall prevent the Director or chief county assessment officer from publishing or making available reasonable statistics concerning the operation of the exemption contained in this Section in which the contents of claims are grouped into aggregates in such a way that information contained in any individual claim shall not be disclosed.

(d) Each Chief County Assessment Officer shall annually publish a notice of availability of the exemption provided under this Section. The notice shall be published at least 60 days but no more than 75 days prior to the date on which the application must be submitted to the Chief County Assessment Officer of the county in which the property is located. The notice shall appear in a newspaper of general circulation in the county.

Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

(Source: P.A. 93-715, eff. 7-12-04; 94-794, eff. 5-22-06.)

(35 ILCS 200/15-175)

Sec. 15-175. General homestead exemption. Except as provided in Sections 15-176 and 15-177 ~~Section 15-176~~, homestead property is entitled to an annual homestead exemption limited, except as described here with relation to cooperatives, to a reduction in the equalized assessed value of homestead property equal to the increase in equalized assessed value for the current assessment year above the equalized assessed value of the property for 1977, up to the maximum reduction set forth below. If however, the 1977 equalized assessed value upon which taxes were paid is subsequently determined by local assessing officials, the Property Tax Appeal Board, or a court to have been excessive, the equalized

assessed value which should have been placed on the property for 1977 shall be used to determine the amount of the exemption.

Except as provided in Section 15-176, the maximum reduction before taxable year 2004 shall be \$4,500 in counties with 3,000,000 or more inhabitants and \$3,500 in all other counties. Except as provided in Sections 15-176 and 15-177 ~~Section 15-176~~, for taxable years 2004 through 2007 and thereafter, the maximum reduction shall be \$5,000, ~~for taxable year 2008, the maximum reduction is \$5,500, and, for taxable years 2009 and thereafter, the maximum reduction is \$6,000~~ in all counties. ~~If a county has elected to subject itself to the provisions of Section 15-176 as provided in subsection (k) of that Section, then, for the first taxable year only after the provisions of Section 15-176 no longer apply, for owners (i) who have not been granted a senior citizens assessment freeze homestead exemption under Section 15-172 for the taxable year and (ii) whose qualified property has an assessed valuation that has increased by more than 20% over the previous assessed valuation of the property, there shall be an additional exemption of \$5,000 for owners with a household income of \$30,000 or less. For purposes of this paragraph, "household income" has the meaning set forth in this Section 15-175.~~

In counties with fewer than 3,000,000 inhabitants, if, based on the most recent assessment, the equalized assessed value of the homestead property for the current assessment year is greater than the equalized assessed value of the property for 1977, the owner of the property shall automatically receive the exemption granted under this Section in an amount equal to the increase over the 1977 assessment up to the maximum reduction set forth in this Section.

If in any assessment year beginning with the 2000 assessment year, homestead property has a pro-rata valuation under Section 9-180 resulting in an increase in the assessed valuation, a reduction in equalized assessed valuation equal to the increase in equalized assessed value of the property for the year of the pro-rata valuation above the equalized assessed value of the property for 1977 shall be applied to the property on a proportionate basis for the period the property qualified as homestead property during the assessment year. The maximum proportionate homestead exemption shall not exceed the maximum homestead exemption allowed in the county under this Section divided by 365 and multiplied by the number of days the property qualified as homestead property.

"Homestead property" under this Section includes residential property that is occupied by its owner or owners as his or their principal dwelling place, or that is a leasehold interest on which a single family residence is situated, which is occupied as a residence by a person who has an ownership interest therein, legal or equitable or as a lessee, and on which the person is liable for the payment of property taxes. For land improved with an apartment building owned and operated as a cooperative or a building which is a life care facility as defined in Section 15-170 and considered to be a cooperative under Section 15-170, the maximum reduction from the equalized assessed value shall be limited to the increase in the value above the equalized assessed value of the property for 1977, up to the maximum reduction set forth above, multiplied by the number of apartments or units occupied by a person or persons who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. For purposes of this Section, the term "life care facility" has the meaning stated in Section 15-170.

"Household", as used in this Section, means the owner, the spouse of the owner, and all persons using the residence of the owner as their principal place of residence.

"Household income", as used in this Section, means the combined income of the members of a household for the calendar year preceding the taxable year.

"Income", as used in this Section, has the same meaning as provided in Section 3.07 of the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, except that "income" does not include veteran's benefits.

In a cooperative where a homestead exemption has been granted, the cooperative association or its management firm shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor.

Where married persons maintain and reside in separate residences qualifying as homestead property, each residence shall receive 50% of the total reduction in equalized assessed valuation provided by this Section.

In all counties, the assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption and the amount of the exemption by application, visual inspection, questionnaire or other reasonable methods. The determination shall be made in accordance with guidelines established by the Department, provided that the taxpayer applying for an additional general exemption under this Section shall submit to the chief county assessment officer an

application with an affidavit of the applicant's total household income, age, marital status (and, if married, the name and address of the applicant's spouse, if known), and principal dwelling place of members of the household on January 1 of the taxable year. The Department shall issue guidelines establishing a method for verifying the accuracy of the affidavits filed by applicants under this paragraph. The applications shall be clearly marked as applications for the Additional General Homestead Exemption.

In counties with fewer than 3,000,000 inhabitants, in the event of a sale of homestead property the homestead exemption shall remain in effect for the remainder of the assessment year of the sale. The assessor or chief county assessment officer may require the new owner of the property to apply for the homestead exemption for the following assessment year.

Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.  
(Source: P.A. 93-715, eff. 7-12-04.)

(35 ILCS 200/15-176)

Sec. 15-176. Alternative general homestead exemption.

(a) For the assessment years as determined under subsection (j), in any county that has elected, by an ordinance in accordance with subsection (k), to be subject to the provisions of this Section in lieu of the provisions of Section 15-175, homestead property is entitled to an annual homestead exemption equal to a reduction in the property's equalized assessed value calculated as provided in this Section.

(b) As used in this Section:

(1) "Assessor" means the supervisor of assessments or the chief county assessment officer of each county.

(2) "Adjusted homestead value" means the lesser of the following values:

(A) The property's base homestead value increased by 7% for each tax year after the base year through and including the current tax year, or, if the property is sold or ownership is otherwise transferred, the property's base homestead value increased by 7% for each tax year after the year of the sale or transfer through and including the current tax year. The increase by 7% each year is an increase by 7% over the prior year.

(B) The property's equalized assessed value for the current tax year minus: (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003; ~~or~~ (ii) \$5,000 in all counties in tax years ~~year~~ 2004 and 2005; and (iii) the lesser of \$5,000 or an amount equal to the increase in the equalized assessed value for the current tax year above the equalized assessed value for 1977 in tax year 2006 and thereafter.

(3) "Base homestead value".

(A) Except as provided in subdivision (b)(3)(A-5) or (b)(3)(B), "base homestead value" means

the equalized assessed value of the property for the base year prior to exemptions, minus (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter, provided that it was assessed for that year as residential property qualified for any of the homestead exemptions under Sections 15-170 through 15-175 of this Code, then in force, and further provided that the property's assessment was not based on a reduced assessed value resulting from a temporary irregularity in the property for that year. Except as provided in subdivision (b)(3)(B), if the property did not have a residential equalized assessed value for the base year, then "base homestead value" means the base homestead value established by the assessor under subsection (c).

(A-5) On or before July 1, 2007, in Cook County, the base homestead value, as set forth under subdivision (b)(3)(A) and except as provided under subdivision (b) (3) (B), must be recalculated as the equalized assessed value of the property for the base year prior to exemptions, minus:

(1) if the general assessment year for the property was 2003, the lesser of (i) \$4,500 or (ii) the amount equal to the increase in equalized assessed value for the 2002 tax year above the equalized assessed value for 1977;

(2) if the general assessment year for the property was 2004, the lesser of (i) \$4,500 or (ii) the amount equal to the increase in equalized assessed value for the 2003 tax year above the equalized assessed value for 1977;

(3) if the general assessment year for the property was 2005, the lesser of (i) \$5,000 or (ii) the amount equal to the increase in equalized assessed value for the 2004 tax year above the equalized assessed value for 1977.

(B) If the property is sold or ownership is otherwise transferred, other than sales or transfers between spouses or between a parent and a child, "base homestead value" means the

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equalized assessed value of the property at the time of the sale or transfer prior to exemptions, minus: (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003; ~~or~~ (ii) \$5,000 in all counties in tax years ~~year~~ 2004 and 2005; and (iii) the lesser of \$5,000 or an amount equal to the increase in the equalized assessed value for the current tax year above the equalized assessed value for 1977 in tax year 2006 and thereafter, provided that it was assessed as residential property qualified for any of the homestead exemptions under Sections 15-170 through 15-175 of this Code, then in force, and further provided that the property's assessment was not based on a reduced assessed value resulting from a temporary irregularity in the property.

(3.5) "Base year" means (i) tax year 2002 in Cook County or (ii) tax year 2005 or 2006 ~~2002 or 2003~~ in all other

counties in accordance with the designation made by the county as provided in subsection (k).

(4) "Current tax year" means the tax year for which the exemption under this Section is being applied.

(5) "Equalized assessed value" means the property's assessed value as equalized by the Department.

(6) "Homestead" or "homestead property" means:

(A) Residential property that as of January 1 of the tax year is occupied by its owner or owners as his, her, or their principal dwelling place, or that is a leasehold interest on which a single family residence is situated, that is occupied as a residence by a person who has a legal or equitable interest therein evidenced by a written instrument, as an owner or as a lessee, and on which the person is liable for the payment of property taxes. Residential units in an apartment building owned and operated as a cooperative, or as a life care facility, which are occupied by persons who hold a legal or equitable interest in the cooperative apartment building or life care facility as owners or lessees, and who are liable by contract for the payment of property taxes, shall be included within this definition of homestead property.

(B) A homestead includes the dwelling place, appurtenant structures, and so much of the surrounding land constituting the parcel on which the dwelling place is situated as is used for residential purposes. If the assessor has established a specific legal description for a portion of property constituting the homestead, then the homestead shall be limited to the property within that description.

(7) "Life care facility" means a facility as defined in Section 2 of the Life Care Facilities Act.

(c) If the property did not have a residential equalized assessed value for the base year as provided in subdivision (b)(3)(A) of this Section, then the assessor shall first determine an initial value for the property by comparison with assessed values for the base year of other properties having physical and economic characteristics similar to those of the subject property, so that the initial value is uniform in relation to assessed values of those other properties for the base year. The product of the initial value multiplied by the equalized factor for the base year for homestead properties in that county, less: (i) \$4,500 in Cook County or \$3,500 in all other counties in tax years ~~year~~ 2003 ; ~~or~~ (ii) \$5,000 in all counties in tax year 2004 and 2005; and (iii) the lesser of \$5,000 or an amount equal to the increase in the equalized assessed value for the current tax year above the equalized assessed value for 1977 in tax year 2006 and thereafter, is the base homestead value.

For any tax year for which the assessor determines or adjusts an initial value and hence a base homestead value under this subsection (c), the initial value shall be subject to review by the same procedures applicable to assessed values established under this Code for that tax year.

(d) The base homestead value shall remain constant, except that the assessor may revise it under the following circumstances:

(1) If the equalized assessed value of a homestead property for the current tax year is less than the previous base homestead value for that property, then the current equalized assessed value (provided it is not based on a reduced assessed value resulting from a temporary irregularity in the property) shall become the base homestead value in subsequent tax years.

(2) For any year in which new buildings, structures, or other improvements are constructed on the homestead property that would increase its assessed value, the assessor shall adjust the base homestead value as provided in subsection (c) of this Section with due regard to the value added by the new improvements.

(3) If the property is sold or ownership is otherwise transferred, the base homestead value of the property shall be adjusted as provided in subdivision (b)(3)(B). This item (3) does not apply to sales or transfers between spouses or between a parent and a child.

(4) the recalculation required in Cook County under subdivision (b)(3)(A-5).

(e) The amount of the exemption under this Section is the equalized assessed value of the homestead property for the current tax year, minus the adjusted homestead value, with the following exceptions:

(1) In Cook County, the exemption under this Section shall not exceed \$20,000 for any taxable year through tax year:

(i) 2005, if the general assessment year for the property is 2003;

(ii) 2006, if the general assessment year for the property is 2004; or

(iii) 2007, if the general assessment year for the property is 2005.

Thereafter, in Cook County, and in all other counties, the exemption is as follows:

(1) if the general assessment year for the property is 2006, then the exemption may not exceed: \$30,000 for taxable year 2006; \$24,000 for taxable year 2007; and \$18,000 for taxable year 2008;

(2) if the general assessment year for the property is 2007, then the exemption may not exceed: \$30,000 for taxable year 2007; \$24,000 for taxable year 2008; and \$18,000 for taxable year 2009; and

(3) if the general assessment year for the property is 2008, then the exemption may not exceed: \$30,000 for taxable year 2008; \$24,000 for taxable year 2009; and \$18,000 for taxable year 2010.

(1.5) In Cook County, for the 2006 taxable year only, the maximum amount of the exemption set forth under item (1) may be increased: (i) by \$10,000 if the equalized assessed value of the property in that taxable year exceeds the equalized assessed value of that property in 2002 by 100% or more; or (ii) by \$5,000 if the equalized assessed value of the property in that taxable year exceeds the equalized assessed value of that property in 2002 by more than 80% but less than 100%.

(2) In the case of homestead property that also qualifies for the exemption under

Section 15-172, the property is entitled to the exemption under this Section, limited to the amount of

(i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter.

(f) In the case of an apartment building owned and operated as a cooperative, or as a life care facility, that contains residential units that qualify as homestead property under this Section, the maximum cumulative exemption amount attributed to the entire building or facility shall not exceed the sum of the exemptions calculated for each qualified residential unit. The cooperative association, management firm, or other person or entity that manages or controls the cooperative apartment building or life care facility shall credit the exemption attributable to each residential unit only to the apportioned tax liability of the owner or other person responsible for payment of taxes as to that unit. Any person who willfully refuses to so credit the exemption is guilty of a Class B misdemeanor.

(g) When married persons maintain separate residences, the exemption provided under this Section shall be claimed by only one such person and for only one residence.

(h) In the event of a sale or other transfer in ownership of the homestead property, the exemption under this Section shall remain in effect for the remainder of the tax year and be calculated using the same base homestead value in which the sale or transfer occurs, but (other than for sales or transfers between spouses or between a parent and a child) shall be calculated for any subsequent tax year using the new base homestead value as provided in subdivision (b)(3)(B). The assessor may require the new owner of the property to apply for the exemption in the following year.

(i) The assessor may determine whether property qualifies as a homestead under this Section by application, visual inspection, questionnaire, or other reasonable methods. Each year, at the time the assessment books are certified to the county clerk by the board of review, the assessor shall furnish to the county clerk a list of the properties qualified for the homestead exemption under this Section. The list shall note the base homestead value of each property to be used in the calculation of the exemption for the current tax year.

(j) In counties with 3,000,000 or more inhabitants, the provisions of this Section apply as follows:

(1) If the general assessment year for the property is 2003, this Section applies for assessment years 2003, 2004, ~~and 2005~~, 2006, 2007, and 2008. Thereafter, the provisions of Section 15-175 apply.

(2) If the general assessment year for the property is 2004, this Section applies for assessment years 2004, 2005, ~~and 2006~~, 2007, 2008, and 2009. Thereafter, the provisions of Section 15-175 apply.

(3) If the general assessment year for the property is 2005, this Section applies for assessment years 2005, 2006, ~~and 2007~~, 2008, 2009, and 2010. Thereafter, the provisions of Section 15-175 apply.

In counties with less than 3,000,000 inhabitants, this Section applies for assessment years

(i) 2006, 2007, and 2008, and 2009 if tax year 2005 ~~2003, 2004, and 2005 if 2002~~ is the designated base year or (ii) 2007, 2008, 2009, and 2010 if tax year 2006 ~~2004, 2005, and 2006 if 2003~~ is the designated base year. Thereafter, the provisions of Section 15-175 apply.

(k) To be subject to the provisions of this Section in lieu of Section 15-175, a county must adopt an ordinance to subject itself to the provisions of this Section within 6 months after the effective date of this amendatory Act of the ~~95th General Assembly~~ ~~93rd General Assembly~~. In a county other than Cook County, the ordinance must designate either tax year ~~2005~~ ~~2002~~ or tax year ~~2006~~ ~~2003~~ as the base year.

(l) Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

(Source: P.A. 93-715, eff. 7-12-04.)

(35 ILCS 200/15-177 new)

Sec. 15-177. The long-time occupant homestead exemption.

(a) If the county has elected, under Section 15-176, to be subject to the provisions of the alternative general homestead exemption, then, for taxable years 2007, 2008, and 2009, the provisions of this Section apply, and qualified homestead property is entitled to an annual homestead exemption equal to a reduction in the property's equalized assessed value calculated as provided in this Section.

(b) As used in this Section:

"Adjusted homestead value" means the lesser of the following values:

(1) The property's base homestead value increased by: (i) 10% for each taxable year that the qualified taxpayer has received the exemption under this Section after the base year through and including the current tax year for qualified taxpayers with a household income of more than \$75,000 but not exceeding \$100,000; or (ii) 7% for each taxable year that the qualified taxpayer has received the exemption under this Section after the base year through and including the current tax year for qualified taxpayers with a household income of \$75,000 or less. The increase each year that the qualified taxpayer has received the exemption under this Section is an increase over the prior year; or

(2) The property's equalized assessed value for the current tax year minus the general homestead deduction.

"Base homestead value" means an amount equal to:

(1) the equalized assessed value of the property for the base year prior to exemptions, minus the general homestead exemption, provided that the property's assessment was not based on a reduced assessed value resulting from a temporary irregularity in the property for that year; increased by

(2) 7% for each taxable year after the base year and continuing until the taxable year in which the taxpayer first qualifies for the exemption under this Section. The increase by 7% each year is an increase by 7% over the prior year.

"Base year" means the 2002 taxable year for Cook County and, for all other counties, the base year elected by the county under Section 15-176.

"Current taxable year" means the taxable year for which the exemption under this Section is being applied.

"Equalized assessed value" means the property's assessed value as equalized by the Department.

"Homestead" or "homestead property" means residential property that as of January 1 of the tax year is occupied by a qualified taxpayer as his or her principal dwelling place, or that is a leasehold interest on which a single family residence is situated, that is occupied as a residence by a qualified taxpayer who has a legal or equitable interest therein evidenced by a written instrument, as an owner or as a lessee, and on which the person is liable for the payment of property taxes. Residential units in an apartment building owned and operated as a cooperative, or as a life care facility, which are occupied by persons who hold a legal or equitable interest in the cooperative apartment building or life care facility as owners or lessees, and who are liable by contract for the payment of property taxes, are included within this definition of homestead property. A homestead includes the dwelling place, appurtenant structures, and so much of the surrounding land constituting the parcel on which the dwelling place is situated as is used for residential purposes. If the assessor has established a specific legal description for a portion of property constituting the homestead, then the homestead is limited to the property within that description.

"Household income" has the meaning set forth under Section 15-172 of this Code.

"General homestead deduction" means the lesser of (i) \$5,000 or (ii) the amount equal to the equalized assessed value for the current taxable year less the equalized assessed value for the 1977 taxable year.

"Life care facility" means a facility defined in Section 2 of the Life Care Facilities Act.

"Qualified homestead property" means homestead property owned by a qualified taxpayer.

"Qualified taxpayer" means any individual:

(1) who, for at least 10 continuous years, has occupied the same homestead property as a principal residence and domicile or who, for at least 5 continuous years, has occupied the same homestead property as a principal residence and domicile if that person received assistance in the acquisition of the property as part of a government or nonprofit housing program; and



(2) who has a household income of \$100,000 or less.

(c) The base homestead value must remain constant, except that the assessor may revise it under any of the following circumstances:

(1) If the equalized assessed value of a homestead property for the current tax year is less than the previous base homestead value for that property, then the current equalized assessed value (provided it is not based on a reduced assessed value resulting from a temporary irregularity in the property) becomes the base homestead value in subsequent tax years.

(2) For any year in which new buildings, structures, or other improvements are constructed on the homestead property that would increase its assessed value, the assessor shall adjust the base homestead value with due regard to the value added by the new improvements.

(d) The amount of the exemption under this Section is the equalized assessed value of the homestead property for the current tax year minus the adjusted homestead value.

(e) In the case of an apartment building owned and operated as a cooperative, or as a life care facility, that contains residential units that qualify as homestead property of a qualified taxpayer under this Section, the maximum cumulative exemption amount attributed to the entire building or facility shall not exceed the sum of the exemptions calculated for each unit that is a qualified homestead property. The cooperative association, management firm, or other person or entity that manages or controls the cooperative apartment building or life care facility shall credit the exemption attributable to each residential unit only to the apportioned tax liability of the qualified taxpayer as to that unit. Any person who willfully refuses to so credit the exemption is guilty of a Class B misdemeanor.

(f) When married persons maintain separate residences, the exemption provided under this Section may be claimed by only one such person and for only one residence. No person who receives an exemption under Section 15-172 of this Code may receive an exemption under this Section. No person who receives an exemption under this Section may receive an exemption under Section 15-175 of this Code.

(g) In the event of a sale or other transfer in ownership of the homestead property between spouses or between a parent and a child, the exemption under this Section remains in effect if the new owner has a household income of \$100,000 or less.

(h) In the event of a sale or other transfer in ownership of the homestead property, the exemption under this Section shall remain in effect for the remainder of the tax year and be calculated using the same base homestead value in which the sale or transfer occurs.

(i) To receive the exemption, a person may submit an application to the county assessor during the period specified by the county assessor.

The county assessor shall annually give notice of the application period by mail or by publication.

The taxpayer must submit, with the application, an affidavit of the taxpayer's total household income, marital status (and if married the name and address of the applicant's spouse, if known), and principal dwelling place of members of the household on January 1 of the taxable year. The Department shall establish, by rule, a method for verifying the accuracy of affidavits filed by applicants under this Section, and the Chief County Assessment Officer may conduct audits of any taxpayer claiming an exemption under this Section to verify that the taxpayer is eligible to receive the exemption. Each application shall contain or be verified by a written declaration that it is made under the penalties of perjury. A taxpayer's signing a fraudulent application under this Act is perjury, as defined in Section 32-2 of the Criminal Code of 1961. The applications shall be clearly marked as applications for the Long-time Occupant Homestead Exemption and must contain a notice that any taxpayer who receives the exemption is subject to an audit by the Chief County Assessment Officer.

(j) Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

(35 ILCS 200/18-178 new)

Sec. 18-178. Abatement for the residence of a surviving spouse of a fallen police officer or rescue worker.

(a) The governing body of any county or municipality may, by ordinance, order the county clerk to abate any percentage of the taxes levied by the county or municipality on each parcel of qualified property within the boundaries of the county or municipality that is owned by the surviving spouse of a fallen police officer or rescue worker.

(b) The governing body may provide, by ordinance, for the percentage amount and duration of an abatement under this Section and for any other provision necessary to carry out the provisions of this Section. Upon passing an ordinance under this Section, the county or municipality must deliver a certified copy of the ordinance to the county clerk.

(c) As used in this Section:

"Fallen police officer or rescue worker" means an individual who dies:

(1) as a result of or in the course of employment as a police officer; or

(2) while in the active service of a fire, rescue, or emergency medical service.

"Fallen police officer or rescue worker", however, does not include any individual whose death was the result of that individual's own willful misconduct or abuse of alcohol or drugs.

"Qualified property" means a parcel of real property that is occupied by not more than 2 families, that is used as the principle residence by a surviving spouse, and that:

(1) was owned by the fallen police officer or rescue worker or surviving spouse at the time of the police officer's or rescue worker's death;

(2) was acquired by the surviving spouse within 2 years after the police officer's or rescue worker's death if the surviving spouse was domiciled in the State at the time of that death; or

(3) was acquired more than 2 years after the police officer's or rescue worker's death if surviving spouse qualified for an abatement for a former qualified property located in that municipality.

"Surviving spouse" means a spouse, who has not remarried, of a fallen police officer or rescue worker.

(35 ILCS 200/20-15)

Sec. 20-15. Information on bill or separate statement. There shall be printed on each bill, or on a separate slip which shall be mailed with the bill:

(a) a statement itemizing the rate at which taxes have been extended for each of the taxing districts in the county in whose district the property is located, and in those counties utilizing electronic data processing equipment the dollar amount of tax due from the person assessed allocable to each of those taxing districts, including a separate statement of the dollar amount of tax due which is allocable to a tax levied under the Illinois Local Library Act or to any other tax levied by a municipality or township for public library purposes,

(b) a separate statement for each of the taxing districts of the dollar amount of tax due which is allocable to a tax levied under the Illinois Pension Code or to any other tax levied by a municipality or township for public pension or retirement purposes,

(c) the total tax rate,

(d) the total amount of tax due, and

(e) the amount by which the total tax and the tax allocable to each taxing district

differs from the taxpayer's last prior tax bill.

The county treasurer shall ensure that only those taxing districts in which a parcel of property is located shall be listed on the bill for that property.

In all counties the statement shall also provide:

(1) the property index number or other suitable description,

(2) the assessment of the property,

(3) the equalization factors imposed by the county and by the Department, and

(4) the equalized assessment resulting from the application of the equalization factors to the basic assessment.

In all counties which do not classify property for purposes of taxation, for property on which a single family residence is situated the statement shall also include a statement to reflect the fair cash value determined for the property. In all counties which classify property for purposes of taxation in accordance with Section 4 of Article IX of the Illinois Constitution, for parcels of residential property in the lowest assessment classification the statement shall also include a statement to reflect the fair cash value determined for the property.

In all counties, the statement must include information that certain taxpayers may be eligible for tax exemptions, abatements, and other assistance programs and that, for more information, taxpayers should consult with the office of their township or county collector and with the Illinois Department of Revenue.

In all counties, the statement shall include information that certain taxpayers may be eligible for the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act and that applications are available from the Illinois Department on Aging of Revenue.

In counties which use the estimated or accelerated billing methods, these statements shall only be provided with the final installment of taxes due. The provisions of this Section create a mandatory statutory duty. They are not merely directory or discretionary. The failure or neglect of the collector to mail the bill, or the failure of the taxpayer to receive the bill, shall not affect the validity of any tax, or the liability for the payment of any tax.

(Source: P.A. 91-699, eff. 1-1-01.)

(35 ILCS 200/20-178)

Sec. 20-178. Certificate of error; refund; interest. When the county collector makes any refunds due

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on certificates of error issued under Sections 14-15 through 14-25 that have been either certified or adjudicated, the county collector shall pay the taxpayer interest on the amount of the refund at the rate of 0.5% per month.

No interest shall be due under this Section for any time prior to 60 days after the effective date of this amendatory Act of the 91st General Assembly. For certificates of error issued prior to the effective date of this amendatory Act of the 91st General Assembly, the county collector shall pay the taxpayer interest from 60 days after the effective date of this amendatory Act of the 91st General Assembly until the date the refund is paid. For certificates of error issued on or after the effective date of this amendatory Act of the 91st General Assembly, interest shall be paid from 60 days after the certificate of error is issued by the chief county assessment officer to the date the refund is made. To cover the cost of interest, the county collector shall proportionately reduce the distribution of taxes collected for each taxing district in which the property is situated.

This Section shall not apply to any certificate of error granting a homestead exemption under Section 15-170, 15-172, 15-175, ~~or 15-176~~, or 15-177.

(Source: P.A. 93-715, eff. 7-12-04.)

(35 ILCS 200/24-35 new)

Sec. 24-35. Property Tax Reform and Relief Task Force.

(a) There is created the Property Tax Reform and Relief Task Force consisting of 8 members appointed as follows: 2 members appointed by the President of the Senate, one of whom shall be designated as the chair of the Task Force upon appointment; 2 members appointed by the Minority Leader of the Senate; 2 members appointed by the Speaker of the House of Representatives; and 2 members appointed by the Minority Leader of the House of Representatives.

(b) The Task Force shall conduct a study of the property tax system in Illinois and investigate methods of reducing the reliance on property taxes and alternative methods of funding.

(c) The members of the Task Force shall serve without compensation but shall be reimbursed for their reasonable and necessary expenses from funds appropriated for that purpose.

(d) The Task Force shall submit its findings to the House of Representatives no later than January 1, 2010, at which time the Task Force is dissolved.

(e) The Department of Revenue shall provide administrative support to the Task Force.

Section 15. The County Economic Development Project Area Property Tax Allocation Act is amended by changing Section 6 as follows:

(55 ILCS 85/6) (from Ch. 34, par. 7006)

Sec. 6. Filing with county clerk; certification of initial equalized assessed value.

(a) The county shall file a certified copy of any ordinance authorizing property tax allocation financing for an economic development project area with the county clerk, and the county clerk shall immediately thereafter determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions under ~~Article 15 provided by Sections 15-170, 15-175, and 15-176~~ of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such economic development project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, 15-175, and 15-176 of the Property Tax Code. Upon receiving written notice from the Department of its approval and certification of such economic development project area, the county clerk shall immediately certify such amount as the "total initial equalized assessed value" of the taxable property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within that taxing district for the purpose of computing the rate percent of tax to be extended upon taxable property within the taxing district, shall in every year that property tax allocation financing is in effect ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area. The rate percent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate percent of tax is extended to all other taxable property in the taxing district. The method of

allocating taxes established under this Section shall terminate when the county adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 93-715, eff. 7-12-04.)

Section 17. The County Economic Development Project Area Tax Increment Allocation Act of 1991 is amended by changing Section 45 as follows:

(55 ILCS 90/45) (from Ch. 34, par. 8045)

Sec. 45. Filing with county clerk; certification of initial equalized assessed value.

(a) A county that has by ordinance approved an economic development plan, established an economic development project area, and adopted tax increment allocation financing for that area shall file certified copies of the ordinance or ordinances with the county clerk. Upon receiving the ordinance or ordinances, the county clerk shall immediately determine (i) the most recently ascertained equalized assessed value of each lot, block, tract, or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions under Article 15 provided by Sections 15-170, 15-175, and 15-176 of the Property Tax Code (that value being the "initial equalized assessed value" of each such piece of property) and (ii) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within the economic development project area, from which shall be deducted the homestead exemptions under Article 15 provided by Sections 15-170, 15-175, and 15-176 of the Property Tax Code, and shall certify that amount as the "total initial equalized assessed value" of the taxable real property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within the taxing district shall, in every year that tax increment allocation financing is in effect, ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in the area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the county adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving property owners within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 93-715, eff. 7-12-04.)

Section 20. The Illinois Municipal Code is amended by changing Sections 11-74.4-8, 11-74.4-9, and 11-74.6-40 as follows:

(65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

Sec. 11-74.4-8. Tax increment allocation financing. A municipality may not adopt tax increment financing in a redevelopment project area after the effective date of this amendatory Act of 1997 that will encompass an area that is currently included in an enterprise zone created under the Illinois Enterprise Zone Act unless that municipality, pursuant to Section 5.4 of the Illinois Enterprise Zone Act, amends the enterprise zone designating ordinance to limit the eligibility for tax abatements as provided in Section 5.4.1 of the Illinois Enterprise Zone Act. A municipality, at the time a redevelopment project area is designated, may adopt tax increment allocation financing by passing an ordinance providing that the ad valorem taxes, if any, arising from the levies upon taxable real property in such redevelopment project area by taxing districts and tax rates determined in the manner provided in paragraph (c) of Section 11-74.4-9 each year after the effective date of the ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs incurred under this Division have been paid shall be divided as follows:

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is

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attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the redevelopment project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(b) Except from a tax levied by a township to retire bonds issued to satisfy court-ordered damages, that portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the redevelopment project area over and above the initial equalized assessed value of each property in the project area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof. In any county with a population of 3,000,000 or more that has adopted a procedure for collecting taxes that provides for one or more of the installments of the taxes to be billed and collected on an estimated basis, the municipal treasurer shall be paid for deposit in the special tax allocation fund of the municipality, from the taxes collected from estimated bills issued for property in the redevelopment project area, the difference between the amount actually collected from each taxable lot, block, tract, or parcel of real property within the redevelopment project area and an amount determined by multiplying the rate at which taxes were last extended against the taxable lot, block, tract, or parcel of real property in the manner provided in subsection (c) of Section 11-74.4-9 by the initial equalized assessed value of the property divided by the number of installments in which real estate taxes are billed and collected within the county; provided that the payments on or before December 31, 1999 to a municipal treasurer shall be made only if each of the following conditions are met:

(1) The total equalized assessed value of the redevelopment project area as last determined was not less than 175% of the total initial equalized assessed value.

(2) Not more than 50% of the total equalized assessed value of the redevelopment project area as last determined is attributable to a piece of property assigned a single real estate index number.

(3) The municipal clerk has certified to the county clerk that the municipality has issued its obligations to which there has been pledged the incremental property taxes of the redevelopment project area or taxes levied and collected on any or all property in the municipality or the full faith and credit of the municipality to pay or secure payment for all or a portion of the redevelopment project costs. The certification shall be filed annually no later than September 1 for the estimated taxes to be distributed in the following year; however, for the year 1992 the certification shall be made at any time on or before March 31, 1992.

(4) The municipality has not requested that the total initial equalized assessed value of real property be adjusted as provided in subsection (b) of Section 11-74.4-9.

The conditions of paragraphs (1) through (4) do not apply after December 31, 1999 to payments to a municipal treasurer made by a county with 3,000,000 or more inhabitants that has adopted an estimated billing procedure for collecting taxes. If a county that has adopted the estimated billing procedure makes an erroneous overpayment of tax revenue to the municipal treasurer, then the county may seek a refund of that overpayment. The county shall send the municipal treasurer a notice of liability for the overpayment on or before the mailing date of the next real estate tax bill within the county. The refund shall be limited to the amount of the overpayment.

It is the intent of this Division that after the effective date of this amendatory Act of 1988 a municipality's own ad valorem tax arising from levies on taxable real property be included in the determination of incremental revenue in the manner provided in paragraph (c) of Section 11-74.4-9. If the municipality does not extend such a tax, it shall annually deposit in the municipality's Special Tax Increment Fund an amount equal to 10% of the total contributions to the fund from all other taxing districts in that year. The annual 10% deposit required by this paragraph shall be limited to the actual amount of municipally produced incremental tax revenues available to the municipality from taxpayers located in the redevelopment project area in that year if: (a) the plan for the area restricts the use of the property primarily to industrial purposes, (b) the municipality establishing the redevelopment project area is a home-rule community with a 1990 population of between 25,000 and 50,000, (c) the municipality is wholly located within a county with a 1990 population of over 750,000 and (d) the redevelopment project area was established by the municipality prior to June 1, 1990. This payment shall be in lieu of a contribution of ad valorem taxes on real property. If no such payment is made, any redevelopment project area of the municipality shall be dissolved.

If a municipality has adopted tax increment allocation financing by ordinance and the County Clerk

thereafter certifies the "total initial equalized assessed value as adjusted" of the taxable real property within such redevelopment project area in the manner provided in paragraph (b) of Section 11-74.4-9, each year after the date of the certification of the total initial equalized assessed value as adjusted until redevelopment project costs and all municipal obligations financing redevelopment project costs have been paid the ad valorem taxes, if any, arising from the levies upon the taxable real property in such redevelopment project area by taxing districts and tax rates determined in the manner provided in paragraph (c) of Section 11-74.4-9 shall be divided as follows:

(1) That portion of the taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or "current equalized assessed value as adjusted" or the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property existing at the time tax increment financing was adopted, minus the total current homestead exemptions ~~under Article 15 provided by Sections 15-170, 15-175, and 15-176~~ of the Property Tax Code in the redevelopment project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(2) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the redevelopment project area, over and above the initial equalized assessed value of each property existing at the time tax increment financing was adopted, minus the total current homestead exemptions pertaining to each piece of property provided by ~~Article 15 Sections 15-170, 15-175, and 15-176~~ of the Property Tax Code in the redevelopment project area, shall be allocated to and when collected shall be paid to the municipal Treasurer, who shall deposit said taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof.

The municipality may pledge in the ordinance the funds in and to be deposited in the special tax allocation fund for the payment of such costs and obligations. No part of the current equalized assessed valuation of each property in the redevelopment project area attributable to any increase above the total initial equalized assessed value, or the total initial equalized assessed value as adjusted, of such properties shall be used in calculating the general State school aid formula, provided for in Section 18-8 of the School Code, until such time as all redevelopment project costs have been paid as provided for in this Section.

Whenever a municipality issues bonds for the purpose of financing redevelopment project costs, such municipality may provide by ordinance for the appointment of a trustee, which may be any trust company within the State, and for the establishment of such funds or accounts to be maintained by such trustee as the municipality shall deem necessary to provide for the security and payment of the bonds. If such municipality provides for the appointment of a trustee, such trustee shall be considered the assignee of any payments assigned by the municipality pursuant to such ordinance and this Section. Any amounts paid to such trustee as assignee shall be deposited in the funds or accounts established pursuant to such trust agreement, and shall be held by such trustee in trust for the benefit of the holders of the bonds, and such holders shall have a lien on and a security interest in such funds or accounts so long as the bonds remain outstanding and unpaid. Upon retirement of the bonds, the trustee shall pay over any excess amounts held to the municipality for deposit in the special tax allocation fund.

When such redevelopment projects costs, including without limitation all municipal obligations financing redevelopment project costs incurred under this Division, have been paid, all surplus funds then remaining in the special tax allocation fund shall be distributed by being paid by the municipal treasurer to the Department of Revenue, the municipality and the county collector; first to the Department of Revenue and the municipality in direct proportion to the tax incremental revenue received from the State and the municipality, but not to exceed the total incremental revenue received from the State or the municipality less any annual surplus distribution of incremental revenue previously made; with any remaining funds to be paid to the County Collector who shall immediately thereafter pay said funds to the taxing districts in the redevelopment project area in the same manner and proportion as the most recent distribution by the county collector to the affected districts of real property taxes from real property in the redevelopment project area.

Upon the payment of all redevelopment project costs, the retirement of obligations, the distribution of any excess monies pursuant to this Section, and final closing of the books and records of the redevelopment project area, the municipality shall adopt an ordinance dissolving the special tax allocation fund for the redevelopment project area and terminating the designation of the redevelopment project area as a redevelopment project area. Title to real or personal property and public improvements acquired by or for the municipality as a result of the redevelopment project and plan shall vest in the

municipality when acquired and shall continue to be held by the municipality after the redevelopment project area has been terminated. Municipalities shall notify affected taxing districts prior to November 1 if the redevelopment project area is to be terminated by December 31 of that same year. If a municipality extends estimated dates of completion of a redevelopment project and retirement of obligations to finance a redevelopment project, as allowed by this amendatory Act of 1993, that extension shall not extend the property tax increment allocation financing authorized by this Section. Thereafter the rates of the taxing districts shall be extended and taxes levied, collected and distributed in the manner applicable in the absence of the adoption of tax increment allocation financing.

Nothing in this Section shall be construed as relieving property in such redevelopment project areas from being assessed as provided in the Property Tax Code or as relieving owners of such property from paying a uniform rate of taxes, as required by Section 4 of Article 9 of the Illinois Constitution.

(Source: P.A. 92-16, eff. 6-28-01; 93-298, eff. 7-23-03; 93-715, eff. 7-12-04.)

(65 ILCS 5/11-74.4-9) (from Ch. 24, par. 11-74.4-9)

Sec. 11-74.4-9. Equalized assessed value of property.

(a) If a municipality by ordinance provides for tax increment allocation financing pursuant to Section 11-74.4-8, the county clerk immediately thereafter shall determine (1) the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within such redevelopment project area from which shall be deducted the homestead exemptions ~~under Article 15 provided by Sections 15-170, 15-175, and 15-176~~ of the Property Tax Code, which value shall be the "initial equalized assessed value" of each such piece of property, and (2) the total equalized assessed value of all taxable real property within such redevelopment project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, 15-175, and 15-176 of the Property Tax Code, and shall certify such amount as the "total initial equalized assessed value" of the taxable real property within such project area.

(b) In reference to any municipality which has adopted tax increment financing after January 1, 1978, and in respect to which the county clerk has certified the "total initial equalized assessed value" of the property in the redevelopment area, the municipality may thereafter request the clerk in writing to adjust the initial equalized value of all taxable real property within the redevelopment project area by deducting therefrom the exemptions ~~under Article 15 provided for by Sections 15-170, 15-175, and 15-176~~ of the Property Tax Code applicable to each lot, block, tract or parcel of real property within such redevelopment project area. The county clerk shall immediately after the written request to adjust the total initial equalized value is received determine the total homestead exemptions in the redevelopment project area provided by Sections 15-170, 15-175, and 15-176 of the Property Tax Code by adding together the homestead exemptions provided by said Sections on each lot, block, tract or parcel of real property within such redevelopment project area and then shall deduct the total of said exemptions from the total initial equalized assessed value. The county clerk shall then promptly certify such amount as the "total initial equalized assessed value as adjusted" of the taxable real property within such redevelopment project area.

(c) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in such area, then in respect to every taxing district containing a redevelopment project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such district for the purpose of computing the rate per cent of tax to be extended upon taxable property within such district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project area by including in such amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in such area, except that after he has certified the "total initial equalized assessed value as adjusted" he shall in the year of said certification if tax rates have not been extended and in every year thereafter that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project area by including in such amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value as adjusted" of all taxable real property in such area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the redevelopment project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the redevelopment project area. This Division shall not be construed as relieving property owners within a redevelopment project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 93-715, eff. 7-12-04.)

(65 ILCS 5/11-74.6-40)

Sec. 11-74.6-40. Equalized assessed value determination; property tax extension.

(a) If a municipality by ordinance provides for tax increment allocation financing under Section 11-74.6-35, the county clerk immediately thereafter:

(1) shall determine the initial equalized assessed value of each parcel of real property in the redevelopment project area, which is the most recently established equalized assessed value of each lot, block, tract or parcel of taxable real property within the redevelopment project area, minus the homestead exemptions under Article 15 provided by Sections 15-170, 15-175, and 15-176 of the Property Tax Code; and

(2) shall certify to the municipality the total initial equalized assessed value of all taxable real property within the redevelopment project area.

(b) Any municipality that has established a vacant industrial buildings conservation area may, by ordinance passed after the adoption of tax increment allocation financing, provide that the county clerk immediately thereafter shall again determine:

(1) the updated initial equalized assessed value of each lot, block, tract or parcel of real property, which is the most recently ascertained equalized assessed value of each lot, block, tract or parcel of real property within the vacant industrial buildings conservation area; and

(2) the total updated initial equalized assessed value of all taxable real property within the redevelopment project area, which is the total of the updated initial equalized assessed value of all taxable real property within the vacant industrial buildings conservation area.

The county clerk shall certify to the municipality the total updated initial equalized assessed value of all taxable real property within the industrial buildings conservation area.

(c) After the county clerk has certified the total initial equalized assessed value or the total updated initial equalized assessed value of the taxable real property in the area, for each taxing district in which a redevelopment project area is situated, the county clerk or any other official required by law to determine the amount of the equalized assessed value of all taxable property within the district for the purpose of computing the percentage rate of tax to be extended upon taxable property within the district, shall in every year that tax increment allocation financing is in effect determine the total equalized assessed value of taxable property in a redevelopment project area by including in that amount the lower of the current equalized assessed value or the certified total initial equalized assessed value or, if the total of updated equalized assessed value has been certified, the total updated initial equalized assessed value of all taxable real property in the redevelopment project area. After he has certified the total initial equalized assessed value he shall in the year of that certification, if tax rates have not been extended, and in every subsequent year that tax increment allocation financing is in effect, determine the amount of equalized assessed value of taxable property in a redevelopment project area by including in that amount the lower of the current total equalized assessed value or the certified total initial equalized assessed value or, if the total of updated initial equalized assessed values have been certified, the total updated initial equalized assessed value of all taxable real property in the redevelopment project area.

(d) The percentage rate of tax determined shall be extended on the current equalized assessed value of all property in the redevelopment project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the redevelopment project area. This Law shall not be construed as relieving property owners within a redevelopment project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 93-715, eff. 7-12-04.)

Section 25. The Economic Development Project Area Tax Increment Allocation Act of 1995 is amended by changing Section 45 as follows:

(65 ILCS 110/45)

Sec. 45. Filing with county clerk; certification of initial equalized assessed value.

(a) A municipality that has by ordinance approved an economic development plan, established an economic development project area, and adopted tax increment allocation financing for that area shall file certified copies of the ordinance or ordinances with the county clerk. Upon receiving the ordinance or ordinances, the county clerk shall immediately determine (i) the most recently ascertained equalized assessed value of each lot, block, tract, or parcel of real property within the economic development project area from which shall be deducted the homestead exemptions under Article 15 provided by Sections 15-170, 15-175, and 15-176 of the Property Tax Code (that value being the "initial equalized

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assessed value" of each such piece of property) and (ii) the total equalized assessed value of all taxable real property within the economic development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within the economic development project area, from which shall be deducted the homestead exemptions provided by Sections 15-170, 15-175, and 15-176 of the Property Tax Code, and shall certify that amount as the "total initial equalized assessed value" of the taxable real property within the economic development project area.

(b) After the county clerk has certified the "total initial equalized assessed value" of the taxable real property in the economic development project area, then in respect to every taxing district containing an economic development project area, the county clerk or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the taxing district for the purpose of computing the rate per cent of tax to be extended upon taxable property within the taxing district shall, in every year that tax increment allocation financing is in effect, ascertain the amount of value of taxable property in an economic development project area by including in that amount the lower of the current equalized assessed value or the certified "total initial equalized assessed value" of all taxable real property in the area. The rate per cent of tax determined shall be extended to the current equalized assessed value of all property in the economic development project area in the same manner as the rate per cent of tax is extended to all other taxable property in the taxing district. The method of extending taxes established under this Section shall terminate when the municipality adopts an ordinance dissolving the special tax allocation fund for the economic development project area. This Act shall not be construed as relieving owners or lessees of property within an economic development project area from paying a uniform rate of taxes upon the current equalized assessed value of their taxable property as provided in the Property Tax Code.

(Source: P.A. 93-715, eff. 7-12-04.)

Section 30. The School Code is amended by changing Section 18-8.05 as follows:  
(105 ILCS 5/18-8.05)

Sec. 18-8.05. Basis for apportionment of general State financial aid and supplemental general State aid to the common schools for the 1998-1999 and subsequent school years.

(A) General Provisions.

(1) The provisions of this Section apply to the 1998-1999 and subsequent school years. The system of general State financial aid provided for in this Section is designed to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of general State financial aid that, when added to Available Local Resources, equals or exceeds the Foundation Level. The amount of per pupil general State financial aid for school districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon each school district's Average Daily Attendance as that term is defined in this Section.

(2) In addition to general State financial aid, school districts with specified levels or concentrations of pupils from low income households are eligible to receive supplemental general State financial aid grants as provided pursuant to subsection (H). The supplemental State aid grants provided for school districts under subsection (H) shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section.

(3) To receive financial assistance under this Section, school districts are required to file claims with the State Board of Education, subject to the following requirements:

(a) Any school district which fails for any given school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion which the Average Daily Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A "recognized school" means any public school which meets the standards as established for recognition by the State Board of Education. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim which was filed while it was recognized.

(b) School district claims filed under this Section are subject to Sections 18-9, 18-10, and 18-12, except as otherwise provided in this Section.

(c) If a school district operates a full year school under Section 10-19.1, the general

State aid to the school district shall be determined by the State Board of Education in accordance with this Section as near as may be applicable.

(d) (Blank).

(4) Except as provided in subsections (H) and (L), the board of any district receiving any of the grants provided for in this Section may apply those funds to any fund so received for which that board is authorized to make expenditures by law.

School districts are not required to exert a minimum Operating Tax Rate in order to qualify for assistance under this Section.

(5) As used in this Section the following terms, when capitalized, shall have the meaning ascribed herein:

(a) "Average Daily Attendance": A count of pupil attendance in school, averaged as provided for in subsection (C) and utilized in deriving per pupil financial support levels.

(b) "Available Local Resources": A computation of local financial support, calculated on the basis of Average Daily Attendance and derived as provided pursuant to subsection (D).

(c) "Corporate Personal Property Replacement Taxes": Funds paid to local school districts pursuant to "An Act in relation to the abolition of ad valorem personal property tax and the replacement of revenues lost thereby, and amending and repealing certain Acts and parts of Acts in connection therewith", certified August 14, 1979, as amended (Public Act 81-1st S.S.-1).

(d) "Foundation Level": A prescribed level of per pupil financial support as provided for in subsection (B).

(e) "Operating Tax Rate": All school district property taxes extended for all purposes, except Bond and Interest, Summer School, Rent, Capital Improvement, and Vocational Education Building purposes.

#### (B) Foundation Level.

(1) The Foundation Level is a figure established by the State representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to exert a sufficient local taxing effort such that, in combination with the aggregate of general State financial aid provided the district, an aggregate of State and local resources are available to meet the basic education needs of pupils in the district.

(2) For the 1998-1999 school year, the Foundation Level of support is \$4,225. For the 1999-2000 school year, the Foundation Level of support is \$4,325. For the 2000-2001 school year, the Foundation Level of support is \$4,425. For the 2001-2002 school year and 2002-2003 school year, the Foundation Level of support is \$4,560. For the 2003-2004 school year, the Foundation Level of support is \$4,810. For the 2004-2005 school year, the Foundation Level of support is \$4,964. For the 2005-2006 school year, the Foundation Level of support is \$5,164.

(3) For the 2006-2007 school year and each school year thereafter, the Foundation Level of support is \$5,334 or such greater amount as may be established by law by the General Assembly.

#### (C) Average Daily Attendance.

(1) For purposes of calculating general State aid pursuant to subsection (E), an Average Daily Attendance figure shall be utilized. The Average Daily Attendance figure for formula calculation purposes shall be the monthly average of the actual number of pupils in attendance of each school district, as further averaged for the best 3 months of pupil attendance for each school district. In compiling the figures for the number of pupils in attendance, school districts and the State Board of Education shall, for purposes of general State aid funding, conform attendance figures to the requirements of subsection (F).

(2) The Average Daily Attendance figures utilized in subsection (E) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated or the average of the attendance data for the 3 preceding school years, whichever is greater. The Average Daily Attendance figures utilized in subsection (H) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated.

#### (D) Available Local Resources.

(1) For purposes of calculating general State aid pursuant to subsection (E), a representation of Available Local Resources per pupil, as that term is defined and determined in this subsection, shall be

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utilized. Available Local Resources per pupil shall include a calculated dollar amount representing local school district revenues from local property taxes and from Corporate Personal Property Replacement Taxes, expressed on the basis of pupils in Average Daily Attendance. Calculation of Available Local Resources shall exclude any tax amnesty funds received as a result of Public Act 93-26.

(2) In determining a school district's revenue from local property taxes, the State Board of Education shall utilize the equalized assessed valuation of all taxable property of each school district as of September 30 of the previous year. The equalized assessed valuation utilized shall be obtained and determined as provided in subsection (G).

(3) For school districts maintaining grades kindergarten through 12, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 3.00%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades kindergarten through 8, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 2.30%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades 9 through 12, local property tax revenues per pupil shall be the applicable equalized assessed valuation of the district multiplied by 1.05%, and divided by the district's Average Daily Attendance figure.

For partial elementary unit districts created pursuant to Article 11E of this Code, local property tax revenues per pupil shall be calculated as the product of the equalized assessed valuation for property within the elementary and high school classification of the partial elementary unit district multiplied by 2.06% and divided by the Average Daily Attendance figure for grades kindergarten through 8, plus the product of the equalized assessed valuation for property within the high school only classification of the partial elementary unit district multiplied by 0.94% and divided by the Average Daily Attendance figure for grades 9 through 12.

(4) The Corporate Personal Property Replacement Taxes paid to each school district during the calendar year 2 years before the calendar year in which a school year begins, divided by the Average Daily Attendance figure for that district, shall be added to the local property tax revenues per pupil as derived by the application of the immediately preceding paragraph (3). The sum of these per pupil figures for each school district shall constitute Available Local Resources as that term is utilized in subsection (E) in the calculation of general State aid.

#### (E) Computation of General State Aid.

(1) For each school year, the amount of general State aid allotted to a school district shall be computed by the State Board of Education as provided in this subsection.

(2) For any school district for which Available Local Resources per pupil is less than the product of 0.93 times the Foundation Level, general State aid for that district shall be calculated as an amount equal to the Foundation Level minus Available Local Resources, multiplied by the Average Daily Attendance of the school district.

(3) For any school district for which Available Local Resources per pupil is equal to or greater than the product of 0.93 times the Foundation Level and less than the product of 1.75 times the Foundation Level, the general State aid per pupil shall be a decimal proportion of the Foundation Level derived using a linear algorithm. Under this linear algorithm, the calculated general State aid per pupil shall decline in direct linear fashion from 0.07 times the Foundation Level for a school district with Available Local Resources equal to the product of 0.93 times the Foundation Level, to 0.05 times the Foundation Level for a school district with Available Local Resources equal to the product of 1.75 times the Foundation Level. The allocation of general State aid for school districts subject to this paragraph 3 shall be the calculated general State aid per pupil figure multiplied by the Average Daily Attendance of the school district.

(4) For any school district for which Available Local Resources per pupil equals or exceeds the product of 1.75 times the Foundation Level, the general State aid for the school district shall be calculated as the product of \$218 multiplied by the Average Daily Attendance of the school district.

(5) The amount of general State aid allocated to a school district for the 1999-2000 school year meeting the requirements set forth in paragraph (4) of subsection (G) shall be increased by an amount equal to the general State aid that would have been received by the district for the 1998-1999 school year by utilizing the Extension Limitation Equalized Assessed Valuation as calculated in paragraph (4) of subsection (G) less the general State aid allotted for the 1998-1999 school year. This amount shall be deemed a one time increase, and shall not affect any future general State aid allocations.

#### (F) Compilation of Average Daily Attendance.

(1) Each school district shall, by July 1 of each year, submit to the State Board of Education, on forms

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prescribed by the State Board of Education, attendance figures for the school year that began in the preceding calendar year. The attendance information so transmitted shall identify the average daily attendance figures for each month of the school year. Beginning with the general State aid claim form for the 2002-2003 school year, districts shall calculate Average Daily Attendance as provided in subdivisions (a), (b), and (c) of this paragraph (1).

(a) In districts that do not hold year-round classes, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(b) In districts in which all buildings hold year-round classes, days of attendance in July and August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(c) In districts in which some buildings, but not all, hold year-round classes, for the non-year-round buildings, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May. The average daily attendance for the year-round buildings shall be computed as provided in subdivision (b) of this paragraph (1). To calculate the Average Daily Attendance for the district, the average daily attendance for the year-round buildings shall be multiplied by the days in session for the non-year-round buildings for each month and added to the monthly attendance of the non-year-round buildings.

Except as otherwise provided in this Section, days of attendance by pupils shall be counted only for sessions of not less than 5 clock hours of school work per day under direct supervision of: (i) teachers, or (ii) non-teaching personnel or volunteer personnel when engaging in non-teaching duties and supervising in those instances specified in subsection (a) of Section 10-22.34 and paragraph 10 of Section 34-18, with pupils of legal school age and in kindergarten and grades 1 through 12.

Days of attendance by tuition pupils shall be accredited only to the districts that pay the tuition to a recognized school.

(2) Days of attendance by pupils of less than 5 clock hours of school shall be subject to the following provisions in the compilation of Average Daily Attendance.

(a) Pupils regularly enrolled in a public school for only a part of the school day may be counted on the basis of 1/6 day for every class hour of instruction of 40 minutes or more attended pursuant to such enrollment, unless a pupil is enrolled in a block-schedule format of 80 minutes or more of instruction, in which case the pupil may be counted on the basis of the proportion of minutes of school work completed each day to the minimum number of minutes that school work is required to be held that day.

(b) Days of attendance may be less than 5 clock hours on the opening and closing of the school term, and upon the first day of pupil attendance, if preceded by a day or days utilized as an institute or teachers' workshop.

(c) A session of 4 or more clock hours may be counted as a day of attendance upon certification by the regional superintendent, and approved by the State Superintendent of Education to the extent that the district has been forced to use daily multiple sessions.

(d) A session of 3 or more clock hours may be counted as a day of attendance (1) when the remainder of the school day or at least 2 hours in the evening of that day is utilized for an in-service training program for teachers, up to a maximum of 5 days per school year of which a maximum of 4 days of such 5 days may be used for parent-teacher conferences, provided a district conducts an in-service training program for teachers which has been approved by the State Superintendent of Education; or, in lieu of 4 such days, 2 full days may be used, in which event each such day may be counted as a day of attendance; and (2) when days in addition to those provided in item (1) are scheduled by a school pursuant to its school improvement plan adopted under Article 34 or its revised or amended school improvement plan adopted under Article 2, provided that (i) such sessions of 3 or more clock hours are scheduled to occur at regular intervals, (ii) the remainder of the school days in which such sessions occur are utilized for in-service training programs or other staff development activities for teachers, and (iii) a sufficient number of minutes of school work under the direct supervision of teachers are added to the school days between such regularly scheduled sessions to accumulate not less than the number of minutes by which such sessions of 3 or more clock hours fall short of 5 clock hours. Any full days used for the purposes of this paragraph shall not be considered for computing average daily attendance. Days scheduled for in-service training programs, staff development activities, or parent-teacher conferences may be scheduled separately for different grade levels and different attendance centers of the district.

(e) A session of not less than one clock hour of teaching hospitalized or homebound pupils on-site or by telephone to the classroom may be counted as 1/2 day of attendance, however

these pupils must receive 4 or more clock hours of instruction to be counted for a full day of attendance.

(f) A session of at least 4 clock hours may be counted as a day of attendance for first grade pupils, and pupils in full day kindergartens, and a session of 2 or more hours may be counted as 1/2 day of attendance by pupils in kindergartens which provide only 1/2 day of attendance.

(g) For children with disabilities who are below the age of 6 years and who cannot attend 2 or more clock hours because of their disability or immaturity, a session of not less than one clock hour may be counted as 1/2 day of attendance; however for such children whose educational needs so require a session of 4 or more clock hours may be counted as a full day of attendance.

(h) A recognized kindergarten which provides for only 1/2 day of attendance by each pupil shall not have more than 1/2 day of attendance counted in any one day. However, kindergartens may count 2 1/2 days of attendance in any 5 consecutive school days. When a pupil attends such a kindergarten for 2 half days on any one school day, the pupil shall have the following day as a day absent from school, unless the school district obtains permission in writing from the State Superintendent of Education. Attendance at kindergartens which provide for a full day of attendance by each pupil shall be counted the same as attendance by first grade pupils. Only the first year of attendance in one kindergarten shall be counted, except in case of children who entered the kindergarten in their fifth year whose educational development requires a second year of kindergarten as determined under the rules and regulations of the State Board of Education.

(i) On the days when the Prairie State Achievement Examination is administered under subsection (c) of Section 2-3.64 of this Code, the day of attendance for a pupil whose school day must be shortened to accommodate required testing procedures may be less than 5 clock hours and shall be counted towards the 176 days of actual pupil attendance required under Section 10-19 of this Code, provided that a sufficient number of minutes of school work in excess of 5 clock hours are first completed on other school days to compensate for the loss of school work on the examination days.

(G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year and (ii) the limiting rate for all school districts subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law.

The Department of Revenue shall add to the equalized assessed value of all taxable property of each school district situated entirely or partially within a county that is or was subject to the ~~alternative general homestead exemption~~ provisions of ~~Sections 15-176 or 15-177~~ Section 15-176 of the Property Tax Code (a) an amount equal to the total amount by which the homestead exemption allowed under ~~Sections 15-176 or 15-177~~ Section 15-176 of the Property Tax Code for real property situated in that school district exceeds the total amount that would have been allowed in that school district if the maximum reduction under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter and (b) an amount equal to the aggregate amount for the taxable year of all additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. The county clerk of any county that is or was subject to the ~~alternative general homestead exemption~~ provisions of ~~Section 15-176 or 15-177~~ Section 15-176 of the Property Tax Code shall annually calculate and certify to the Department of Revenue for each school district all homestead exemption amounts under ~~Section 15-176 or 15-177~~ Section 15-176 of the Property Tax Code and all amounts of additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. It is the intent of this paragraph that if the general homestead exemption for a parcel of property is determined under ~~Section 15-176 or 15-177~~ Section 15-176 of the Property Tax Code rather than Section 15-175, then the calculation of Available Local Resources shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed for that parcel of property under ~~Section 15-176 or 15-177~~ Section 15-176 of the Property Tax Code and the amount that would have been allowed had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code. It is further the intent of this paragraph that if additional exemptions are allowed under Section 15-175 of the Property Tax Code for owners with a household income of less than \$30,000, then the calculation of Available Local Resources shall not be affected by the difference, if any, because of those additional exemptions.

This equalized assessed valuation, as adjusted further by the requirements of this subsection, shall be utilized in the calculation of Available Local Resources.

(2) The equalized assessed valuation in paragraph (1) shall be adjusted, as applicable, in the following manner:

(a) For the purposes of calculating State aid under this Section, with respect to any part of a school district within a redevelopment project area in respect to which a municipality has adopted tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 of the Illinois Municipal Code or the Industrial Jobs Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the Illinois Municipal Code, no part of the current equalized assessed valuation of real property located in any such project area which is attributable to an increase above the total initial equalized assessed valuation of such property shall be used as part of the equalized assessed valuation of the district, until such time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the equalized assessed valuation of the district, the total initial equalized assessed valuation or the current equalized assessed valuation, whichever is lower, shall be used until such time as all redevelopment project costs have been paid.

(b) The real property equalized assessed valuation for a school district shall be adjusted by subtracting from the real property value as equalized or assessed by the Department of Revenue for the district an amount computed by dividing the amount of any abatement of taxes under Section 18-170 of the Property Tax Code by 3.00% for a district maintaining grades kindergarten through 12, by 2.30% for a district maintaining grades kindergarten through 8, or by 1.05% for a district maintaining grades 9 through 12 and adjusted by an amount computed by dividing the amount of any abatement of taxes under subsection (a) of Section 18-165 of the Property Tax Code by the same percentage rates for district type as specified in this subparagraph (b).

(3) For the 1999-2000 school year and each school year thereafter, if a school district meets all of the criteria of this subsection (G)(3), the school district's Available Local Resources shall be calculated under subsection (D) using the district's Extension Limitation Equalized Assessed Valuation as calculated under this subsection (G)(3).

For purposes of this subsection (G)(3) the following terms shall have the following meanings:

"Budget Year": The school year for which general State aid is calculated and awarded under subsection (E).

"Base Tax Year": The property tax levy year used to calculate the Budget Year allocation of general State aid.

"Preceding Tax Year": The property tax levy year immediately preceding the Base Tax Year.

"Base Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Base Tax Year multiplied by the limiting rate as calculated by the County Clerk and defined in the Property Tax Extension Limitation Law.

"Preceding Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Preceding Tax Year multiplied by the Operating Tax Rate as defined in subsection (A).

"Extension Limitation Ratio": A numerical ratio, certified by the County Clerk, in which the numerator is the Base Tax Year's Tax Extension and the denominator is the Preceding Tax Year's Tax Extension.

"Operating Tax Rate": The operating tax rate as defined in subsection (A).

If a school district is subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. For the 2000-2001 school year and each school year thereafter, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of a school district as calculated under this subsection (G)(3) is less than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant to subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available

Local Resources under subsection (D).

Partial elementary unit districts created in accordance with Article 11E of this Code shall not be eligible for the adjustment in this subsection (G)(3) until the fifth year following the effective date of the reorganization.

(4) For the purposes of calculating general State aid for the 1999-2000 school year only, if a school district experienced a triennial reassessment on the equalized assessed valuation used in calculating its general State financial aid apportionment for the 1998-1999 school year, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal the product of the equalized assessed valuation used to calculate general State aid for the 1997-1998 school year and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of the school district as calculated under this paragraph (4) is less than the district's equalized assessed valuation utilized in calculating the district's 1998-1999 general State aid allocation, then for purposes of calculating the district's general State aid pursuant to paragraph (5) of subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources.

(5) For school districts having a majority of their equalized assessed valuation in any county except Cook, DuPage, Kane, Lake, McHenry, or Will, if the amount of general State aid allocated to the school district for the 1999-2000 school year under the provisions of subsection (E), (H), and (J) of this Section is less than the amount of general State aid allocated to the district for the 1998-1999 school year under these subsections, then the general State aid of the district for the 1999-2000 school year only shall be increased by the difference between these amounts. The total payments made under this paragraph (5) shall not exceed \$14,000,000. Claims shall be prorated if they exceed \$14,000,000.

(H) Supplemental General State Aid.

(1) In addition to the general State aid a school district is allotted pursuant to subsection (E), qualifying school districts shall receive a grant, paid in conjunction with a district's payments of general State aid, for supplemental general State aid based upon the concentration level of children from low-income households within the school district. Supplemental State aid grants provided for school districts under this subsection shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section. If the appropriation in any fiscal year for general State aid and supplemental general State aid is insufficient to pay the amounts required under the general State aid and supplemental general State aid calculations, then the State Board of Education shall ensure that each school district receives the full amount due for general State aid and the remainder of the appropriation shall be used for supplemental general State aid, which the State Board of Education shall calculate and pay to eligible districts on a prorated basis.

(1.5) This paragraph (1.5) applies only to those school years preceding the 2003-2004 school year. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall be the low-income eligible pupil count from the most recently available federal census divided by the Average Daily Attendance of the school district. If, however, (i) the percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more the percentage change in the total low-income eligible pupil count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, or (ii) a high school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the high school district, has a percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count and there is a percentage increase in the total low-income eligible pupil count of a majority of the elementary school districts in excess of 50% from the 2 most recent federal censuses, then the high school district's low-income eligible pupil count from the earlier federal census shall be the number used as the low-income eligible pupil count for the high school district, for purposes of this subsection (H). The changes made to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school years preceding the 2003-2004 school year that are paid in fiscal year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was repealed on July 1, 1998), and any high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in any of those fiscal years. This recomputation shall not be affected by any other funding.

(1.10) This paragraph (1.10) applies to the 2003-2004 school year and each school year thereafter. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall, for each fiscal year,

be the low-income eligible pupil count as of July 1 of the immediately preceding fiscal year (as determined by the Department of Human Services based on the number of pupils who are eligible for at least one of the following low income programs: Medicaid, KidCare, TANF, or Food Stamps, excluding pupils who are eligible for services provided by the Department of Children and Family Services, averaged over the 2 immediately preceding fiscal years for fiscal year 2004 and over the 3 immediately preceding fiscal years for each fiscal year thereafter) divided by the Average Daily Attendance of the school district.

(2) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 1998-1999, 1999-2000, and 2000-2001 school years only:

(a) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for any school year shall be \$800 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for the 1998-1999 school year shall be \$1,100 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for the 1998-99 school year shall be \$1,500 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of 60% or more, the grant for the 1998-99 school year shall be \$1,900 multiplied by the low income eligible pupil count.

(e) For the 1999-2000 school year, the per pupil amount specified in subparagraphs (b), (c), and (d) immediately above shall be increased to \$1,243, \$1,600, and \$2,000, respectively.

(f) For the 2000-2001 school year, the per pupil amounts specified in subparagraphs (b), (c), and (d) immediately above shall be \$1,273, \$1,640, and \$2,050, respectively.

(2.5) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2002-2003 school year:

(a) For any school district with a Low Income Concentration Level of less than 10%, the grant for each school year shall be \$355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 10% and less than 20%, the grant for each school year shall be \$675 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for each school year shall be \$1,330 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for each school year shall be \$1,362 multiplied by the low income eligible pupil count.

(e) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for each school year shall be \$1,680 multiplied by the low income eligible pupil count.

(f) For any school district with a Low Income Concentration Level of 60% or more, the grant for each school year shall be \$2,080 multiplied by the low income eligible pupil count.

(2.10) Except as otherwise provided, supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2003-2004 school year and each school year thereafter:

(a) For any school district with a Low Income Concentration Level of 15% or less, the grant for each school year shall be \$355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level greater than 15%, the grant for each school year shall be \$294.25 added to the product of \$2,700 and the square of the Low Income Concentration Level, all multiplied by the low income eligible pupil count.

For the 2003-2004 school year, 2004-2005 school year, 2005-2006 school year, and 2006-2007 school year only, the grant shall be no less than the grant for the 2002-2003 school year. For the 2007-2008 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.66. For the 2008-2009 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.33. Notwithstanding the provisions of this paragraph to the contrary, if for any school year supplemental general State aid grants are prorated as provided in paragraph (1) of this subsection (H), then the grants under this paragraph shall be prorated.

For the 2003-2004 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.25 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the



grant received during the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.50 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year.

(3) School districts with an Average Daily Attendance of more than 1,000 and less than 50,000 that qualify for supplemental general State aid pursuant to this subsection shall submit a plan to the State Board of Education prior to October 30 of each year for the use of the funds resulting from this grant of supplemental general State aid for the improvement of instruction in which priority is given to meeting the education needs of disadvantaged children. Such plan shall be submitted in accordance with rules and regulations promulgated by the State Board of Education.

(4) School districts with an Average Daily Attendance of 50,000 or more that qualify for supplemental general State aid pursuant to this subsection shall be required to distribute from funds available pursuant to this Section, no less than \$261,000,000 in accordance with the following requirements:

(a) The required amounts shall be distributed to the attendance centers within the district in proportion to the number of pupils enrolled at each attendance center who are eligible to receive free or reduced-price lunches or breakfasts under the federal Child Nutrition Act of 1966 and under the National School Lunch Act during the immediately preceding school year.

(b) The distribution of these portions of supplemental and general State aid among attendance centers according to these requirements shall not be compensated for or contravened by adjustments of the total of other funds appropriated to any attendance centers, and the Board of Education shall utilize funding from one or several sources in order to fully implement this provision annually prior to the opening of school.

(c) Each attendance center shall be provided by the school district a distribution of noncategorical funds and other categorical funds to which an attendance center is entitled under law in order that the general State aid and supplemental general State aid provided by application of this subsection supplements rather than supplants the noncategorical funds and other categorical funds provided by the school district to the attendance centers.

(d) Any funds made available under this subsection that by reason of the provisions of this subsection are not required to be allocated and provided to attendance centers may be used and appropriated by the board of the district for any lawful school purpose.

(e) Funds received by an attendance center pursuant to this subsection shall be used by the attendance center at the discretion of the principal and local school council for programs to improve educational opportunities at qualifying schools through the following programs and services: early childhood education, reduced class size or improved adult to student classroom ratio, enrichment programs, remedial assistance, attendance improvement, and other educationally beneficial expenditures which supplement the regular and basic programs as determined by the State Board of Education. Funds provided shall not be expended for any political or lobbying purposes as defined by board rule.

(f) Each district subject to the provisions of this subdivision (H)(4) shall submit an acceptable plan to meet the educational needs of disadvantaged children, in compliance with the requirements of this paragraph, to the State Board of Education prior to July 15 of each year. This plan shall be consistent with the decisions of local school councils concerning the school expenditure plans developed in accordance with part 4 of Section 34-2.3. The State Board shall approve or reject the plan within 60 days after its submission. If the plan is rejected, the district shall give written notice of intent to modify the plan within 15 days of the notification of rejection and then submit a modified plan within 30 days after the date of the written notice of intent to modify. Districts may amend approved plans pursuant to rules promulgated by the State Board of Education.

Upon notification by the State Board of Education that the district has not submitted a plan prior to July 15 or a modified plan within the time period specified herein, the State aid funds affected by that plan or modified plan shall be withheld by the State Board of Education until a plan or modified plan is submitted.

If the district fails to distribute State aid to attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, in addition to the funds otherwise required by this subsection, to those attendance centers which were underfunded during the previous year in amounts equal to such underfunding.

For purposes of determining compliance with this subsection in relation to the requirements of attendance center funding, each district subject to the provisions of this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any affected local school council. The district shall within 45 days of receipt of that notification inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected funds.

The State Board of Education shall promulgate rules and regulations to implement the provisions of this subsection. No funds shall be released under this subdivision (H)(4) to any district that has not submitted a plan that has been approved by the State Board of Education.

(I) (Blank).

(J) Supplementary Grants in Aid.

(1) Notwithstanding any other provisions of this Section, the amount of the aggregate general State aid in combination with supplemental general State aid under this Section for which each school district is eligible shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-98 school year, pursuant to the provisions of that Section as it was then in effect. If a school district qualifies to receive a supplementary payment made under this subsection (J), the amount of the aggregate general State aid in combination with supplemental general State aid under this Section which that district is eligible to receive for each school year shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-1998 school year, pursuant to the provisions of that Section as it was then in effect.

(2) If, as provided in paragraph (1) of this subsection (J), a school district is to receive aggregate general State aid in combination with supplemental general State aid under this Section for the 1998-99 school year and any subsequent school year that in any such school year is less than the amount of the aggregate general State aid entitlement that the district received for the 1997-98 school year, the school district shall also receive, from a separate appropriation made for purposes of this subsection (J), a supplementary payment that is equal to the amount of the difference in the aggregate State aid figures as described in paragraph (1).

(3) (Blank).

(K) Grants to Laboratory and Alternative Schools.

In calculating the amount to be paid to the governing board of a public university that operates a laboratory school under this Section or to any alternative school that is operated by a regional superintendent of schools, the State Board of Education shall require by rule such reporting requirements as it deems necessary.

As used in this Section, "laboratory school" means a public school which is created and operated by a public university and approved by the State Board of Education. The governing board of a public university which receives funds from the State Board under this subsection (K) may not increase the number of students enrolled in its laboratory school from a single district, if that district is already sending 50 or more students, except under a mutual agreement between the school board of a student's district of residence and the university which operates the laboratory school. A laboratory school may not have more than 1,000 students, excluding students with disabilities in a special education program.

As used in this Section, "alternative school" means a public school which is created and operated by a Regional Superintendent of Schools and approved by the State Board of Education. Such alternative schools may offer courses of instruction for which credit is given in regular school programs, courses to prepare students for the high school equivalency testing program or vocational and occupational training. A regional superintendent of schools may contract with a school district or a public community college district to operate an alternative school. An alternative school serving more than one educational service region may be established by the regional superintendents of schools of the affected educational service regions. An alternative school serving more than one educational service region may be operated under

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such terms as the regional superintendents of schools of those educational service regions may agree.

Each laboratory and alternative school shall file, on forms provided by the State Superintendent of Education, an annual State aid claim which states the Average Daily Attendance of the school's students by month. The best 3 months' Average Daily Attendance shall be computed for each school. The general State aid entitlement shall be computed by multiplying the applicable Average Daily Attendance by the Foundation Level as determined under this Section.

(L) Payments, Additional Grants in Aid and Other Requirements.

(1) For a school district operating under the financial supervision of an Authority created under Article 34A, the general State aid otherwise payable to that district under this Section, but not the supplemental general State aid, shall be reduced by an amount equal to the budget for the operations of the Authority as certified by the Authority to the State Board of Education, and an amount equal to such reduction shall be paid to the Authority created for such district for its operating expenses in the manner provided in Section 18-11. The remainder of general State school aid for any such district shall be paid in accordance with Article 34A when that Article provides for a disposition other than that provided by this Article.

(2) (Blank).

(3) Summer school. Summer school payments shall be made as provided in Section 18-4.3.

(M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the Governor, by and with the advice and consent of the Senate. The members appointed shall include representatives of education, business, and the general public. One of the members so appointed shall be designated by the Governor at the time the appointment is made as the chairperson of the Board. The initial members of the Board may be appointed any time after the effective date of this amendatory Act of 1997. The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, by lots drawn at the first meeting of the Board that is held after all 5 members are appointed, shall determine 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2000. All members appointed to serve on the Board shall serve until their respective successors are appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. If a vacancy in membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a person to fill that membership for the unexpired term. If the Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of vacancies.

The Education Funding Advisory Board shall be deemed established, and the initial members appointed by the Governor to serve as members of the Board shall take office, on the date that the Governor makes his or her appointment of the fifth initial member of the Board, whether those initial members are then serving pursuant to appointment and confirmation or pursuant to temporary appointments that are made by the Governor as in the case of vacancies.

The State Board of Education shall provide such staff assistance to the Education Funding Advisory Board as is reasonably required for the proper performance by the Board of its responsibilities.

For school years after the 2000-2001 school year, the Education Funding Advisory Board, in consultation with the State Board of Education, shall make recommendations as provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section and for the supplemental general State aid grant level under subsection (H) of this Section for districts with high concentrations of children from poverty. The recommended foundation level shall be determined based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance. The Education Funding Advisory Board shall make such recommendations to the General Assembly on January 1 of odd numbered years, beginning January 1, 2001.

(N) (Blank).

## (O) References.

(1) References in other laws to the various subdivisions of Section 18-8 as that Section existed before its repeal and replacement by this Section 18-8.05 shall be deemed to refer to the corresponding provisions of this Section 18-8.05, to the extent that those references remain applicable.

(2) References in other laws to State Chapter 1 funds shall be deemed to refer to the supplemental general State aid provided under subsection (H) of this Section.

(P) Public Act 93-838 and Public Act 93-808 make inconsistent changes to this Section. Under Section 6 of the Statute on Statutes there is an irreconcilable conflict between Public Act 93-808 and Public Act 93-838. Public Act 93-838, being the last acted upon, is controlling. The text of Public Act 93-838 is the law regardless of the text of Public Act 93-808.

(Source: P.A. 93-21, eff. 7-1-03; 93-715, eff. 7-12-04; 93-808, eff. 7-26-04; 93-838, eff. 7-30-04; 93-875, eff. 8-6-04; 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835, eff. 6-6-06; 94-1019, eff. 7-10-06; revised 8-3-06.)

Section 33. The Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act is amended by changing Section 4 as follows:

(320 ILCS 25/4) (from Ch. 67 1/2, par. 404)

Sec. 4. Amount of Grant.

(a) In general. Any individual 65 years or older or any individual who will become 65 years old during the calendar year in which a claim is filed, and any surviving spouse of such a claimant, who at the time of death received or was entitled to receive a grant pursuant to this Section, which surviving spouse will become 65 years of age within the 24 months immediately following the death of such claimant and which surviving spouse but for his or her age is otherwise qualified to receive a grant pursuant to this Section, and any disabled person whose annual household income is less than the income eligibility limitation, as defined in subsection (a-5) \$14,000 for grant years before the 1998 grant year, less than \$16,000 for the 1998 and 1999 grant years, and less than (i) \$21,218 for a household containing one person, (ii) \$28,480 for a household containing 2 persons, or (iii) \$35,740 for a household containing 3 or more persons for the 2000 grant year and thereafter and whose household is liable for payment of property taxes accrued or has paid rent constituting property taxes accrued and is domiciled in this State at the time he or she files his or her claim is entitled to claim a grant under this Act. With respect to claims filed by individuals who will become 65 years old during the calendar year in which a claim is filed, the amount of any grant to which that household is entitled shall be an amount equal to 1/12 of the amount to which the claimant would otherwise be entitled as provided in this Section, multiplied by the number of months in which the claimant was 65 in the calendar year in which the claim is filed.

(a-5) Income eligibility limitation. For purposes of this Section, "income eligibility limitation" means an amount:

(i) for grant years before the 1998 grant year, less than \$14,000;

(ii) for the 1998 and 1999 grant year, less than \$16,000;

(iii) for grant years 2000 through 2007:

(A) less than \$21,218 for a household containing one person;

(B) less than \$28,480 for a household containing 2 persons; or

(C) less than \$35,740 for a household containing 3 or more persons; or

(iv) for grant years 2008 and thereafter:

(A) less than \$22,218 for a household containing one person;

(B) less than \$29,480 for a household containing 2 persons; or

(C) less than \$36,740 for a household containing 3 or more persons.

(b) Limitation. Except as otherwise provided in subsections (a) and (f) of this Section, the maximum amount of grant which a claimant is entitled to claim is the amount by which the property taxes accrued which were paid or payable during the last preceding tax year or rent constituting property taxes accrued upon the claimant's residence for the last preceding taxable year exceeds 3 1/2% of the claimant's household income for that year but in no event is the grant to exceed (i) \$700 less 4.5% of household income for that year for those with a household income of \$14,000 or less or (ii) \$70 if household income for that year is more than \$14,000.

(c) Public aid recipients. If household income in one or more months during a year includes cash assistance in excess of \$55 per month from the Department of Healthcare and Family Services or the Department of Human Services (acting as successor to the Department of Public Aid under the

Department of Human Services Act) which was determined under regulations of that Department on a measure of need that included an allowance for actual rent or property taxes paid by the recipient of that assistance, the amount of grant to which that household is entitled, except as otherwise provided in subsection (a), shall be the product of (1) the maximum amount computed as specified in subsection (b) of this Section and (2) the ratio of the number of months in which household income did not include such cash assistance over \$55 to the number twelve. If household income did not include such cash assistance over \$55 for any months during the year, the amount of the grant to which the household is entitled shall be the maximum amount computed as specified in subsection (b) of this Section. For purposes of this paragraph (c), "cash assistance" does not include any amount received under the federal Supplemental Security Income (SSI) program.

(d) Joint ownership. If title to the residence is held jointly by the claimant with a person who is not a member of his or her household, the amount of property taxes accrued used in computing the amount of grant to which he or she is entitled shall be the same percentage of property taxes accrued as is the percentage of ownership held by the claimant in the residence.

(e) More than one residence. If a claimant has occupied more than one residence in the taxable year, he or she may claim only one residence for any part of a month. In the case of property taxes accrued, he or she shall prorate 1/12 of the total property taxes accrued on his or her residence to each month that he or she owned and occupied that residence; and, in the case of rent constituting property taxes accrued, shall prorate each month's rent payments to the residence actually occupied during that month.

(f) There is hereby established a program of pharmaceutical assistance to the aged and disabled which shall be administered by the Department in accordance with this Act, to consist of payments to authorized pharmacies, on behalf of beneficiaries of the program, for the reasonable costs of covered prescription drugs. Each beneficiary who pays \$5 for an identification card shall pay no additional prescription costs. Each beneficiary who pays \$25 for an identification card shall pay \$3 per prescription. In addition, after a beneficiary receives \$2,000 in benefits during a State fiscal year, that beneficiary shall also be charged 20% of the cost of each prescription for which payments are made by the program during the remainder of the fiscal year. To become a beneficiary under this program a person must: (1) be (i) 65 years of age or older, or (ii) the surviving spouse of such a claimant, who at the time of death received or was entitled to receive benefits pursuant to this subsection, which surviving spouse will become 65 years of age within the 24 months immediately following the death of such claimant and which surviving spouse but for his or her age is otherwise qualified to receive benefits pursuant to this subsection, or (iii) disabled, and (2) be domiciled in this State at the time he or she files his or her claim, and (3) have a maximum household income of less than the income eligibility limitation, as defined in subsection (a-5) \$14,000 for grant years before the 1998 grant year, less than \$16,000 for the 1998 and 1999 grant years, and less than (i) \$21,218 for a household containing one person, (ii) \$28,480 for a household containing 2 persons, or (iii) \$35,740 for a household containing 3 or more persons for the 2000 grant year and thereafter. In addition, each eligible person must (1) obtain an identification card from the Department, (2) at the time the card is obtained, sign a statement assigning to the State of Illinois benefits which may be otherwise claimed under any private insurance plans, and (3) present the identification card to the dispensing pharmacist.

The Department may adopt rules specifying participation requirements for the pharmaceutical assistance program, including copayment amounts, identification card fees, expenditure limits, and the benefit threshold after which a 20% charge is imposed on the cost of each prescription, to be in effect on and after July 1, 2004. Notwithstanding any other provision of this paragraph, however, the Department may not increase the identification card fee above the amount in effect on May 1, 2003 without the express consent of the General Assembly. To the extent practicable, those requirements shall be commensurate with the requirements provided in rules adopted by the Department of Healthcare and Family Services to implement the pharmacy assistance program under Section 5-5.12a of the Illinois Public Aid Code.

Whenever a generic equivalent for a covered prescription drug is available, the Department shall reimburse only for the reasonable costs of the generic equivalent, less the co-pay established in this Section, unless (i) the covered prescription drug contains one or more ingredients defined as a narrow therapeutic index drug at 21 CFR 320.33, (ii) the prescriber indicates on the face of the prescription "brand medically necessary", and (iii) the prescriber specifies that a substitution is not permitted. When issuing an oral prescription for covered prescription medication described in item (i) of this paragraph, the prescriber shall stipulate "brand medically necessary" and that a substitution is not permitted. If the covered prescription drug and its authorizing prescription do not meet the criteria listed above, the beneficiary may purchase the non-generic equivalent of the covered prescription drug by paying the difference between the generic cost and the non-generic cost plus the beneficiary co-pay.

Any person otherwise eligible for pharmaceutical assistance under this Act whose covered drugs are covered by any public program for assistance in purchasing any covered prescription drugs shall be ineligible for assistance under this Act to the extent such costs are covered by such other plan.

The fee to be charged by the Department for the identification card shall be equal to \$5 per coverage year for persons below the official poverty line as defined by the United States Department of Health and Human Services and \$25 per coverage year for all other persons.

In the event that 2 or more persons are eligible for any benefit under this Act, and are members of the same household, (1) each such person shall be entitled to participate in the pharmaceutical assistance program, provided that he or she meets all other requirements imposed by this subsection and (2) each participating household member contributes the fee required for that person by the preceding paragraph for the purpose of obtaining an identification card.

The provisions of this subsection (f), other than this paragraph, are inoperative after December 31, 2005. Beneficiaries who received benefits under the program established by this subsection (f) are not entitled, at the termination of the program, to any refund of the identification card fee paid under this subsection.

(g) Effective January 1, 2006, there is hereby established a program of pharmaceutical assistance to the aged and disabled, entitled the Illinois Seniors and Disabled Drug Coverage Program, which shall be administered by the Department of Healthcare and Family Services and the Department on Aging in accordance with this subsection, to consist of coverage of specified prescription drugs on behalf of beneficiaries of the program as set forth in this subsection. The program under this subsection replaces and supersedes the program established under subsection (f), which shall end at midnight on December 31, 2005.

To become a beneficiary under the program established under this subsection, a person must:

- (1) be (i) 65 years of age or older or (ii) disabled; and
- (2) be domiciled in this State; and
- (3) enroll with a qualified Medicare Part D Prescription Drug Plan if eligible and apply for all available subsidies under Medicare Part D; and
- (4) have a maximum household income of (i) less than \$21,218 for a household containing one person, (ii) less than \$28,480 for a household containing 2 persons, or (iii) less than \$35,740 for a household containing 3 or more persons. If any income eligibility limit set forth in items (i) through (iii) is less than 200% of the Federal Poverty Level for any year, the income eligibility limit for that year for households of that size shall be income equal to or less than 200% of the Federal Poverty Level.

All individuals enrolled as of December 31, 2005, in the pharmaceutical assistance program operated pursuant to subsection (f) of this Section and all individuals enrolled as of December 31, 2005, in the SeniorCare Medicaid waiver program operated pursuant to Section 5-5.12a of the Illinois Public Aid Code shall be automatically enrolled in the program established by this subsection for the first year of operation without the need for further application, except that they must apply for Medicare Part D and the Low Income Subsidy under Medicare Part D. A person enrolled in the pharmaceutical assistance program operated pursuant to subsection (f) of this Section as of December 31, 2005, shall not lose eligibility in future years due only to the fact that they have not reached the age of 65.

To the extent permitted by federal law, the Department may act as an authorized representative of a beneficiary in order to enroll the beneficiary in a Medicare Part D Prescription Drug Plan if the beneficiary has failed to choose a plan and, where possible, to enroll beneficiaries in the low-income subsidy program under Medicare Part D or assist them in enrolling in that program.

Beneficiaries under the program established under this subsection shall be divided into the following 5 eligibility groups:

(A) Eligibility Group 1 shall consist of beneficiaries who are not eligible for Medicare Part D coverage and who are:

- (i) disabled and under age 65; or
- (ii) age 65 or older, with incomes over 200% of the Federal Poverty Level; or
- (iii) age 65 or older, with incomes at or below 200% of the Federal Poverty Level and not eligible for federally funded means-tested benefits due to immigration status.

(B) Eligibility Group 2 shall consist of beneficiaries otherwise described in Eligibility Group 1 but who are eligible for Medicare Part D coverage.

(C) Eligibility Group 3 shall consist of beneficiaries age 65 or older, with incomes at or below 200% of the Federal Poverty Level, who are not barred from receiving federally funded means-tested benefits due to immigration status and are eligible for Medicare Part D coverage.

(D) Eligibility Group 4 shall consist of beneficiaries age 65 or older, with incomes at or below 200% of the Federal Poverty Level, who are not barred from receiving federally funded means-tested benefits due to immigration status and are not eligible for Medicare Part D coverage.

If the State applies and receives federal approval for a waiver under Title XIX of the Social Security Act, persons in Eligibility Group 4 shall continue to receive benefits through the approved waiver, and Eligibility Group 4 may be expanded to include disabled persons under age 65 with incomes under 200% of the Federal Poverty Level who are not eligible for Medicare and who are not barred from receiving federally funded means-tested benefits due to immigration status.

(E) On and after January 1, 2007, Eligibility Group 5 shall consist of beneficiaries who are otherwise described in Eligibility Group 1 but are eligible for Medicare Part D and have a diagnosis of HIV or AIDS.

The program established under this subsection shall cover the cost of covered prescription drugs in excess of the beneficiary cost-sharing amounts set forth in this paragraph that are not covered by Medicare. In 2006, beneficiaries shall pay a co-payment of \$2 for each prescription of a generic drug and \$5 for each prescription of a brand-name drug. In future years, beneficiaries shall pay co-payments equal to the co-payments required under Medicare Part D for "other low-income subsidy eligible individuals" pursuant to 42 CFR 423.782(b). For individuals in Eligibility Groups 1, 2, 3, and 4, once the program established under this subsection and Medicare combined have paid \$1,750 in a year for covered prescription drugs, the beneficiary shall pay 20% of the cost of each prescription in addition to the co-payments set forth in this paragraph. For individuals in Eligibility Group 5, once the program established under this subsection and Medicare combined have paid \$1,750 in a year for covered prescription drugs, the beneficiary shall pay 20% of the cost of each prescription in addition to the co-payments set forth in this paragraph unless the drug is included in the formulary of the Illinois AIDS Drug Assistance Program operated by the Illinois Department of Public Health. If the drug is included in the formulary of the Illinois AIDS Drug Assistance Program, individuals in Eligibility Group 5 shall continue to pay the co-payments set forth in this paragraph after the program established under this subsection and Medicare combined have paid \$1,750 in a year for covered prescription drugs.

For beneficiaries eligible for Medicare Part D coverage, the program established under this subsection shall pay 100% of the premiums charged by a qualified Medicare Part D Prescription Drug Plan for Medicare Part D basic prescription drug coverage, not including any late enrollment penalties. Qualified Medicare Part D Prescription Drug Plans may be limited by the Department of Healthcare and Family Services to those plans that sign a coordination agreement with the Department.

Notwithstanding Section 3.15, for purposes of the program established under this subsection, the term "covered prescription drug" has the following meanings:

For Eligibility Group 1, "covered prescription drug" means: (1) any cardiovascular agent or drug; (2) any insulin or other prescription drug used in the treatment of diabetes, including syringe and needles used to administer the insulin; (3) any prescription drug used in the treatment of arthritis; (4) any prescription drug used in the treatment of cancer; (5) any prescription drug used in the treatment of Alzheimer's disease; (6) any prescription drug used in the treatment of Parkinson's disease; (7) any prescription drug used in the treatment of glaucoma; (8) any prescription drug used in the treatment of lung disease and smoking-related illnesses; (9) any prescription drug used in the treatment of osteoporosis; and (10) any prescription drug used in the treatment of multiple sclerosis. The Department may add additional therapeutic classes by rule. The Department may adopt a preferred drug list within any of the classes of drugs described in items (1) through (10) of this paragraph. The specific drugs or therapeutic classes of covered prescription drugs shall be indicated by rule.

For Eligibility Group 2, "covered prescription drug" means those drugs covered for Eligibility Group 1 that are also covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled.

For Eligibility Group 3, "covered prescription drug" means those drugs covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled.

For Eligibility Group 4, "covered prescription drug" means those drugs covered by the Medical Assistance Program under Article V of the Illinois Public Aid Code.

For Eligibility Group 5, "covered prescription drug" means: (1) those drugs covered for Eligibility Group 1 that are also covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled; and (2) those drugs included in the formulary of the Illinois AIDS Drug Assistance Program operated by the Illinois Department of Public Health that are also covered by the

Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled.

An individual in Eligibility Group 3 or 4 may opt to receive a \$25 monthly payment in lieu of the direct coverage described in this subsection.

Any person otherwise eligible for pharmaceutical assistance under this subsection whose covered drugs are covered by any public program is ineligible for assistance under this subsection to the extent that the cost of those drugs is covered by the other program.

The Department of Healthcare and Family Services shall establish by rule the methods by which it will provide for the coverage called for in this subsection. Those methods may include direct reimbursement to pharmacies or the payment of a capitated amount to Medicare Part D Prescription Drug Plans.

For a pharmacy to be reimbursed under the program established under this subsection, it must comply with rules adopted by the Department of Healthcare and Family Services regarding coordination of benefits with Medicare Part D Prescription Drug Plans. A pharmacy may not charge a Medicare-enrolled beneficiary of the program established under this subsection more for a covered prescription drug than the appropriate Medicare cost-sharing less any payment from or on behalf of the Department of Healthcare and Family Services.

The Department of Healthcare and Family Services or the Department on Aging, as appropriate, may adopt rules regarding applications, counting of income, proof of Medicare status, mandatory generic policies, and pharmacy reimbursement rates and any other rules necessary for the cost-efficient operation of the program established under this subsection.

(Source: P.A. 93-130, eff. 7-10-03; 94-86, eff. 1-1-06; 94-909, eff. 6-23-06.)

Section 35. The Criminal Code of 1961 is amended by changing Section 17A-1 as follows:

(720 ILCS 5/17A-1) (from Ch. 38, par. 17A-1)

Sec. 17A-1. Persons under deportation order; ineligible for benefits. An individual against whom a United States Immigration Judge has issued an order of deportation which has been affirmed by the Board of Immigration Review, as well as an individual who appeals such an order pending appeal, under paragraph 19 of Section 241(a) of the Immigration and Nationality Act relating to persecution of others on account of race, religion, national origin or political opinion under the direction of or in association with the Nazi government of Germany or its allies, shall be ineligible for the following benefits authorized by State law:

(a) The homestead exemptions and homestead improvement exemption under under Article 15 Sections 15-170, 15-175, 15-176, and 15-180 of the Property Tax Code.

(b) Grants under the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act.

(c) The double income tax exemption conferred upon persons 65 years of age or older by Section 204 of the Illinois Income Tax Act.

(d) Grants provided by the Department on Aging.

(e) Reductions in vehicle registration fees under Section 3-806.3 of the Illinois Vehicle Code.

(f) Free fishing and reduced fishing license fees under Sections 20-5 and 20-40 of the Fish and Aquatic Life Code.

(g) Tuition free courses for senior citizens under the Senior Citizen Courses Act.

(h) Any benefits under the Illinois Public Aid Code.

(Source: P.A. 93-715, eff. 7-12-04.)

Section 90. The State Mandates Act is amended by adding Section 8.31 as follows:

(30 ILCS 805/8.31 new)

Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 95th General Assembly.

Section 99. Effective date. This Act takes effect upon becoming law."

#### AMENDMENT NO. 2 TO SENATE BILL 13

AMENDMENT NO. 2. Amend Senate Bill 13, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, as follows:

on page 19, line 9, by changing "16-165" to "15-165"; and

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on page 19, by replacing line 11 with the following:

"(e) Application must be made during the application period in effect for the county of his or her residence. The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire, or other reasonable methods. The determination must be made in accordance with guidelines established by the Department.

(f) For the purposes of this Section."; and

on page 62, line 19, by changing "collector" to "assessor".

Under the rules, the foregoing **Senate Bill No. 13**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 194

A bill for AN ACT concerning education.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 194

House Amendment No. 2 to SENATE BILL NO. 194

House Amendment No. 3 to SENATE BILL NO. 194

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### **AMENDMENT NO. 1 TO SENATE BILL 194**

AMENDMENT NO. 1. Amend Senate Bill 194 on page 3, line 2, after "2007", by inserting "if transitional assistance payments are appropriated for fiscal year 2008 or any given fiscal year thereafter, then".

#### **AMENDMENT NO. 2 TO SENATE BILL 194**

AMENDMENT NO. 2. Amend Senate Bill 194 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 2-3.131 (as added by Public Act 93-21) as follows:

(105 ILCS 5/2-3.131)

Sec. 2-3.131. Transitional assistance payments.

(a) If ~~the~~ the amount that the State Board of Education will pay to a school district from fiscal year 2004 appropriations, as estimated by the State Board of Education on April 1, 2004, is less than the amount that the State Board of Education paid to the school district from fiscal year 2003 appropriations, then, subject to appropriation, the State Board of Education shall make a fiscal year 2004 transitional assistance payment to the school district in an amount equal to the difference between the estimated amount to be paid from fiscal year 2004 appropriations and the amount paid from fiscal year 2003 appropriations.

(b) If the amount that the State Board of Education will pay to a school district from fiscal year 2005 appropriations, as estimated by the State Board of Education on April 1, 2005, is less than the amount that the State Board of Education paid to the school district from fiscal year 2004 appropriations, then the State Board of Education shall make a fiscal year 2005 transitional assistance payment to the school district in an amount equal to the difference between the estimated amount to be paid from fiscal year 2005 appropriations and the amount paid from fiscal year 2004 appropriations.

(c) If the amount that the State Board of Education will pay to a school district from fiscal year 2006 appropriations, as estimated by the State Board of Education on April 1, 2006, is less than the amount that the State Board of Education paid to the school district from fiscal year 2005 appropriations, then the State Board of Education shall make a fiscal year 2006 transitional assistance payment to the school

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district in an amount equal to the difference between the estimated amount to be paid from fiscal year 2006 appropriations and the amount paid from fiscal year 2005 appropriations.

(d) If the amount that the State Board of Education will pay to a school district from fiscal year 2007 appropriations, as estimated by the State Board of Education on April 1, 2007, is less than the amount that the State Board of Education paid to the school district from fiscal year 2006 appropriations, then the State Board of Education, subject to appropriation, shall make a fiscal year 2007 transitional assistance payment to the school district in an amount equal to the difference between the estimated amount to be paid from fiscal year 2007 appropriations and the amount paid from fiscal year 2006 appropriations.

(Source: P.A. 93-21, eff. 7-1-03; 93-838, eff. 7-30-04; 94-69, eff. 7-1-05; 94-835, eff. 6-6-06)."

### AMENDMENT NO. 3 TO SENATE BILL 194

AMENDMENT NO. 3. Amend Senate Bill 194, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the FY2008 Budget Implementation (Education) Act.

Section 5. Purpose. It is the purpose of this Act to make changes in State programs that are necessary to implement the Governor's FY2008 budget recommendations concerning education.

Section 10. The School Code is amended by changing Sections 2-3.131 (as added by Public Act 93-21), 7-14A, 11E-135, and 18-8.05 as follows:

(105 ILCS 5/2-3.131)

Sec. 2-3.131. Transitional assistance payments.

(a) If the amount that the State Board of Education will pay to a school district from fiscal year 2004 appropriations, as estimated by the State Board of Education on April 1, 2004, is less than the amount that the State Board of Education paid to the school district from fiscal year 2003 appropriations, then, subject to appropriation, the State Board of Education shall make a fiscal year 2004 transitional assistance payment to the school district in an amount equal to the difference between the estimated amount to be paid from fiscal year 2004 appropriations and the amount paid from fiscal year 2003 appropriations.

(b) If the amount that the State Board of Education will pay to a school district from fiscal year 2005 appropriations, as estimated by the State Board of Education on April 1, 2005, is less than the amount that the State Board of Education paid to the school district from fiscal year 2004 appropriations, then the State Board of Education shall make a fiscal year 2005 transitional assistance payment to the school district in an amount equal to the difference between the estimated amount to be paid from fiscal year 2005 appropriations and the amount paid from fiscal year 2004 appropriations.

(c) If the amount that the State Board of Education will pay to a school district from fiscal year 2006 appropriations, as estimated by the State Board of Education on April 1, 2006, is less than the amount that the State Board of Education paid to the school district from fiscal year 2005 appropriations, then the State Board of Education shall make a fiscal year 2006 transitional assistance payment to the school district in an amount equal to the difference between the estimated amount to be paid from fiscal year 2006 appropriations and the amount paid from fiscal year 2005 appropriations.

(d) If the amount that the State Board of Education will pay to a school district from fiscal year 2007 appropriations, as estimated by the State Board of Education on April 1, 2007, is less than the amount that the State Board of Education paid to the school district from fiscal year 2006 appropriations, then the State Board of Education, subject to appropriation, shall make a fiscal year 2007 transitional assistance payment to the school district in an amount equal to the difference between the estimated amount to be paid from fiscal year 2007 appropriations and the amount paid from fiscal year 2006 appropriations.

(e) Subject to appropriation, beginning on July 1, 2007, the State Board of Education shall adjust prior year information for the transitional assistance calculations under this Section in the event of the creation or reorganization of any school district pursuant to Article 11E of this Code, the dissolution of an entire district and the annexation of all of its territory to one or more other districts pursuant to Article 7 of this Code, or a boundary change whereby the enrollment of the annexing district increases by 90% or more as a result of annexing territory detached from another district pursuant to Article 7 of this Code.

(f) If the amount that the State Board of Education will pay to a school district from fiscal year 2008 appropriations, as estimated by the State Board of Education on April 1, 2008, is less than the amount that the State Board of Education paid to the school district from fiscal year 2007 appropriations, then

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the State Board of Education, subject to appropriation, shall make a fiscal year 2008 transitional assistance payment to the school district in an amount equal to the difference between the estimated amount to be paid from fiscal year 2008 appropriations and the amount paid from fiscal year 2007 appropriations.

(Source: P.A. 93-21, eff. 7-1-03; 93-838, eff. 7-30-04; 94-69, eff. 7-1-05; 94-835, eff. 6-6-06.)

(105 ILCS 5/7-14A) (from Ch. 122, par. 7-14A)

Sec. 7-14A. Annexation Compensation. There shall be no accounting made after a mere change in boundaries when no new district is created, except that those districts whose enrollment increases by 90% or more as a result of annexing territory detached from another district pursuant to this Article are eligible for supplementary State aid payments in accordance with Section 11E-135 of this Code. Eligible annexing districts shall apply to the State Board of Education for supplementary State aid payments by submitting enrollment figures for the year immediately preceding and the year immediately following the effective date of the boundary change for both the district gaining territory and the district losing territory. Copies of any intergovernmental agreements between the district gaining territory and the district losing territory detailing any transfer of fund balances and staff must also be submitted. In all instances of changes in boundaries, ~~However,~~ the district losing territory shall not count the average daily attendance of pupils living in the territory during the year preceding the effective date of the boundary change in its claim for reimbursement under Section 18-8 for the school year following the effective date of the change in boundaries and the district receiving the territory shall count the average daily attendance of pupils living in the territory during the year preceding the effective date of the boundary change in its claim for reimbursement under Section 18-8 for the school year following the effective date of the change in boundaries. The changes to this Section made by this amendatory Act of the 95th General Assembly are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004.

(Source: P.A. 84-1250.)

(105 ILCS 5/11E-135)

Sec. 11E-135. Incentives. For districts reorganizing under this Article and for a district or districts that annex all of the territory of one or more entire other school districts in accordance with Article 7 of this Code, the following payments shall be made from appropriations made for these purposes:

(a)(1) For a combined school district, as defined in Section 11E-20 of this Code, or for a unit district, as defined in Section 11E-25 of this Code, for its first year of existence, the general State aid and supplemental general State aid calculated under Section 18-8.05 of this Code shall be computed for the new district and for the previously existing districts for which property is totally included within the new district. If the computation on the basis of the previously existing districts is greater, a supplementary payment equal to the difference shall be made for the first 4 years of existence of the new district.

(2) For a school district that annexes all of the territory of one or more entire other school districts as defined in Article 7 of this Code, for the first year during which the change of boundaries attributable to the annexation becomes effective for all purposes, as determined under Section 7-9 of this Code, the general State aid and supplemental general State aid calculated under Section 18-8.05 of this Code shall be computed for the annexing district as constituted after the annexation and for the annexing and each annexed district as constituted prior to the annexation; and if the computation on the basis of the annexing and annexed districts as constituted prior to the annexation is greater, then a supplementary payment equal to the difference shall be made for the first 4 years of existence of the annexing school district as constituted upon the annexation.

(3) For 2 or more school districts that annex all of the territory of one or more entire other school districts, as defined in Article 7 of this Code, for the first year during which the change of boundaries attributable to the annexation becomes effective for all purposes, as determined under Section 7-9 of this Code, the general State aid and supplemental general State aid calculated under Section 18-8.05 of this Code shall be computed for each annexing district as constituted after the annexation and for each annexing and annexed district as constituted prior to the annexation; and if the aggregate of the general State aid and supplemental general State aid as so computed for the annexing districts as constituted after the annexation is less than the aggregate of the general State aid and supplemental general State aid as so computed for the annexing and annexed districts, as constituted prior to the annexation, then a supplementary payment equal to the difference shall be made and allocated between or among the annexing districts, as constituted upon the annexation, for the first 4 years of their existence. The total difference payment shall be allocated between or among the annexing districts in the same ratio as the pupil enrollment from that portion of the annexed district or districts that is annexed to each annexing district bears to the total pupil enrollment from the entire annexed district or districts, as such pupil enrollment is determined for the school year last

ending prior to the date when the change of boundaries attributable to the annexation becomes effective for all purposes. The amount of the total difference payment and the amount thereof to be allocated to the annexing districts shall be computed by the State Board of Education on the basis of pupil enrollment and other data that shall be certified to the State Board of Education, on forms that it shall provide for that purpose, by the regional superintendent of schools for each educational service region in which the annexing and annexed districts are located.

(4) For a school district conversion, as defined in Section 11E-15 of this Code, or a multi-unit conversion, as defined in subsection (b) of Section 11E-30 of this Code, if in their first year of existence the newly created elementary districts and the newly created high school district, from a school district conversion, or the newly created elementary district or districts and newly created combined high school - unit district, from a multi-unit conversion, qualify for less general State aid under Section 18-8.05 of this Code than would have been payable under Section 18-8.05 for that same year to the previously existing districts, then a supplementary payment equal to that difference shall be made for the first 4 years of existence of the newly created districts. The aggregate amount of each supplementary payment shall be allocated among the newly created districts in the proportion that the deemed pupil enrollment in each district during its first year of existence bears to the actual aggregate pupil enrollment in all of the districts during their first year of existence. For purposes of each allocation:

(A) the deemed pupil enrollment of the newly created high school district from a school district conversion shall be an amount equal to its actual pupil enrollment for its first year of existence multiplied by 1.25;

(B) the deemed pupil enrollment of each newly created elementary district from a school district conversion shall be an amount equal to its actual pupil enrollment for its first year of existence reduced by an amount equal to the product obtained when the amount by which the newly created high school district's deemed pupil enrollment exceeds its actual pupil enrollment for its first year of existence is multiplied by a fraction, the numerator of which is the actual pupil enrollment of the newly created elementary district for its first year of existence and the denominator of which is the actual aggregate pupil enrollment of all of the newly created elementary districts for their first year of existence;

(C) the deemed high school pupil enrollment of the newly created combined high school - unit district from a multi-unit conversion shall be an amount equal to its actual grades 9 through 12 pupil enrollment for its first year of existence multiplied by 1.25; and

(D) the deemed elementary pupil enrollment of each newly created district from a multi-unit conversion shall be an amount equal to each district's actual grade K through 8 pupil enrollment for its first year of existence, reduced by an amount equal to the product obtained when the amount by which the newly created combined high school - unit district's deemed high school pupil enrollment exceeds its actual grade 9 through 12 pupil enrollment for its first year of existence is multiplied by a fraction, the numerator of which is the actual grade K through 8 pupil enrollment of each newly created district for its first year of existence and the denominator of which is the actual aggregate grade K through 8 pupil enrollment of all such newly created districts for their first year of existence.

The aggregate amount of each supplementary payment under this subdivision (4) and the amount thereof to be allocated to the newly created districts shall be computed by the State Board of Education on the basis of pupil enrollment and other data, which shall be certified to the State Board of Education, on forms that it shall provide for that purpose, by the regional superintendent of schools for each educational service region in which the newly created districts are located.

(5) For a partial elementary unit district, as defined in subsection (a) or (c) of Section 11E-30 of this Code, if, in the first year of existence, the newly created partial elementary unit district qualifies for less general State aid and supplemental general State aid under Section 18-8.05 of this Code than would have been payable under that Section for that same year to the previously existing districts that formed the partial elementary unit district, then a supplementary payment equal to that difference shall be made to the partial elementary unit district for the first 4 years of existence of that newly created district.

(6) For an elementary opt-in, as described in subsection (d) of Section 11E-30 of this Code, the general State aid difference shall be computed in accordance with paragraph (5) of this subsection (a) as if the elementary opt-in was included in an optional elementary unit district at the optional elementary unit district's original effective date. If the calculation in this paragraph (6) is less than that calculated in paragraph (5) of this subsection (a) at the optional elementary unit district's original effective date, then no adjustments may be made. If the calculation in this paragraph (6) is

more than that calculated in paragraph (5) of this subsection (a) at the optional elementary unit district's original effective date, then the excess must be paid as follows:

(A) If the effective date for the elementary opt-in is one year after the effective date for the optional elementary unit district, 100% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(B) If the effective date for the elementary opt-in is 2 years after the effective date for the optional elementary unit district, 75% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(C) If the effective date for the elementary opt-in is 3 years after the effective date for the optional elementary unit district, 50% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(D) If the effective date for the elementary opt-in is 4 years after the effective date for the optional elementary unit district, 25% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(E) If the effective date for the elementary opt-in is 5 years after the effective date for the optional elementary unit district, the optional elementary unit district is not eligible for any additional incentives due to the elementary opt-in.

(6.5) For a school district that annexes territory detached from another school district whereby the enrollment of the annexing district increases by 90% or more as a result of the annexation, for the first year during which the change of boundaries attributable to the annexation becomes effective for all purposes as determined under Section 7-9 of this Code, the general State aid and supplemental general State aid calculated under this Section shall be computed for the district gaining territory and the district losing territory as constituted after the annexation and for the same districts as constituted prior to the annexation; and if the aggregate of the general State aid and supplemental general State aid as so computed for the district gaining territory and the district losing territory as constituted after the annexation is less than the aggregate of the general State aid and supplemental general State aid as so computed for the district gaining territory and the district losing territory as constituted prior to the annexation, then a supplementary payment shall be made to the annexing district for the first 4 years of existence after the annexation, equal to the difference multiplied by the ratio of student enrollment in the territory detached to the total student enrollment in the district losing territory for the year prior to the effective date of the annexation. The amount of the total difference and the proportion paid to the annexing district shall be computed by the State Board of Education on the basis of pupil enrollment and other data that must be submitted to the State Board of Education in accordance with Section 7-14A of this Code. The changes to this Section made by this amendatory Act of the 95th General Assembly are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004. For annexations that are eligible for payments under this paragraph (6.5) and that are effective on or after July 1, 2004, but before the effective date of this amendatory Act of the 95th General Assembly, the first required yearly payment under this paragraph (6.5) shall be paid in the fiscal year of the effective date of this amendatory Act of the 95th General Assembly. Subsequent required yearly payments shall be paid in subsequent fiscal years until the payment obligation under this paragraph (6.5) is complete.

(7) Claims for financial assistance under this subsection (a) may not be recomputed except as expressly provided under Section 18-8.05 of this Code.

(8) Any supplementary payment made under this subsection (a) must be treated as separate from all other payments made pursuant to Section 18-8.05 of this Code.

(b)(1) After the formation of a combined school district, as defined in Section 11E-20 of this Code, or a unit district, as defined in Section 11E-25 of this Code, a computation shall be made to determine the difference between the salaries effective in each of the previously existing districts on June 30, prior to the creation of the new district. For the first 4 years after the formation of the new district, a supplementary State aid reimbursement shall be paid to the new district equal to the difference between the sum of the salaries earned by each of the certificated members of the new district, while employed in one of the previously existing districts during the year immediately preceding the formation of the new district, and the sum of the salaries those certificated members would have been paid during the year immediately prior to the formation of the new district if placed on the salary schedule of the previously existing district with the highest salary schedule.

(2) After the territory of one or more school districts is annexed by one or more other school districts as defined in Article 7 of this Code, a computation shall be made to determine the difference between the salaries effective in each annexed district and in the annexing district or districts as they were each constituted on June 30 preceding the date when the change of boundaries attributable to the annexation became effective for all purposes, as determined under Section 7-9 of

this Code. For the first 4 years after the annexation, a supplementary State aid reimbursement shall be paid to each annexing district as constituted after the annexation equal to the difference between the sum of the salaries earned by each of the certificated members of the annexing district as constituted after the annexation, while employed in an annexed or annexing district during the year immediately preceding the annexation, and the sum of the salaries those certificated members would have been paid during the immediately preceding year if placed on the salary schedule of whichever of the annexing or annexed districts had the highest salary schedule during the immediately preceding year.

(3) For each new high school district formed under a school district conversion, as defined in Section 11E-15 of this Code, the State shall make a supplementary payment for 4 years equal to the difference between the sum of the salaries earned by each certified member of the new high school district, while employed in one of the previously existing districts, and the sum of the salaries those certified members would have been paid if placed on the salary schedule of the previously existing district with the highest salary schedule.

(4) For each newly created partial elementary unit district, the State shall make a supplementary payment for 4 years equal to the difference between the sum of the salaries earned by each certified member of the newly created partial elementary unit district, while employed in one of the previously existing districts that formed the partial elementary unit district, and the sum of the salaries those certified members would have been paid if placed on the salary schedule of the previously existing district with the highest salary schedule. The salary schedules used in the calculation shall be those in effect in the previously existing districts for the school year prior to the creation of the new partial elementary unit district.

(5) For an elementary district opt-in, as described in subsection (d) of Section 11E-30 of this Code, the salary difference incentive shall be computed in accordance with paragraph (4) of this subsection (b) as if the opted-in elementary district was included in the optional elementary unit district at the optional elementary unit district's original effective date. If the calculation in this paragraph (5) is less than that calculated in paragraph (4) of this subsection (b) at the optional elementary unit district's original effective date, then no adjustments may be made. If the calculation in this paragraph (5) is more than that calculated in paragraph (4) of this subsection (b) at the optional elementary unit district's original effective date, then the excess must be paid as follows:

(A) If the effective date for the elementary opt-in is one year after the effective date for the optional elementary unit district, 100% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(B) If the effective date for the elementary opt-in is 2 years after the effective date for the optional elementary unit district, 75% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(C) If the effective date for the elementary opt-in is 3 years after the effective date for the optional elementary unit district, 50% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(D) If the effective date for the elementary opt-in is 4 years after the effective date for the partial elementary unit district, 25% of the calculated excess shall be paid to the optional elementary unit district in each of the first 4 years after the effective date of the elementary opt-in.

(E) If the effective date for the elementary opt-in is 5 years after the effective date for the optional elementary unit district, the optional elementary unit district is not eligible for any additional incentives due to the elementary opt-in.

~~(5.5)~~ After the formation of a cooperative high school by 2 or more school districts under Section 10-22.22c of this Code, a computation shall be made to determine the difference between the salaries effective in each of the previously existing high schools on June 30 prior to the formation of the cooperative high school. For the first 4 years after the formation of the cooperative high school, a supplementary State aid reimbursement shall be paid to the cooperative high school equal to the difference between the sum of the salaries earned by each of the certificated members of the cooperative high school while employed in one of the previously existing high schools during the year immediately preceding the formation of the cooperative high school and the sum of the salaries those certificated members would have been paid during the year immediately prior to the formation of the cooperative high school if placed on the salary schedule of the previously existing high school with the highest salary schedule.

(5.10) After the annexation of territory detached from another school district whereby the enrollment of the annexing district increases by 90% or more as a result of the annexation, a computation shall be made to determine the difference between the salaries effective in the district gaining territory and the district losing territory as they each were constituted on June 30 preceding the date when the change of

boundaries attributable to the annexation became effective for all purposes as determined under Section 7-9 of this Code. For the first 4 years after the annexation, a supplementary State aid reimbursement shall be paid to the annexing district equal to the difference between the sum of the salaries earned by each of the certificated members of the annexing district as constituted after the annexation while employed in the district gaining territory or the district losing territory during the year immediately preceding the annexation and the sum of the salaries those certificated members would have been paid during such immediately preceding year if placed on the salary schedule of whichever of the district gaining territory or district losing territory had the highest salary schedule during the immediately preceding year. To be eligible for supplementary State aid reimbursement under this Section, the intergovernmental agreement to be submitted pursuant to Section 7-14A of this Code must show that staff members were transferred from the control of the district losing territory to the control of the district gaining territory in the annexation. The changes to this Section made by this amendatory Act of the 95th General Assembly are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004. For annexations that are eligible for payments under this paragraph (5.10) and that are effective on or after July 1, 2004, but before the effective date of this amendatory Act of the 95th General Assembly, the first required yearly payment under this paragraph (5.10) shall be paid in the fiscal year of the effective date of this amendatory Act of the 95th General Assembly. Subsequent required yearly payments shall be paid in subsequent fiscal years until the payment obligation under this paragraph (5.10) is complete.

(6) The supplementary State aid reimbursement under this subsection (b) shall be treated as separate from all other payments made pursuant to Section 18-8.05 of this Code. In the case of the formation of a new district or cooperative high school, reimbursement shall begin during the first year of operation of the new district or cooperative high school, and in the case of an annexation of the territory of one or more school districts by one or more other school districts or the annexation of territory detached from a school district whereby the enrollment of the annexing district increases by 90% or more as a result of the annexation, reimbursement shall begin during the first year when the change in boundaries attributable to the annexation ~~or division~~ becomes effective for all purposes as determined pursuant to Section 7-9 of this Code, except that for an annexation of territory detached from a school district that is effective on or after July 1, 2004, but before the effective date of this amendatory Act of the 95th General Assembly, whereby the enrollment of the annexing district increases by 90% or more as a result of the annexation, reimbursement shall begin during the fiscal year of the effective date of this amendatory Act of the 95th General Assembly. Each year that the new, annexing, or resulting district or cooperative high school, as the case may be, is entitled to receive reimbursement, the number of eligible certified members who are employed on October 1 in the district or cooperative high school shall be certified to the State Board of Education on prescribed forms by October 15 and payment shall be made on or before November 15 of that year.

(c)(1) For the first year after the formation of a combined school district, as defined in Section 11E-20 of this Code or a unit district, as defined in Section 11E-25 of this Code, a computation shall be made totaling each previously existing district's audited fund balances in the educational fund, working cash fund, operations and maintenance fund, and transportation fund for the year ending June 30 prior to the referendum for the creation of the new district. The new district shall be paid supplementary State aid equal to the sum of the differences between the deficit of the previously existing district with the smallest deficit and the deficits of each of the other previously existing districts.

(2) For the first year after the annexation of all of the territory of one or more entire school districts by another school district, as defined in Article 7 of this Code, computations shall be made, for the year ending June 30 prior to the date that the change of boundaries attributable to the annexation is allowed by the affirmative decision issued by the regional board of school trustees under Section 7-6 of this Code, notwithstanding any effort to seek administrative review of the decision, totaling the annexing district's and totaling each annexed district's audited fund balances in their respective educational, working cash, operations and maintenance, and transportation funds. The annexing district as constituted after the annexation shall be paid supplementary State aid equal to the sum of the differences between the deficit of whichever of the annexing or annexed districts as constituted prior to the annexation had the smallest deficit and the deficits of each of the other districts as constituted prior to the annexation.

(3) For the first year after the annexation of all of the territory of one or more entire school districts by 2 or more other school districts, as defined by Article 7 of this Code, computations shall be made, for the year ending June 30 prior to the date that the change of boundaries attributable to the annexation is allowed by the affirmative decision of the regional board of school trustees under

Section 7-6 of this Code, notwithstanding any action for administrative review of the decision, totaling each annexing and annexed district's audited fund balances in their respective educational, working cash, operations and maintenance, and transportation funds. The annexing districts as constituted after the annexation shall be paid supplementary State aid, allocated as provided in this paragraph (3), in an aggregate amount equal to the sum of the differences between the deficit of whichever of the annexing or annexed districts as constituted prior to the annexation had the smallest deficit and the deficits of each of the other districts as constituted prior to the annexation. The aggregate amount of the supplementary State aid payable under this paragraph (3) shall be allocated between or among the annexing districts as follows:

(A) the regional superintendent of schools for each educational service region in which an annexed district is located prior to the annexation shall certify to the State Board of Education, on forms that it shall provide for that purpose, the value of all taxable property in each annexed district, as last equalized or assessed by the Department of Revenue prior to the annexation, and the equalized assessed value of each part of the annexed district that was annexed to or included as a part of an annexing district;

(B) using equalized assessed values as certified by the regional superintendent of schools under clause (A) of this paragraph (3), the combined audited fund balance deficit of each annexed district as determined under this Section shall be apportioned between or among the annexing districts in the same ratio as the equalized assessed value of that part of the annexed district that was annexed to or included as a part of an annexing district bears to the total equalized assessed value of the annexed district; and

(C) the aggregate supplementary State aid payment under this paragraph (3) shall be allocated between or among, and shall be paid to, the annexing districts in the same ratio as the sum of the combined audited fund balance deficit of each annexing district as constituted prior to the annexation, plus all combined audited fund balance deficit amounts apportioned to that annexing district under clause (B) of this subsection, bears to the aggregate of the combined audited fund balance deficits of all of the annexing and annexed districts as constituted prior to the annexation.

(4) For the new elementary districts and new high school district formed through a school district conversion, as defined in subsection (b) of Section 11E-15 of this Code or the new elementary district or districts and new combined high school - unit district formed through a multi-unit conversion, as defined in subsection (b) of Section 11E-30 of this Code, a computation shall be made totaling each previously existing district's audited fund balances in the educational fund, working cash fund, operations and maintenance fund, and transportation fund for the year ending June 30 prior to the referendum establishing the new districts. In the first year of the new districts, the State shall make a one-time supplementary payment equal to the sum of the differences between the deficit of the previously existing district with the smallest deficit and the deficits of each of the other previously existing districts. A district with a combined balance among the 4 funds that is positive shall be considered to have a deficit of zero. The supplementary payment shall be allocated among the newly formed high school and elementary districts in the manner provided by the petition for the formation of the districts, in the form in which the petition is approved by the regional superintendent of schools or State Superintendent of Education under Section 11E-50 of this Code.

(5) For each newly created partial elementary unit district, as defined in subsection (a) or

(c) of Section 11E-30 of this Code, a computation shall be made totaling the audited fund balances of each previously existing district that formed the new partial elementary unit district in the educational fund, working cash fund, operations and maintenance fund, and transportation fund for the year ending June 30 prior to the referendum for the formation of the partial elementary unit district. In the first year of the new partial elementary unit district, the State shall make a one-time supplementary payment to the new district equal to the sum of the differences between the deficit of the previously existing district with the smallest deficit and the deficits of each of the other previously existing districts. A district with a combined balance among the 4 funds that is positive shall be considered to have a deficit of zero.

(6) For an elementary opt-in as defined in subsection (d) of Section 11E-30 of this Code, the deficit fund balance incentive shall be computed in accordance with paragraph (5) of this subsection (c) as if the opted-in elementary was included in the optional elementary unit district at the optional elementary unit district's original effective date. If the calculation in this paragraph (6) is less than that calculated in paragraph (5) of this subsection (c) at the optional elementary unit district's original effective date, then no adjustments may be made. If the calculation in this paragraph (6) is more than that calculated in paragraph (5) of this subsection (c) at the optional elementary unit district's original effective date, then the excess must be paid as follows:



(A) If the effective date for the elementary opt-in is one year after the effective date for the optional elementary unit district, 100% of the calculated excess shall be paid to the optional elementary unit district in the first year after the effective date of the elementary opt-in.

(B) If the effective date for the elementary opt-in is 2 years after the effective date for the optional elementary unit district, 75% of the calculated excess shall be paid to the optional elementary unit district in the first year after the effective date of the elementary opt-in.

(C) If the effective date for the elementary opt-in is 3 years after the effective date for the optional elementary unit district, 50% of the calculated excess shall be paid to the optional elementary unit district in the first year after the effective date of the elementary opt-in.

(D) If the effective date for the elementary opt-in is 4 years after the effective date for the optional elementary unit district, 25% of the calculated excess shall be paid to the optional elementary unit district in the first year after the effective date of the elementary opt-in.

(E) If the effective date for the elementary opt-in is 5 years after the effective date for the optional elementary unit district, the optional elementary unit district is not eligible for any additional incentives due to the elementary opt-in.

(6.5) For the first year after the annexation of territory detached from another school district whereby the enrollment of the annexing district increases by 90% or more as a result of the annexation, a computation shall be made totaling the audited fund balances of the district gaining territory and the audited fund balances of the district losing territory in the educational fund, working cash fund, operations and maintenance fund, and transportation fund for the year ending June 30 prior to the date that the change of boundaries attributable to the annexation is allowed by the affirmative decision of the regional board of school trustees under Section 7-6 of this Code, notwithstanding any action for administrative review of the decision. The annexing district as constituted after the annexation shall be paid supplementary State aid equal to the difference between the deficit of whichever district included in this calculation as constituted prior to the annexation had the smallest deficit and the deficit of each other district included in this calculation as constituted prior to the annexation, multiplied by the ratio of equalized assessed value of the territory detached to the total equalized assessed value of the district losing territory. The regional superintendent of schools for the educational service region in which a district losing territory is located prior to the annexation shall certify to the State Board of Education the value of all taxable property in the district losing territory and the value of all taxable property in the territory being detached, as last equalized or assessed by the Department of Revenue prior to the annexation. To be eligible for supplementary State aid reimbursement under this Section, the intergovernmental agreement to be submitted pursuant to Section 7-14A of this Code must show that fund balances were transferred from the district losing territory to the district gaining territory in the annexation. The changes to this Section made by this amendatory Act of the 95th General Assembly are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004. For annexations that are eligible for payments under this paragraph (6.5) and that are effective on or after July 1, 2004, but before the effective date of this amendatory Act of the 95th General Assembly, the required payment under this paragraph (6.5) shall be paid in the fiscal year of the effective date of this amendatory Act of the 95th General Assembly.

(7) For purposes of any calculation required under paragraph (1), (2), (3), (4), (5), ~~or~~ (6) or (6.5) of this subsection (c), a district with a combined fund balance that is positive shall be considered to have a deficit of zero. For purposes of determining each district's audited fund balances in its educational fund, working cash fund, operations and maintenance fund, and transportation fund for the specified year ending June 30, as provided in paragraphs (1), (2), (3), (4), (5), ~~and~~ (6) and (6.5) of this subsection (c), the balance of each fund shall be deemed decreased by an amount equal to the amount of the annual property tax theretofore levied in the fund by the district for collection and payment to the district during the calendar year in which the June 30 fell, but only to the extent that the tax so levied in the fund actually was received by the district on or before or comprised a part of the fund on such June 30. For purposes of determining each district's audited fund balances, a calculation shall be made for each fund to determine the average for the 3 years prior to the specified year ending June 30, as provided in paragraphs (1), (2), (3), (4), (5), ~~and~~ (6) and (6.5) of this subsection (c), of the district's expenditures in the categories "purchased services", "supplies and materials", and "capital outlay", as those categories are defined in rules of the State Board of Education. If this 3-year average is less than the district's expenditures in these categories for the specified year ending June 30, as provided in paragraphs (1), (2), (3), (4), (5), ~~and~~ (6) and (6.5) of this subsection (c), then the 3-year average shall be used in calculating the amounts payable under this Section in place of the amounts shown in these categories for the specified year ending June 30, as provided in paragraphs (1), (2), (3), (4), (5), ~~and~~ (6) and (6.5) of this subsection (c). Any deficit

because of State aid not yet received may not be considered in determining the June 30 deficits. The same basis of accounting shall be used by all previously existing districts and by all annexing or annexed districts, as constituted prior to the annexation, in making any computation required under paragraphs (1), (2), (3), (4), (5), ~~and (6)~~ and (6.5) of this subsection (c).

(8) The supplementary State aid payments under this subsection (c) shall be treated as separate from all other payments made pursuant to Section 18-8.05 of this Code.

(d)(1) Following the formation of a combined school district, as defined in Section 11E-20 of this Code, a new elementary district or districts and a new high school district formed through a school district conversion, as defined in subsection (b) of Section 11E-15 of this Code, a new partial elementary unit district, as defined in Section 11E-30 of this Code, or a new elementary district or districts formed through a multi-unit conversion, as defined in subsection (b) of Section 11E-30 of this Code, or the annexation of all of the territory of one or more entire school districts by one or more other school districts, as defined in Article 7 of this Code, a supplementary State aid reimbursement shall be paid for the number of school years determined under the following table to each new or annexing district equal to the sum of \$4,000 for each certified employee who is employed by the district on a full-time basis for the regular term of the school year:

Reorganized District's Rank by type of district (unit, high school, elementary) in Equalized Assessed Value Per Pupil by Quintile	Reorganized District's Rank in Average Daily Attendance By Quintile		
	1st Quintile	2nd Quintile	3rd, 4th, or 5th Quintile
1st Quintile	1 year	1 year	1 year
2nd Quintile	1 year	2 years	2 years
3rd Quintile	2 years	3 years	3 years
4th Quintile	2 years	3 years	3 years
5th Quintile	2 years	3 years	3 years

The State Board of Education shall make a one-time calculation of a reorganized district's quintile ranks. The average daily attendance used in this calculation shall be the best 3 months' average daily attendance for the district's first year. The equalized assessed value per pupil shall be the district's real property equalized assessed value used in calculating the district's first-year general State aid claim, under Section 18-8.05 of this Code, divided by the best 3 months' average daily attendance.

No annexing or resulting school district shall be entitled to supplementary State aid under this subsection (d) unless the district acquires at least 30% of the average daily attendance of the district from which the territory is being detached or divided.

If a district results from multiple reorganizations that would otherwise qualify the district for multiple payments under this subsection (d) in any year, then the district shall receive a single payment only for that year based solely on the most recent reorganization.

(2) For an elementary opt-in, as defined in subsection (d) of Section 11E-30 of this Code, the full-time certified staff incentive shall be computed in accordance with paragraph (1) of this subsection (d), equal to the sum of \$4,000 for each certified employee of the elementary district that opts-in who is employed by the optional elementary unit district on a full-time basis for the regular term of the school year. The calculation from this paragraph (2) must be paid as follows:

(A) If the effective date for the elementary opt-in is one year after the effective date for the optional elementary unit district, 100% of the amount calculated in this paragraph (2) shall be paid to the optional elementary unit district for the number of years calculated in paragraph (1) of this subsection (d) at the optional elementary unit district's original effective date, starting in the second year after the effective date of the elementary opt-in.

(B) If the effective date for the elementary opt-in is 2 years after the effective date for the optional elementary unit district, 75% of the amount calculated in this paragraph (2) shall be paid to the optional elementary unit district for the number of years calculated in paragraph (1) of this subsection (d) at the optional elementary unit district's original effective date, starting in the second year after the effective date of the elementary opt-in.

(C) If the effective date for the elementary opt-in is 3 years after the effective date for the optional elementary unit district, 50% of the amount calculated in this paragraph (2) shall be paid to the optional elementary unit district for the number of years calculated in paragraph (1) of this subsection (d) at the optional elementary unit district's original effective date, starting in the second year after the effective date of the elementary opt-in.

(D) If the effective date for the elementary opt-in is 4 years after the effective date for the optional elementary unit district, 25% of the amount calculated in this paragraph (2) shall be paid to the optional elementary unit district for the number of years calculated in paragraph (1) of this subsection (d) at the optional elementary unit district's original effective date, starting in the second year after the effective date of the elementary opt-in.

(E) If the effective date for the elementary opt-in is 5 years after the effective date for the optional elementary unit district, the optional elementary unit district is not eligible for any additional incentives due to the elementary opt-in.

~~(2.5) (a-5)~~ Following the formation of a cooperative high school by 2 or more school districts under Section 10-22.22c of this Code, a supplementary State aid reimbursement shall be paid for 3 school years to the cooperative high school equal to the sum of \$4,000 for each certified employee who is employed by the cooperative high school on a full-time basis for the regular term of any such school year. If a cooperative high school results from multiple agreements that would otherwise qualify the cooperative high school for multiple payments under this Section in any year, the cooperative high school shall receive a single payment for that year based solely on the most recent agreement.

(2.10) Following the annexation of territory detached from another school district whereby the enrollment of the annexing district increases 90% or more as a result of the annexation, a supplementary State aid reimbursement shall be paid to the annexing district equal to the sum of \$4,000 for each certified employee who is employed by the annexing district on a full-time basis and shall be calculated in accordance with subsection (a) of this Section. To be eligible for supplementary State aid reimbursement under this Section, the intergovernmental agreement to be submitted pursuant to Section 7-14A of this Code must show that certified staff members were transferred from the control of the district losing territory to the control of the district gaining territory in the annexation. The changes to this Section made by this amendatory Act of the 95th General Assembly are intended to be retroactive and applicable to any annexation taking effect on or after July 1, 2004. For annexations that are eligible for payments under this paragraph (2.10) and that are effective on or after July 1, 2004, but before the effective date of this amendatory Act of the 95th General Assembly, the first required yearly payment under this paragraph (2.10) shall be paid in the second fiscal year after the effective date of this amendatory Act of the 95th General Assembly. Any subsequent required yearly payments shall be paid in subsequent fiscal years until the payment obligation under this paragraph (2.10) is complete.

(3) The supplementary State aid reimbursement payable under this subsection (d) shall be separate from and in addition to all other payments made to the district pursuant to any other Section of this Article.

(4) During May of each school year for which a supplementary State aid reimbursement is to be paid to a new or annexing school district or cooperative high school pursuant to this subsection (d), the school board or governing board shall certify to the State Board of Education, on forms furnished to the school board or governing board by the State Board of Education for purposes of this subsection (d), the number of certified employees for which the district or cooperative high school is entitled to reimbursement under this Section, together with the names, certificate numbers, and positions held by the certified employees.

(5) Upon certification by the State Board of Education to the State Comptroller of the amount of the supplementary State aid reimbursement to which a school district or cooperative high school is entitled under this subsection (d), the State Comptroller shall draw his or her warrant upon the State Treasurer for the payment thereof to the school district or cooperative high school and shall promptly transmit the payment to the school district or cooperative high school through the appropriate school treasurer.

(Source: P.A. 94-1019, eff. 7-10-06; incorporates P.A. 94-902, eff. 7-1-06; revised 9-13-06.)

(105 ILCS 5/18-8.05)

(Text of Section before amendment by P.A. 94-1105)

Sec. 18-8.05. Basis for apportionment of general State financial aid and supplemental general State aid to the common schools for the 1998-1999 and subsequent school years.

(A) General Provisions.

(1) The provisions of this Section apply to the 1998-1999 and subsequent school years. The system of

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general State financial aid provided for in this Section is designed to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of general State financial aid that, when added to Available Local Resources, equals or exceeds the Foundation Level. The amount of per pupil general State financial aid for school districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon each school district's Average Daily Attendance as that term is defined in this Section.

(2) In addition to general State financial aid, school districts with specified levels or concentrations of pupils from low income households are eligible to receive supplemental general State financial aid grants as provided pursuant to subsection (H). The supplemental State aid grants provided for school districts under subsection (H) shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section.

(3) To receive financial assistance under this Section, school districts are required to file claims with the State Board of Education, subject to the following requirements:

(a) Any school district which fails for any given school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion which the Average Daily Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A "recognized school" means any public school which meets the standards as established for recognition by the State Board of Education. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim which was filed while it was recognized.

(b) School district claims filed under this Section are subject to Sections 18-9, 18-10, and 18-12, except as otherwise provided in this Section.

(c) If a school district operates a full year school under Section 10-19.1, the general State aid to the school district shall be determined by the State Board of Education in accordance with this Section as near as may be applicable.

(d) (Blank).

(4) Except as provided in subsections (H) and (L), the board of any district receiving any of the grants provided for in this Section may apply those funds to any fund so received for which that board is authorized to make expenditures by law.

School districts are not required to exert a minimum Operating Tax Rate in order to qualify for assistance under this Section.

(5) As used in this Section the following terms, when capitalized, shall have the meaning ascribed herein:

(a) "Average Daily Attendance": A count of pupil attendance in school, averaged as provided for in subsection (C) and utilized in deriving per pupil financial support levels.

(b) "Available Local Resources": A computation of local financial support, calculated on the basis of Average Daily Attendance and derived as provided pursuant to subsection (D).

(c) "Corporate Personal Property Replacement Taxes": Funds paid to local school districts pursuant to "An Act in relation to the abolition of ad valorem personal property tax and the replacement of revenues lost thereby, and amending and repealing certain Acts and parts of Acts in connection therewith", certified August 14, 1979, as amended (Public Act 81-1st S.S.-1).

(d) "Foundation Level": A prescribed level of per pupil financial support as provided for in subsection (B).

(e) "Operating Tax Rate": All school district property taxes extended for all purposes, except Bond and Interest, Summer School, Rent, Capital Improvement, and Vocational Education Building purposes.

(B) Foundation Level.

(1) The Foundation Level is a figure established by the State representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to exert a sufficient local taxing effort such that, in combination with the aggregate of general State financial aid provided the district, an aggregate of State and local resources are available to meet the basic education needs of pupils in the district.

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(2) For the 1998-1999 school year, the Foundation Level of support is \$4,225. For the 1999-2000 school year, the Foundation Level of support is \$4,325. For the 2000-2001 school year, the Foundation Level of support is \$4,425. For the 2001-2002 school year and 2002-2003 school year, the Foundation Level of support is \$4,560. For the 2003-2004 school year, the Foundation Level of support is \$4,810. For the 2004-2005 school year, the Foundation Level of support is \$4,964. For the 2005-2006 school year, the Foundation Level of support is \$5,164. For the 2006-2007 school year, the Foundation Level of support is \$5,334.

(3) For the 2007-2008 ~~2006-2007~~ school year and each school year thereafter, the Foundation Level of support is \$5,721 ~~\$5,334~~ or such greater amount as may be established by law by the General Assembly.

(C) Average Daily Attendance.

(1) For purposes of calculating general State aid pursuant to subsection (E), an Average Daily Attendance figure shall be utilized. The Average Daily Attendance figure for formula calculation purposes shall be the monthly average of the actual number of pupils in attendance of each school district, as further averaged for the best 3 months of pupil attendance for each school district. In compiling the figures for the number of pupils in attendance, school districts and the State Board of Education shall, for purposes of general State aid funding, conform attendance figures to the requirements of subsection (F).

(2) The Average Daily Attendance figures utilized in subsection (E) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated or the average of the attendance data for the 3 preceding school years, whichever is greater. The Average Daily Attendance figures utilized in subsection (H) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated.

(D) Available Local Resources.

(1) For purposes of calculating general State aid pursuant to subsection (E), a representation of Available Local Resources per pupil, as that term is defined and determined in this subsection, shall be utilized. Available Local Resources per pupil shall include a calculated dollar amount representing local school district revenues from local property taxes and from Corporate Personal Property Replacement Taxes, expressed on the basis of pupils in Average Daily Attendance. Calculation of Available Local Resources shall exclude any tax amnesty funds received as a result of Public Act 93-26.

(2) In determining a school district's revenue from local property taxes, the State Board of Education shall utilize the equalized assessed valuation of all taxable property of each school district as of September 30 of the previous year. The equalized assessed valuation utilized shall be obtained and determined as provided in subsection (G).

(3) For school districts maintaining grades kindergarten through 12, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 3.00%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades kindergarten through 8, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 2.30%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades 9 through 12, local property tax revenues per pupil shall be the applicable equalized assessed valuation of the district multiplied by 1.05%, and divided by the district's Average Daily Attendance figure.

For partial elementary unit districts created pursuant to Article 11E of this Code, local property tax revenues per pupil shall be calculated as the product of the equalized assessed valuation for property within the elementary and high school classification of the partial elementary unit district multiplied by 2.06% and divided by the Average Daily Attendance figure for grades kindergarten through 8, plus the product of the equalized assessed valuation for property within the high school only classification of the partial elementary unit district multiplied by 0.94% and divided by the Average Daily Attendance figure for grades 9 through 12.

(4) The Corporate Personal Property Replacement Taxes paid to each school district during the calendar year 2 years before the calendar year in which a school year begins, divided by the Average Daily Attendance figure for that district, shall be added to the local property tax revenues per pupil as derived by the application of the immediately preceding paragraph (3). The sum of these per pupil figures for each school district shall constitute Available Local Resources as that term is utilized in subsection (E) in the calculation of general State aid.

(E) Computation of General State Aid.

(1) For each school year, the amount of general State aid allotted to a school district shall be computed by the State Board of Education as provided in this subsection.

(2) For any school district for which Available Local Resources per pupil is less than the product of 0.93 times the Foundation Level, general State aid for that district shall be calculated as an amount equal to the Foundation Level minus Available Local Resources, multiplied by the Average Daily Attendance of the school district.

(3) For any school district for which Available Local Resources per pupil is equal to or greater than the product of 0.93 times the Foundation Level and less than the product of 1.75 times the Foundation Level, the general State aid per pupil shall be a decimal proportion of the Foundation Level derived using a linear algorithm. Under this linear algorithm, the calculated general State aid per pupil shall decline in direct linear fashion from 0.07 times the Foundation Level for a school district with Available Local Resources equal to the product of 0.93 times the Foundation Level, to 0.05 times the Foundation Level for a school district with Available Local Resources equal to the product of 1.75 times the Foundation Level. The allocation of general State aid for school districts subject to this paragraph 3 shall be the calculated general State aid per pupil figure multiplied by the Average Daily Attendance of the school district.

(4) For any school district for which Available Local Resources per pupil equals or exceeds the product of 1.75 times the Foundation Level, the general State aid for the school district shall be calculated as the product of \$218 multiplied by the Average Daily Attendance of the school district.

(5) The amount of general State aid allocated to a school district for the 1999-2000 school year meeting the requirements set forth in paragraph (4) of subsection (G) shall be increased by an amount equal to the general State aid that would have been received by the district for the 1998-1999 school year by utilizing the Extension Limitation Equalized Assessed Valuation as calculated in paragraph (4) of subsection (G) less the general State aid allotted for the 1998-1999 school year. This amount shall be deemed a one time increase, and shall not affect any future general State aid allocations.

(F) Compilation of Average Daily Attendance.

(1) Each school district shall, by July 1 of each year, submit to the State Board of Education, on forms prescribed by the State Board of Education, attendance figures for the school year that began in the preceding calendar year. The attendance information so transmitted shall identify the average daily attendance figures for each month of the school year. Beginning with the general State aid claim form for the 2002-2003 school year, districts shall calculate Average Daily Attendance as provided in subdivisions (a), (b), and (c) of this paragraph (1).

(a) In districts that do not hold year-round classes, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(b) In districts in which all buildings hold year-round classes, days of attendance in July and August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(c) In districts in which some buildings, but not all, hold year-round classes, for the non-year-round buildings, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May. The average daily attendance for the year-round buildings shall be computed as provided in subdivision (b) of this paragraph (1). To calculate the Average Daily Attendance for the district, the average daily attendance for the year-round buildings shall be multiplied by the days in session for the non-year-round buildings for each month and added to the monthly attendance of the non-year-round buildings.

Except as otherwise provided in this Section, days of attendance by pupils shall be counted only for sessions of not less than 5 clock hours of school work per day under direct supervision of: (i) teachers, or (ii) non-teaching personnel or volunteer personnel when engaging in non-teaching duties and supervising in those instances specified in subsection (a) of Section 10-22.34 and paragraph 10 of Section 34-18, with pupils of legal school age and in kindergarten and grades 1 through 12.

Days of attendance by tuition pupils shall be accredited only to the districts that pay the tuition to a recognized school.

(2) Days of attendance by pupils of less than 5 clock hours of school shall be subject to the following provisions in the compilation of Average Daily Attendance.

(a) Pupils regularly enrolled in a public school for only a part of the school day may be counted on the basis of 1/6 day for every class hour of instruction of 40 minutes or more attended pursuant to such enrollment, unless a pupil is enrolled in a block-schedule format of 80 minutes or more of instruction, in which case the pupil may be counted on the basis of the proportion of minutes

of school work completed each day to the minimum number of minutes that school work is required to be held that day.

(b) Days of attendance may be less than 5 clock hours on the opening and closing of the school term, and upon the first day of pupil attendance, if preceded by a day or days utilized as an institute or teachers' workshop.

(c) A session of 4 or more clock hours may be counted as a day of attendance upon certification by the regional superintendent, and approved by the State Superintendent of Education to the extent that the district has been forced to use daily multiple sessions.

(d) A session of 3 or more clock hours may be counted as a day of attendance (1) when the remainder of the school day or at least 2 hours in the evening of that day is utilized for an in-service training program for teachers, up to a maximum of 5 days per school year of which a maximum of 4 days of such 5 days may be used for parent-teacher conferences, provided a district conducts an in-service training program for teachers which has been approved by the State Superintendent of Education; or, in lieu of 4 such days, 2 full days may be used, in which event each such day may be counted as a day of attendance; and (2) when days in addition to those provided in item (1) are scheduled by a school pursuant to its school improvement plan adopted under Article 34 or its revised or amended school improvement plan adopted under Article 2, provided that (i) such sessions of 3 or more clock hours are scheduled to occur at regular intervals, (ii) the remainder of the school days in which such sessions occur are utilized for in-service training programs or other staff development activities for teachers, and (iii) a sufficient number of minutes of school work under the direct supervision of teachers are added to the school days between such regularly scheduled sessions to accumulate not less than the number of minutes by which such sessions of 3 or more clock hours fall short of 5 clock hours. Any full days used for the purposes of this paragraph shall not be considered for computing average daily attendance. Days scheduled for in-service training programs, staff development activities, or parent-teacher conferences may be scheduled separately for different grade levels and different attendance centers of the district.

(e) A session of not less than one clock hour of teaching hospitalized or homebound pupils on-site or by telephone to the classroom may be counted as 1/2 day of attendance, however these pupils must receive 4 or more clock hours of instruction to be counted for a full day of attendance.

(f) A session of at least 4 clock hours may be counted as a day of attendance for first grade pupils, and pupils in full day kindergartens, and a session of 2 or more hours may be counted as 1/2 day of attendance by pupils in kindergartens which provide only 1/2 day of attendance.

(g) For children with disabilities who are below the age of 6 years and who cannot attend 2 or more clock hours because of their disability or immaturity, a session of not less than one clock hour may be counted as 1/2 day of attendance; however for such children whose educational needs so require a session of 4 or more clock hours may be counted as a full day of attendance.

(h) A recognized kindergarten which provides for only 1/2 day of attendance by each pupil shall not have more than 1/2 day of attendance counted in any one day. However, kindergartens may count 2 1/2 days of attendance in any 5 consecutive school days. When a pupil attends such a kindergarten for 2 half days on any one school day, the pupil shall have the following day as a day absent from school, unless the school district obtains permission in writing from the State Superintendent of Education. Attendance at kindergartens which provide for a full day of attendance by each pupil shall be counted the same as attendance by first grade pupils. Only the first year of attendance in one kindergarten shall be counted, except in case of children who entered the kindergarten in their fifth year whose educational development requires a second year of kindergarten as determined under the rules and regulations of the State Board of Education.

(i) On the days when the Prairie State Achievement Examination is administered under subsection (c) of Section 2-3.64 of this Code, the day of attendance for a pupil whose school day must be shortened to accommodate required testing procedures may be less than 5 clock hours and shall be counted towards the 176 days of actual pupil attendance required under Section 10-19 of this Code, provided that a sufficient number of minutes of school work in excess of 5 clock hours are first completed on other school days to compensate for the loss of school work on the examination days.

(G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i)

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the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year and (ii) the limiting rate for all school districts subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law.

The Department of Revenue shall add to the equalized assessed value of all taxable property of each school district situated entirely or partially within a county that is or was subject to the alternative general homestead exemption provisions of Section 15-176 of the Property Tax Code (a) an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 of the Property Tax Code for real property situated in that school district exceeds the total amount that would have been allowed in that school district if the maximum reduction under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter and (b) an amount equal to the aggregate amount for the taxable year of all additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. The county clerk of any county that is or was subject to the alternative general homestead exemption provisions of Section 15-176 of the Property Tax Code shall annually calculate and certify to the Department of Revenue for each school district all homestead exemption amounts under Section 15-176 of the Property Tax Code and all amounts of additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. It is the intent of this paragraph that if the general homestead exemption for a parcel of property is determined under Section 15-176 of the Property Tax Code rather than Section 15-175, then the calculation of Available Local Resources shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed for that parcel of property under Section 15-176 of the Property Tax Code and the amount that would have been allowed had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code. It is further the intent of this paragraph that if additional exemptions are allowed under Section 15-175 of the Property Tax Code for owners with a household income of less than \$30,000, then the calculation of Available Local Resources shall not be affected by the difference, if any, because of those additional exemptions.

This equalized assessed valuation, as adjusted further by the requirements of this subsection, shall be utilized in the calculation of Available Local Resources.

(2) The equalized assessed valuation in paragraph (1) shall be adjusted, as applicable, in the following manner:

(a) For the purposes of calculating State aid under this Section, with respect to any part of a school district within a redevelopment project area in respect to which a municipality has adopted tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 of the Illinois Municipal Code or the Industrial Jobs Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the Illinois Municipal Code, no part of the current equalized assessed valuation of real property located in any such project area which is attributable to an increase above the total initial equalized assessed valuation of such property shall be used as part of the equalized assessed valuation of the district, until such time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the equalized assessed valuation of the district, the total initial equalized assessed valuation or the current equalized assessed valuation, whichever is lower, shall be used until such time as all redevelopment project costs have been paid.

(b) The real property equalized assessed valuation for a school district shall be adjusted by subtracting from the real property value as equalized or assessed by the Department of Revenue for the district an amount computed by dividing the amount of any abatement of taxes under Section 18-170 of the Property Tax Code by 3.00% for a district maintaining grades kindergarten through 12, by 2.30% for a district maintaining grades kindergarten through 8, or by 1.05% for a district maintaining grades 9 through 12 and adjusted by an amount computed by dividing the amount of any abatement of taxes under subsection (a) of Section 18-165 of the Property Tax Code by the same percentage rates for district type as specified in this subparagraph (b).

(3) For the 1999-2000 school year and each school year thereafter, if a school district meets all of the criteria of this subsection (G)(3), the school district's Available Local Resources shall be calculated under subsection (D) using the district's Extension Limitation Equalized Assessed Valuation as calculated under this subsection (G)(3).

For purposes of this subsection (G)(3) the following terms shall have the following meanings:

"Budget Year": The school year for which general State aid is calculated and awarded under subsection (E).



"Base Tax Year": The property tax levy year used to calculate the Budget Year allocation of general State aid.

"Preceding Tax Year": The property tax levy year immediately preceding the Base Tax Year.

"Base Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Base Tax Year multiplied by the limiting rate as calculated by the County Clerk and defined in the Property Tax Extension Limitation Law.

"Preceding Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Preceding Tax Year multiplied by the Operating Tax Rate as defined in subsection (A).

"Extension Limitation Ratio": A numerical ratio, certified by the County Clerk, in which the numerator is the Base Tax Year's Tax Extension and the denominator is the Preceding Tax Year's Tax Extension.

"Operating Tax Rate": The operating tax rate as defined in subsection (A).

If a school district is subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. For the 2000-2001 school year and each school year thereafter, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of a school district as calculated under this subsection (G)(3) is less than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant to subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources under subsection (D).

Partial elementary unit districts created in accordance with Article 11E of this Code shall not be eligible for the adjustment in this subsection (G)(3) until the fifth year following the effective date of the reorganization.

(4) For the purposes of calculating general State aid for the 1999-2000 school year only, if a school district experienced a triennial reassessment on the equalized assessed valuation used in calculating its general State financial aid apportionment for the 1998-1999 school year, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal the product of the equalized assessed valuation used to calculate general State aid for the 1997-1998 school year and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of the school district as calculated under this paragraph (4) is less than the district's equalized assessed valuation utilized in calculating the district's 1998-1999 general State aid allocation, then for purposes of calculating the district's general State aid pursuant to paragraph (5) of subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources.

(5) For school districts having a majority of their equalized assessed valuation in any county except Cook, DuPage, Kane, Lake, McHenry, or Will, if the amount of general State aid allocated to the school district for the 1999-2000 school year under the provisions of subsection (E), (H), and (J) of this Section is less than the amount of general State aid allocated to the district for the 1998-1999 school year under these subsections, then the general State aid of the district for the 1999-2000 school year only shall be increased by the difference between these amounts. The total payments made under this paragraph (5) shall not exceed \$14,000,000. Claims shall be prorated if they exceed \$14,000,000.

#### (H) Supplemental General State Aid.

(1) In addition to the general State aid a school district is allotted pursuant to subsection (E), qualifying school districts shall receive a grant, paid in conjunction with a district's payments of general State aid, for supplemental general State aid based upon the concentration level of children from low-income households within the school district. Supplemental State aid grants provided for school districts under this subsection shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section. If the appropriation in any fiscal year for general State aid and supplemental general State aid is

insufficient to pay the amounts required under the general State aid and supplemental general State aid calculations, then the State Board of Education shall ensure that each school district receives the full amount due for general State aid and the remainder of the appropriation shall be used for supplemental general State aid, which the State Board of Education shall calculate and pay to eligible districts on a prorated basis.

(1.5) This paragraph (1.5) applies only to those school years preceding the 2003-2004 school year. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall be the low-income eligible pupil count from the most recently available federal census divided by the Average Daily Attendance of the school district. If, however, (i) the percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more the percentage change in the total low-income eligible pupil count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, or (ii) a high school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the high school district, has a percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count and there is a percentage increase in the total low-income eligible pupil count of a majority of the elementary school districts in excess of 50% from the 2 most recent federal censuses, then the high school district's low-income eligible pupil count from the earlier federal census shall be the number used as the low-income eligible pupil count for the high school district, for purposes of this subsection (H). The changes made to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school years preceding the 2003-2004 school year that are paid in fiscal year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was repealed on July 1, 1998), and any high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in any of those fiscal years. This recomputation shall not be affected by any other funding.

(1.10) This paragraph (1.10) applies to the 2003-2004 school year and each school year thereafter. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall, for each fiscal year, be the low-income eligible pupil count as of July 1 of the immediately preceding fiscal year (as determined by the Department of Human Services based on the number of pupils who are eligible for at least one of the following low income programs: Medicaid, KidCare, TANF, or Food Stamps, excluding pupils who are eligible for services provided by the Department of Children and Family Services, averaged over the 2 immediately preceding fiscal years for fiscal year 2004 and over the 3 immediately preceding fiscal years for each fiscal year thereafter) divided by the Average Daily Attendance of the school district.

(2) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 1998-1999, 1999-2000, and 2000-2001 school years only:

(a) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for any school year shall be \$800 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for the 1998-1999 school year shall be \$1,100 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for the 1998-99 school year shall be \$1,500 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of 60% or more, the grant for the 1998-99 school year shall be \$1,900 multiplied by the low income eligible pupil count.

(e) For the 1999-2000 school year, the per pupil amount specified in subparagraphs (b), (c), and (d) immediately above shall be increased to \$1,243, \$1,600, and \$2,000, respectively.

(f) For the 2000-2001 school year, the per pupil amounts specified in subparagraphs (b), (c), and (d) immediately above shall be \$1,273, \$1,640, and \$2,050, respectively.

(2.5) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2002-2003 school year:

(a) For any school district with a Low Income Concentration Level of less than 10%, the grant for each school year shall be \$355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 10% and less than 20%, the grant for each school year shall be \$675 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 20% and

less than 35%, the grant for each school year shall be \$1,330 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for each school year shall be \$1,362 multiplied by the low income eligible pupil count.

(e) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for each school year shall be \$1,680 multiplied by the low income eligible pupil count.

(f) For any school district with a Low Income Concentration Level of 60% or more, the grant for each school year shall be \$2,080 multiplied by the low income eligible pupil count.

(2.10) Except as otherwise provided, supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2003-2004 school year and each school year thereafter:

(a) For any school district with a Low Income Concentration Level of 15% or less, the grant for each school year shall be \$355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level greater than 15%, the grant for each school year shall be \$294.25 added to the product of \$2,700 and the square of the Low Income Concentration Level, all multiplied by the low income eligible pupil count.

For the 2003-2004 school year and each school year through the 2007-2008 school year ~~2004-2005 school year, 2005-2006 school year, and 2006-2007 school year~~ only, the grant shall be no less than the grant for the 2002-2003 school year. For the ~~2008-2009~~ ~~2007-2008~~ school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.66. For the ~~2009-2010~~ ~~2008-2009~~ school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.33. Notwithstanding the provisions of this paragraph to the contrary, if for any school year supplemental general State aid grants are prorated as provided in paragraph (1) of this subsection (H), then the grants under this paragraph shall be prorated.

For the 2003-2004 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.25 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.50 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year.

(3) School districts with an Average Daily Attendance of more than 1,000 and less than 50,000 that qualify for supplemental general State aid pursuant to this subsection shall submit a plan to the State Board of Education prior to October 30 of each year for the use of the funds resulting from this grant of supplemental general State aid for the improvement of instruction in which priority is given to meeting the education needs of disadvantaged children. Such plan shall be submitted in accordance with rules and regulations promulgated by the State Board of Education.

(4) School districts with an Average Daily Attendance of 50,000 or more that qualify for supplemental general State aid pursuant to this subsection shall be required to distribute from funds available pursuant to this Section, no less than \$261,000,000 in accordance with the following requirements:

(a) The required amounts shall be distributed to the attendance centers within the district in proportion to the number of pupils enrolled at each attendance center who are eligible to receive free or reduced-price lunches or breakfasts under the federal Child Nutrition Act of 1966 and under the National School Lunch Act during the immediately preceding school year.

(b) The distribution of these portions of supplemental and general State aid among attendance centers according to these requirements shall not be compensated for or contravened by adjustments of the total of other funds appropriated to any attendance centers, and the Board of Education shall utilize funding from one or several sources in order to fully implement this provision annually prior to the opening of school.

(c) Each attendance center shall be provided by the school district a distribution of noncategorical funds and other categorical funds to which an attendance center is entitled under law in order that the general State aid and supplemental general State aid provided by application of this subsection supplements rather than supplants the noncategorical funds and other categorical funds provided by the school district to the attendance centers.

(d) Any funds made available under this subsection that by reason of the provisions of this subsection are not required to be allocated and provided to attendance centers may be used and appropriated by the board of the district for any lawful school purpose.

(e) Funds received by an attendance center pursuant to this subsection shall be used by the attendance center at the discretion of the principal and local school council for programs to improve educational opportunities at qualifying schools through the following programs and services: early childhood education, reduced class size or improved adult to student classroom ratio, enrichment programs, remedial assistance, attendance improvement, and other educationally beneficial expenditures which supplement the regular and basic programs as determined by the State Board of Education. Funds provided shall not be expended for any political or lobbying purposes as defined by board rule.

(f) Each district subject to the provisions of this subdivision (H)(4) shall submit an acceptable plan to meet the educational needs of disadvantaged children, in compliance with the requirements of this paragraph, to the State Board of Education prior to July 15 of each year. This plan shall be consistent with the decisions of local school councils concerning the school expenditure plans developed in accordance with part 4 of Section 34-2.3. The State Board shall approve or reject the plan within 60 days after its submission. If the plan is rejected, the district shall give written notice of intent to modify the plan within 15 days of the notification of rejection and then submit a modified plan within 30 days after the date of the written notice of intent to modify. Districts may amend approved plans pursuant to rules promulgated by the State Board of Education.

Upon notification by the State Board of Education that the district has not submitted a plan prior to July 15 or a modified plan within the time period specified herein, the State aid funds affected by that plan or modified plan shall be withheld by the State Board of Education until a plan or modified plan is submitted.

If the district fails to distribute State aid to attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, in addition to the funds otherwise required by this subsection, to those attendance centers which were underfunded during the previous year in amounts equal to such underfunding.

For purposes of determining compliance with this subsection in relation to the requirements of attendance center funding, each district subject to the provisions of this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any affected local school council. The district shall within 45 days of receipt of that notification inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected funds.

The State Board of Education shall promulgate rules and regulations to implement the provisions of this subsection. No funds shall be released under this subdivision (H)(4) to any district that has not submitted a plan that has been approved by the State Board of Education.

(I) (Blank).

(J) Supplementary Grants in Aid.

(1) Notwithstanding any other provisions of this Section, the amount of the aggregate general State aid in combination with supplemental general State aid under this Section for which each school district is eligible shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-98 school year, pursuant to the provisions of that Section as it was then in effect. If a school district qualifies to receive a supplementary payment made under this subsection (J), the amount of the aggregate general State aid in combination with supplemental general State aid under this Section which that district is eligible to receive for each school year shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-1998 school year, pursuant to the provisions of that Section as it was then in effect.

(2) If, as provided in paragraph (1) of this subsection (J), a school district is to receive aggregate

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general State aid in combination with supplemental general State aid under this Section for the 1998-99 school year and any subsequent school year that in any such school year is less than the amount of the aggregate general State aid entitlement that the district received for the 1997-98 school year, the school district shall also receive, from a separate appropriation made for purposes of this subsection (J), a supplementary payment that is equal to the amount of the difference in the aggregate State aid figures as described in paragraph (1).

(3) (Blank).

(K) Grants to Laboratory and Alternative Schools.

In calculating the amount to be paid to the governing board of a public university that operates a laboratory school under this Section or to any alternative school that is operated by a regional superintendent of schools, the State Board of Education shall require by rule such reporting requirements as it deems necessary.

As used in this Section, "laboratory school" means a public school which is created and operated by a public university and approved by the State Board of Education. The governing board of a public university which receives funds from the State Board under this subsection (K) may not increase the number of students enrolled in its laboratory school from a single district, if that district is already sending 50 or more students, except under a mutual agreement between the school board of a student's district of residence and the university which operates the laboratory school. A laboratory school may not have more than 1,000 students, excluding students with disabilities in a special education program.

As used in this Section, "alternative school" means a public school which is created and operated by a Regional Superintendent of Schools and approved by the State Board of Education. Such alternative schools may offer courses of instruction for which credit is given in regular school programs, courses to prepare students for the high school equivalency testing program or vocational and occupational training. A regional superintendent of schools may contract with a school district or a public community college district to operate an alternative school. An alternative school serving more than one educational service region may be established by the regional superintendents of schools of the affected educational service regions. An alternative school serving more than one educational service region may be operated under such terms as the regional superintendents of schools of those educational service regions may agree.

Each laboratory and alternative school shall file, on forms provided by the State Superintendent of Education, an annual State aid claim which states the Average Daily Attendance of the school's students by month. The best 3 months' Average Daily Attendance shall be computed for each school. The general State aid entitlement shall be computed by multiplying the applicable Average Daily Attendance by the Foundation Level as determined under this Section.

(L) Payments, Additional Grants in Aid and Other Requirements.

(1) For a school district operating under the financial supervision of an Authority created under Article 34A, the general State aid otherwise payable to that district under this Section, but not the supplemental general State aid, shall be reduced by an amount equal to the budget for the operations of the Authority as certified by the Authority to the State Board of Education, and an amount equal to such reduction shall be paid to the Authority created for such district for its operating expenses in the manner provided in Section 18-11. The remainder of general State school aid for any such district shall be paid in accordance with Article 34A when that Article provides for a disposition other than that provided by this Article.

(2) (Blank).

(3) Summer school. Summer school payments shall be made as provided in Section 18-4.3.

(M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the Governor, by and with the advice and consent of the Senate. The members appointed shall include representatives of education, business, and the general public. One of the members so appointed shall be designated by the Governor at the time the appointment is made as the chairperson of the Board. The initial members of the Board may be appointed any time after the effective date of this amendatory Act of 1997. The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, by lots drawn at the first meeting of the Board that is held after all 5 members

are appointed, shall determine 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2000. All members appointed to serve on the Board shall serve until their respective successors are appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. If a vacancy in membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a person to fill that membership for the unexpired term. If the Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of vacancies.

The Education Funding Advisory Board shall be deemed established, and the initial members appointed by the Governor to serve as members of the Board shall take office, on the date that the Governor makes his or her appointment of the fifth initial member of the Board, whether those initial members are then serving pursuant to appointment and confirmation or pursuant to temporary appointments that are made by the Governor as in the case of vacancies.

The State Board of Education shall provide such staff assistance to the Education Funding Advisory Board as is reasonably required for the proper performance by the Board of its responsibilities.

For school years after the 2000-2001 school year, the Education Funding Advisory Board, in consultation with the State Board of Education, shall make recommendations as provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section and for the supplemental general State aid grant level under subsection (H) of this Section for districts with high concentrations of children from poverty. The recommended foundation level shall be determined based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance. The Education Funding Advisory Board shall make such recommendations to the General Assembly on January 1 of odd numbered years, beginning January 1, 2001.

(N) (Blank).

(O) References.

(1) References in other laws to the various subdivisions of Section 18-8 as that Section existed before its repeal and replacement by this Section 18-8.05 shall be deemed to refer to the corresponding provisions of this Section 18-8.05, to the extent that those references remain applicable.

(2) References in other laws to State Chapter 1 funds shall be deemed to refer to the supplemental general State aid provided under subsection (H) of this Section.

(P) Public Act 93-838 and Public Act 93-808 make inconsistent changes to this Section. Under Section 6 of the Statute on Statutes there is an irreconcilable conflict between Public Act 93-808 and Public Act 93-838. Public Act 93-838, being the last acted upon, is controlling. The text of Public Act 93-838 is the law regardless of the text of Public Act 93-808.

(Source: P.A. 93-21, eff. 7-1-03; 93-715, eff. 7-12-04; 93-808, eff. 7-26-04; 93-838, eff. 7-30-04; 93-875, eff. 8-6-04; 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835, eff. 6-6-06; 94-1019, eff. 7-10-06; revised 8-3-06.)

(Text of Section after amendment by P.A. 94-1105)

Sec. 18-8.05. Basis for apportionment of general State financial aid and supplemental general State aid to the common schools for the 1998-1999 and subsequent school years.

(A) General Provisions.

(1) The provisions of this Section apply to the 1998-1999 and subsequent school years. The system of general State financial aid provided for in this Section is designed to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of general State financial aid that, when added to Available Local Resources, equals or exceeds the Foundation Level. The amount of per pupil general State financial aid for school districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon each school district's Average Daily Attendance as that term is defined in this Section.

(2) In addition to general State financial aid, school districts with specified levels or concentrations of

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pupils from low income households are eligible to receive supplemental general State financial aid grants as provided pursuant to subsection (H). The supplemental State aid grants provided for school districts under subsection (H) shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section.

(3) To receive financial assistance under this Section, school districts are required to file claims with the State Board of Education, subject to the following requirements:

(a) Any school district which fails for any given school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion which the Average Daily Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A "recognized school" means any public school which meets the standards as established for recognition by the State Board of Education. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim which was filed while it was recognized.

(b) School district claims filed under this Section are subject to Sections 18-9 and 18-12, except as otherwise provided in this Section.

(c) If a school district operates a full year school under Section 10-19.1, the general State aid to the school district shall be determined by the State Board of Education in accordance with this Section as near as may be applicable.

(d) (Blank).

(4) Except as provided in subsections (H) and (L), the board of any district receiving any of the grants provided for in this Section may apply those funds to any fund so received for which that board is authorized to make expenditures by law.

School districts are not required to exert a minimum Operating Tax Rate in order to qualify for assistance under this Section.

(5) As used in this Section the following terms, when capitalized, shall have the meaning ascribed herein:

(a) "Average Daily Attendance": A count of pupil attendance in school, averaged as provided for in subsection (C) and utilized in deriving per pupil financial support levels.

(b) "Available Local Resources": A computation of local financial support, calculated on the basis of Average Daily Attendance and derived as provided pursuant to subsection (D).

(c) "Corporate Personal Property Replacement Taxes": Funds paid to local school districts pursuant to "An Act in relation to the abolition of ad valorem personal property tax and the replacement of revenues lost thereby, and amending and repealing certain Acts and parts of Acts in connection therewith", certified August 14, 1979, as amended (Public Act 81-1st S.S.-1).

(d) "Foundation Level": A prescribed level of per pupil financial support as provided for in subsection (B).

(e) "Operating Tax Rate": All school district property taxes extended for all purposes, except Bond and Interest, Summer School, Rent, Capital Improvement, and Vocational Education Building purposes.

#### (B) Foundation Level.

(1) The Foundation Level is a figure established by the State representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to exert a sufficient local taxing effort such that, in combination with the aggregate of general State financial aid provided the district, an aggregate of State and local resources are available to meet the basic education needs of pupils in the district.

(2) For the 1998-1999 school year, the Foundation Level of support is \$4,225. For the 1999-2000 school year, the Foundation Level of support is \$4,325. For the 2000-2001 school year, the Foundation Level of support is \$4,425. For the 2001-2002 school year and 2002-2003 school year, the Foundation Level of support is \$4,560. For the 2003-2004 school year, the Foundation Level of support is \$4,810. For the 2004-2005 school year, the Foundation Level of support is \$4,964. For the 2005-2006 school year, the Foundation Level of support is \$5,164. For the 2006-2007 school year, the Foundation Level of support is \$5,334.

(3) For the ~~2007-2008~~ ~~2006-2007~~ school year and each school year thereafter, the Foundation Level of support is \$5,721 ~~\$5,334~~ or such greater amount as may be established by law by the General Assembly.

[May 31, 2007]

## (C) Average Daily Attendance.

(1) For purposes of calculating general State aid pursuant to subsection (E), an Average Daily Attendance figure shall be utilized. The Average Daily Attendance figure for formula calculation purposes shall be the monthly average of the actual number of pupils in attendance of each school district, as further averaged for the best 3 months of pupil attendance for each school district. In compiling the figures for the number of pupils in attendance, school districts and the State Board of Education shall, for purposes of general State aid funding, conform attendance figures to the requirements of subsection (F).

(2) The Average Daily Attendance figures utilized in subsection (E) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated or the average of the attendance data for the 3 preceding school years, whichever is greater. The Average Daily Attendance figures utilized in subsection (H) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated.

## (D) Available Local Resources.

(1) For purposes of calculating general State aid pursuant to subsection (E), a representation of Available Local Resources per pupil, as that term is defined and determined in this subsection, shall be utilized. Available Local Resources per pupil shall include a calculated dollar amount representing local school district revenues from local property taxes and from Corporate Personal Property Replacement Taxes, expressed on the basis of pupils in Average Daily Attendance. Calculation of Available Local Resources shall exclude any tax amnesty funds received as a result of Public Act 93-26.

(2) In determining a school district's revenue from local property taxes, the State Board of Education shall utilize the equalized assessed valuation of all taxable property of each school district as of September 30 of the previous year. The equalized assessed valuation utilized shall be obtained and determined as provided in subsection (G).

(3) For school districts maintaining grades kindergarten through 12, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 3.00%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades kindergarten through 8, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 2.30%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades 9 through 12, local property tax revenues per pupil shall be the applicable equalized assessed valuation of the district multiplied by 1.05%, and divided by the district's Average Daily Attendance figure.

For partial elementary unit districts created pursuant to Article 11E of this Code, local property tax revenues per pupil shall be calculated as the product of the equalized assessed valuation for property within the elementary and high school classification of the partial elementary unit district multiplied by 2.06% and divided by the Average Daily Attendance figure for grades kindergarten through 8, plus the product of the equalized assessed valuation for property within the high school only classification of the partial elementary unit district multiplied by 0.94% and divided by the Average Daily Attendance figure for grades 9 through 12.

(4) The Corporate Personal Property Replacement Taxes paid to each school district during the calendar year 2 years before the calendar year in which a school year begins, divided by the Average Daily Attendance figure for that district, shall be added to the local property tax revenues per pupil as derived by the application of the immediately preceding paragraph (3). The sum of these per pupil figures for each school district shall constitute Available Local Resources as that term is utilized in subsection (E) in the calculation of general State aid.

## (E) Computation of General State Aid.

(1) For each school year, the amount of general State aid allotted to a school district shall be computed by the State Board of Education as provided in this subsection.

(2) For any school district for which Available Local Resources per pupil is less than the product of 0.93 times the Foundation Level, general State aid for that district shall be calculated as an amount equal to the Foundation Level minus Available Local Resources, multiplied by the Average Daily Attendance of the school district.

(3) For any school district for which Available Local Resources per pupil is equal to or greater than the product of 0.93 times the Foundation Level and less than the product of 1.75 times the Foundation Level, the general State aid per pupil shall be a decimal proportion of the Foundation Level derived



using a linear algorithm. Under this linear algorithm, the calculated general State aid per pupil shall decline in direct linear fashion from 0.07 times the Foundation Level for a school district with Available Local Resources equal to the product of 0.93 times the Foundation Level, to 0.05 times the Foundation Level for a school district with Available Local Resources equal to the product of 1.75 times the Foundation Level. The allocation of general State aid for school districts subject to this paragraph 3 shall be the calculated general State aid per pupil figure multiplied by the Average Daily Attendance of the school district.

(4) For any school district for which Available Local Resources per pupil equals or exceeds the product of 1.75 times the Foundation Level, the general State aid for the school district shall be calculated as the product of \$218 multiplied by the Average Daily Attendance of the school district.

(5) The amount of general State aid allocated to a school district for the 1999-2000 school year meeting the requirements set forth in paragraph (4) of subsection (G) shall be increased by an amount equal to the general State aid that would have been received by the district for the 1998-1999 school year by utilizing the Extension Limitation Equalized Assessed Valuation as calculated in paragraph (4) of subsection (G) less the general State aid allotted for the 1998-1999 school year. This amount shall be deemed a one time increase, and shall not affect any future general State aid allocations.

(F) Compilation of Average Daily Attendance.

(1) Each school district shall, by July 1 of each year, submit to the State Board of Education, on forms prescribed by the State Board of Education, attendance figures for the school year that began in the preceding calendar year. The attendance information so transmitted shall identify the average daily attendance figures for each month of the school year. Beginning with the general State aid claim form for the 2002-2003 school year, districts shall calculate Average Daily Attendance as provided in subdivisions (a), (b), and (c) of this paragraph (1).

(a) In districts that do not hold year-round classes, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(b) In districts in which all buildings hold year-round classes, days of attendance in July and August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(c) In districts in which some buildings, but not all, hold year-round classes, for the non-year-round buildings, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May. The average daily attendance for the year-round buildings shall be computed as provided in subdivision (b) of this paragraph (1). To calculate the Average Daily Attendance for the district, the average daily attendance for the year-round buildings shall be multiplied by the days in session for the non-year-round buildings for each month and added to the monthly attendance of the non-year-round buildings.

Except as otherwise provided in this Section, days of attendance by pupils shall be counted only for sessions of not less than 5 clock hours of school work per day under direct supervision of: (i) teachers, or (ii) non-teaching personnel or volunteer personnel when engaging in non-teaching duties and supervising in those instances specified in subsection (a) of Section 10-22.34 and paragraph 10 of Section 34-18, with pupils of legal school age and in kindergarten and grades 1 through 12.

Days of attendance by tuition pupils shall be accredited only to the districts that pay the tuition to a recognized school.

(2) Days of attendance by pupils of less than 5 clock hours of school shall be subject to the following provisions in the compilation of Average Daily Attendance.

(a) Pupils regularly enrolled in a public school for only a part of the school day may be counted on the basis of 1/6 day for every class hour of instruction of 40 minutes or more attended pursuant to such enrollment, unless a pupil is enrolled in a block-schedule format of 80 minutes or more of instruction, in which case the pupil may be counted on the basis of the proportion of minutes of school work completed each day to the minimum number of minutes that school work is required to be held that day.

(b) Days of attendance may be less than 5 clock hours on the opening and closing of the school term, and upon the first day of pupil attendance, if preceded by a day or days utilized as an institute or teachers' workshop.

(c) A session of 4 or more clock hours may be counted as a day of attendance upon certification by the regional superintendent, and approved by the State Superintendent of Education to the extent that the district has been forced to use daily multiple sessions.

(d) A session of 3 or more clock hours may be counted as a day of attendance (1) when

the remainder of the school day or at least 2 hours in the evening of that day is utilized for an in-service training program for teachers, up to a maximum of 5 days per school year of which a maximum of 4 days of such 5 days may be used for parent-teacher conferences, provided a district conducts an in-service training program for teachers which has been approved by the State Superintendent of Education; or, in lieu of 4 such days, 2 full days may be used, in which event each such day may be counted as a day of attendance; and (2) when days in addition to those provided in item (1) are scheduled by a school pursuant to its school improvement plan adopted under Article 34 or its revised or amended school improvement plan adopted under Article 2, provided that (i) such sessions of 3 or more clock hours are scheduled to occur at regular intervals, (ii) the remainder of the school days in which such sessions occur are utilized for in-service training programs or other staff development activities for teachers, and (iii) a sufficient number of minutes of school work under the direct supervision of teachers are added to the school days between such regularly scheduled sessions to accumulate not less than the number of minutes by which such sessions of 3 or more clock hours fall short of 5 clock hours. Any full days used for the purposes of this paragraph shall not be considered for computing average daily attendance. Days scheduled for in-service training programs, staff development activities, or parent-teacher conferences may be scheduled separately for different grade levels and different attendance centers of the district.

(e) A session of not less than one clock hour of teaching hospitalized or homebound pupils on-site or by telephone to the classroom may be counted as 1/2 day of attendance, however these pupils must receive 4 or more clock hours of instruction to be counted for a full day of attendance.

(f) A session of at least 4 clock hours may be counted as a day of attendance for first grade pupils, and pupils in full day kindergartens, and a session of 2 or more hours may be counted as 1/2 day of attendance by pupils in kindergartens which provide only 1/2 day of attendance.

(g) For children with disabilities who are below the age of 6 years and who cannot attend 2 or more clock hours because of their disability or immaturity, a session of not less than one clock hour may be counted as 1/2 day of attendance; however for such children whose educational needs so require a session of 4 or more clock hours may be counted as a full day of attendance.

(h) A recognized kindergarten which provides for only 1/2 day of attendance by each pupil shall not have more than 1/2 day of attendance counted in any one day. However, kindergartens may count 2 1/2 days of attendance in any 5 consecutive school days. When a pupil attends such a kindergarten for 2 half days on any one school day, the pupil shall have the following day as a day absent from school, unless the school district obtains permission in writing from the State Superintendent of Education. Attendance at kindergartens which provide for a full day of attendance by each pupil shall be counted the same as attendance by first grade pupils. Only the first year of attendance in one kindergarten shall be counted, except in case of children who entered the kindergarten in their fifth year whose educational development requires a second year of kindergarten as determined under the rules and regulations of the State Board of Education.

(i) On the days when the Prairie State Achievement Examination is administered under subsection (c) of Section 2-3.64 of this Code, the day of attendance for a pupil whose school day must be shortened to accommodate required testing procedures may be less than 5 clock hours and shall be counted towards the 176 days of actual pupil attendance required under Section 10-19 of this Code, provided that a sufficient number of minutes of school work in excess of 5 clock hours are first completed on other school days to compensate for the loss of school work on the examination days.

#### (G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year and (ii) the limiting rate for all school districts subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law.

The Department of Revenue shall add to the equalized assessed value of all taxable property of each school district situated entirely or partially within a county that is or was subject to the alternative general homestead exemption provisions of Section 15-176 of the Property Tax Code (a) an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 of the Property Tax Code for real property situated in that school district exceeds the total amount that would have been allowed in that school district if the maximum reduction under Section 15-176 was (i) \$4,500

in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter and (b) an amount equal to the aggregate amount for the taxable year of all additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. The county clerk of any county that is or was subject to the alternative general homestead exemption provisions of Section 15-176 of the Property Tax Code shall annually calculate and certify to the Department of Revenue for each school district all homestead exemption amounts under Section 15-176 of the Property Tax Code and all amounts of additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. It is the intent of this paragraph that if the general homestead exemption for a parcel of property is determined under Section 15-176 of the Property Tax Code rather than Section 15-175, then the calculation of Available Local Resources shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed for that parcel of property under Section 15-176 of the Property Tax Code and the amount that would have been allowed had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code. It is further the intent of this paragraph that if additional exemptions are allowed under Section 15-175 of the Property Tax Code for owners with a household income of less than \$30,000, then the calculation of Available Local Resources shall not be affected by the difference, if any, because of those additional exemptions.

This equalized assessed valuation, as adjusted further by the requirements of this subsection, shall be utilized in the calculation of Available Local Resources.

(2) The equalized assessed valuation in paragraph (1) shall be adjusted, as applicable, in the following manner:

(a) For the purposes of calculating State aid under this Section, with respect to any part of a school district within a redevelopment project area in respect to which a municipality has adopted tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 of the Illinois Municipal Code or the Industrial Jobs Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the Illinois Municipal Code, no part of the current equalized assessed valuation of real property located in any such project area which is attributable to an increase above the total initial equalized assessed valuation of such property shall be used as part of the equalized assessed valuation of the district, until such time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the equalized assessed valuation of the district, the total initial equalized assessed valuation or the current equalized assessed valuation, whichever is lower, shall be used until such time as all redevelopment project costs have been paid.

(b) The real property equalized assessed valuation for a school district shall be adjusted by subtracting from the real property value as equalized or assessed by the Department of Revenue for the district an amount computed by dividing the amount of any abatement of taxes under Section 18-170 of the Property Tax Code by 3.00% for a district maintaining grades kindergarten through 12, by 2.30% for a district maintaining grades kindergarten through 8, or by 1.05% for a district maintaining grades 9 through 12 and adjusted by an amount computed by dividing the amount of any abatement of taxes under subsection (a) of Section 18-165 of the Property Tax Code by the same percentage rates for district type as specified in this subparagraph (b).

(3) For the 1999-2000 school year and each school year thereafter, if a school district meets all of the criteria of this subsection (G)(3), the school district's Available Local Resources shall be calculated under subsection (D) using the district's Extension Limitation Equalized Assessed Valuation as calculated under this subsection (G)(3).

For purposes of this subsection (G)(3) the following terms shall have the following meanings:

"Budget Year": The school year for which general State aid is calculated and awarded under subsection (E).

"Base Tax Year": The property tax levy year used to calculate the Budget Year allocation of general State aid.

"Preceding Tax Year": The property tax levy year immediately preceding the Base Tax Year.

"Base Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Base Tax Year multiplied by the limiting rate as calculated by the County Clerk and defined in the Property Tax Extension Limitation Law.

"Preceding Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Preceding Tax Year multiplied by the Operating Tax Rate as

defined in subsection (A).

"Extension Limitation Ratio": A numerical ratio, certified by the County Clerk, in which the numerator is the Base Tax Year's Tax Extension and the denominator is the Preceding Tax Year's Tax Extension.

"Operating Tax Rate": The operating tax rate as defined in subsection (A).

If a school district is subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. For the 2000-2001 school year and each school year thereafter, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of a school district as calculated under this subsection (G)(3) is less than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant to subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources under subsection (D).

Partial elementary unit districts created in accordance with Article 11E of this Code shall not be eligible for the adjustment in this subsection (G)(3) until the fifth year following the effective date of the reorganization.

(4) For the purposes of calculating general State aid for the 1999-2000 school year only, if a school district experienced a triennial reassessment on the equalized assessed valuation used in calculating its general State financial aid apportionment for the 1998-1999 school year, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal the product of the equalized assessed valuation used to calculate general State aid for the 1997-1998 school year and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of the school district as calculated under this paragraph (4) is less than the district's equalized assessed valuation utilized in calculating the district's 1998-1999 general State aid allocation, then for purposes of calculating the district's general State aid pursuant to paragraph (5) of subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources.

(5) For school districts having a majority of their equalized assessed valuation in any county except Cook, DuPage, Kane, Lake, McHenry, or Will, if the amount of general State aid allocated to the school district for the 1999-2000 school year under the provisions of subsection (E), (H), and (J) of this Section is less than the amount of general State aid allocated to the district for the 1998-1999 school year under these subsections, then the general State aid of the district for the 1999-2000 school year only shall be increased by the difference between these amounts. The total payments made under this paragraph (5) shall not exceed \$14,000,000. Claims shall be prorated if they exceed \$14,000,000.

#### (H) Supplemental General State Aid.

(1) In addition to the general State aid a school district is allotted pursuant to subsection (E), qualifying school districts shall receive a grant, paid in conjunction with a district's payments of general State aid, for supplemental general State aid based upon the concentration level of children from low-income households within the school district. Supplemental State aid grants provided for school districts under this subsection shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section. If the appropriation in any fiscal year for general State aid and supplemental general State aid is insufficient to pay the amounts required under the general State aid and supplemental general State aid calculations, then the State Board of Education shall ensure that each school district receives the full amount due for general State aid and the remainder of the appropriation shall be used for supplemental general State aid, which the State Board of Education shall calculate and pay to eligible districts on a prorated basis.

(1.5) This paragraph (1.5) applies only to those school years preceding the 2003-2004 school year. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall be the low-income eligible pupil count from the most recently available federal census divided by the Average Daily Attendance of the school district. If, however, (i) the percentage decrease from the 2 most recent federal

censuses in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more the percentage change in the total low-income eligible pupil count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, or (ii) a high school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the high school district, has a percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count and there is a percentage increase in the total low-income eligible pupil count of a majority of the elementary school districts in excess of 50% from the 2 most recent federal censuses, then the high school district's low-income eligible pupil count from the earlier federal census shall be the number used as the low-income eligible pupil count for the high school district, for purposes of this subsection (H). The changes made to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school years preceding the 2003-2004 school year that are paid in fiscal year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was repealed on July 1, 1998), and any high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in any of those fiscal years. This recomputation shall not be affected by any other funding.

(1.10) This paragraph (1.10) applies to the 2003-2004 school year and each school year thereafter. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall, for each fiscal year, be the low-income eligible pupil count as of July 1 of the immediately preceding fiscal year (as determined by the Department of Human Services based on the number of pupils who are eligible for at least one of the following low income programs: Medicaid, KidCare, TANF, or Food Stamps, excluding pupils who are eligible for services provided by the Department of Children and Family Services, averaged over the 2 immediately preceding fiscal years for fiscal year 2004 and over the 3 immediately preceding fiscal years for each fiscal year thereafter) divided by the Average Daily Attendance of the school district.

(2) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 1998-1999, 1999-2000, and 2000-2001 school years only:

(a) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for any school year shall be \$800 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for the 1998-1999 school year shall be \$1,100 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for the 1998-99 school year shall be \$1,500 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of 60% or more, the grant for the 1998-99 school year shall be \$1,900 multiplied by the low income eligible pupil count.

(e) For the 1999-2000 school year, the per pupil amount specified in subparagraphs (b), (c), and (d) immediately above shall be increased to \$1,243, \$1,600, and \$2,000, respectively.

(f) For the 2000-2001 school year, the per pupil amounts specified in subparagraphs (b), (c), and (d) immediately above shall be \$1,273, \$1,640, and \$2,050, respectively.

(2.5) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2002-2003 school year:

(a) For any school district with a Low Income Concentration Level of less than 10%, the grant for each school year shall be \$355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 10% and less than 20%, the grant for each school year shall be \$675 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for each school year shall be \$1,330 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for each school year shall be \$1,362 multiplied by the low income eligible pupil count.

(e) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for each school year shall be \$1,680 multiplied by the low income eligible pupil count.

(f) For any school district with a Low Income Concentration Level of 60% or more, the

grant for each school year shall be \$2,080 multiplied by the low income eligible pupil count.

(2.10) Except as otherwise provided, supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2003-2004 school year and each school year thereafter:

(a) For any school district with a Low Income Concentration Level of 15% or less, the

grant for each school year shall be \$355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level greater than 15%, the grant for each school year shall be \$294.25 added to the product of \$2,700 and the square of the Low Income Concentration Level, all multiplied by the low income eligible pupil count.

For the 2003-2004 school year ~~and each school year through the 2007-2008 school year~~, ~~2004-2005 school year~~, ~~2005-2006 school year~~, and ~~2006-2007 school year~~ only, the grant shall be no less than the grant for the 2002-2003 school year. For the ~~2008-2009~~ ~~2007-2008~~ school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.66. For the ~~2009-2010~~ ~~2008-2009~~ school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.33. Notwithstanding the provisions of this paragraph to the contrary, if for any school year supplemental general State aid grants are prorated as provided in paragraph (1) of this subsection (H), then the grants under this paragraph shall be prorated.

For the 2003-2004 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.25 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.50 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year.

(3) School districts with an Average Daily Attendance of more than 1,000 and less than 50,000 that qualify for supplemental general State aid pursuant to this subsection shall submit a plan to the State Board of Education prior to October 30 of each year for the use of the funds resulting from this grant of supplemental general State aid for the improvement of instruction in which priority is given to meeting the education needs of disadvantaged children. Such plan shall be submitted in accordance with rules and regulations promulgated by the State Board of Education.

(4) School districts with an Average Daily Attendance of 50,000 or more that qualify for supplemental general State aid pursuant to this subsection shall be required to distribute from funds available pursuant to this Section, no less than \$261,000,000 in accordance with the following requirements:

(a) The required amounts shall be distributed to the attendance centers within the district in proportion to the number of pupils enrolled at each attendance center who are eligible to receive free or reduced-price lunches or breakfasts under the federal Child Nutrition Act of 1966 and under the National School Lunch Act during the immediately preceding school year.

(b) The distribution of these portions of supplemental and general State aid among attendance centers according to these requirements shall not be compensated for or contravened by adjustments of the total of other funds appropriated to any attendance centers, and the Board of Education shall utilize funding from one or several sources in order to fully implement this provision annually prior to the opening of school.

(c) Each attendance center shall be provided by the school district a distribution of noncategorical funds and other categorical funds to which an attendance center is entitled under law in order that the general State aid and supplemental general State aid provided by application of this subsection supplements rather than supplants the noncategorical funds and other categorical funds provided by the school district to the attendance centers.

(d) Any funds made available under this subsection that by reason of the provisions of this subsection are not required to be allocated and provided to attendance centers may be used and appropriated by the board of the district for any lawful school purpose.

(e) Funds received by an attendance center pursuant to this subsection shall be used by the attendance center at the discretion of the principal and local school council for programs to improve educational opportunities at qualifying schools through the following programs and services: early childhood education, reduced class size or improved adult to student classroom ratio, enrichment programs, remedial assistance, attendance improvement, and other educationally beneficial expenditures which supplement the regular and basic programs as determined by the State Board of

Education. Funds provided shall not be expended for any political or lobbying purposes as defined by board rule.

(f) Each district subject to the provisions of this subdivision (H)(4) shall submit an acceptable plan to meet the educational needs of disadvantaged children, in compliance with the requirements of this paragraph, to the State Board of Education prior to July 15 of each year. This plan shall be consistent with the decisions of local school councils concerning the school expenditure plans developed in accordance with part 4 of Section 34-2.3. The State Board shall approve or reject the plan within 60 days after its submission. If the plan is rejected, the district shall give written notice of intent to modify the plan within 15 days of the notification of rejection and then submit a modified plan within 30 days after the date of the written notice of intent to modify. Districts may amend approved plans pursuant to rules promulgated by the State Board of Education.

Upon notification by the State Board of Education that the district has not submitted a plan prior to July 15 or a modified plan within the time period specified herein, the State aid funds affected by that plan or modified plan shall be withheld by the State Board of Education until a plan or modified plan is submitted.

If the district fails to distribute State aid to attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, in addition to the funds otherwise required by this subsection, to those attendance centers which were underfunded during the previous year in amounts equal to such underfunding.

For purposes of determining compliance with this subsection in relation to the requirements of attendance center funding, each district subject to the provisions of this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any affected local school council. The district shall within 45 days of receipt of that notification inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected funds.

The State Board of Education shall promulgate rules and regulations to implement the provisions of this subsection. No funds shall be released under this subdivision (H)(4) to any district that has not submitted a plan that has been approved by the State Board of Education.

(I) (Blank).

(J) Supplementary Grants in Aid.

(1) Notwithstanding any other provisions of this Section, the amount of the aggregate general State aid in combination with supplemental general State aid under this Section for which each school district is eligible shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-98 school year, pursuant to the provisions of that Section as it was then in effect. If a school district qualifies to receive a supplementary payment made under this subsection (J), the amount of the aggregate general State aid in combination with supplemental general State aid under this Section which that district is eligible to receive for each school year shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-1998 school year, pursuant to the provisions of that Section as it was then in effect.

(2) If, as provided in paragraph (1) of this subsection (J), a school district is to receive aggregate general State aid in combination with supplemental general State aid under this Section for the 1998-99 school year and any subsequent school year that in any such school year is less than the amount of the aggregate general State aid entitlement that the district received for the 1997-98 school year, the school district shall also receive, from a separate appropriation made for purposes of this subsection (J), a supplementary payment that is equal to the amount of the difference in the aggregate State aid figures as described in paragraph (1).

(3) (Blank).

(K) Grants to Laboratory and Alternative Schools.

In calculating the amount to be paid to the governing board of a public university that operates a laboratory school under this Section or to any alternative school that is operated by a regional superintendent of schools, the State Board of Education shall require by rule such reporting requirements as it deems necessary.

As used in this Section, "laboratory school" means a public school which is created and operated by a public university and approved by the State Board of Education. The governing board of a public university which receives funds from the State Board under this subsection (K) may not increase the number of students enrolled in its laboratory school from a single district, if that district is already sending 50 or more students, except under a mutual agreement between the school board of a student's district of residence and the university which operates the laboratory school. A laboratory school may not have more than 1,000 students, excluding students with disabilities in a special education program.

As used in this Section, "alternative school" means a public school which is created and operated by a Regional Superintendent of Schools and approved by the State Board of Education. Such alternative schools may offer courses of instruction for which credit is given in regular school programs, courses to prepare students for the high school equivalency testing program or vocational and occupational training. A regional superintendent of schools may contract with a school district or a public community college district to operate an alternative school. An alternative school serving more than one educational service region may be established by the regional superintendents of schools of the affected educational service regions. An alternative school serving more than one educational service region may be operated under such terms as the regional superintendents of schools of those educational service regions may agree.

Each laboratory and alternative school shall file, on forms provided by the State Superintendent of Education, an annual State aid claim which states the Average Daily Attendance of the school's students by month. The best 3 months' Average Daily Attendance shall be computed for each school. The general State aid entitlement shall be computed by multiplying the applicable Average Daily Attendance by the Foundation Level as determined under this Section.

(L) Payments, Additional Grants in Aid and Other Requirements.

(1) For a school district operating under the financial supervision of an Authority created under Article 34A, the general State aid otherwise payable to that district under this Section, but not the supplemental general State aid, shall be reduced by an amount equal to the budget for the operations of the Authority as certified by the Authority to the State Board of Education, and an amount equal to such reduction shall be paid to the Authority created for such district for its operating expenses in the manner provided in Section 18-11. The remainder of general State school aid for any such district shall be paid in accordance with Article 34A when that Article provides for a disposition other than that provided by this Article.

(2) (Blank).

(3) Summer school. Summer school payments shall be made as provided in Section 18-4.3.

(M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the Governor, by and with the advice and consent of the Senate. The members appointed shall include representatives of education, business, and the general public. One of the members so appointed shall be designated by the Governor at the time the appointment is made as the chairperson of the Board. The initial members of the Board may be appointed any time after the effective date of this amendatory Act of 1997. The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, by lots drawn at the first meeting of the Board that is held after all 5 members are appointed, shall determine 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2000. All members appointed to serve on the Board shall serve until their respective successors are appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. If a vacancy in membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a person to fill that membership for the unexpired term. If the Senate is not in session when the initial appointments are made, those appointments shall be made as in



the case of vacancies.

The Education Funding Advisory Board shall be deemed established, and the initial members appointed by the Governor to serve as members of the Board shall take office, on the date that the Governor makes his or her appointment of the fifth initial member of the Board, whether those initial members are then serving pursuant to appointment and confirmation or pursuant to temporary appointments that are made by the Governor as in the case of vacancies.

The State Board of Education shall provide such staff assistance to the Education Funding Advisory Board as is reasonably required for the proper performance by the Board of its responsibilities.

For school years after the 2000-2001 school year, the Education Funding Advisory Board, in consultation with the State Board of Education, shall make recommendations as provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section and for the supplemental general State aid grant level under subsection (H) of this Section for districts with high concentrations of children from poverty. The recommended foundation level shall be determined based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance. The Education Funding Advisory Board shall make such recommendations to the General Assembly on January 1 of odd numbered years, beginning January 1, 2001.

(N) (Blank).

(O) References.

(1) References in other laws to the various subdivisions of Section 18-8 as that Section existed before its repeal and replacement by this Section 18-8.05 shall be deemed to refer to the corresponding provisions of this Section 18-8.05, to the extent that those references remain applicable.

(2) References in other laws to State Chapter 1 funds shall be deemed to refer to the supplemental general State aid provided under subsection (H) of this Section.

(P) Public Act 93-838 and Public Act 93-808 make inconsistent changes to this Section. Under Section 6 of the Statute on Statutes there is an irreconcilable conflict between Public Act 93-808 and Public Act 93-838. Public Act 93-838, being the last acted upon, is controlling. The text of Public Act 93-838 is the law regardless of the text of Public Act 93-808.

(Source: P.A. 93-21, eff. 7-1-03; 93-715, eff. 7-12-04; 93-808, eff. 7-26-04; 93-838, eff. 7-30-04; 93-875, eff. 8-6-04; 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835, eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07; revised 2-18-07.)

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 194**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 336

A bill for AN ACT concerning finance.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 336

House Amendment No. 3 to SENATE BILL NO. 336

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

[May 31, 2007]

**AMENDMENT NO. 1 TO SENATE BILL 336**

AMENDMENT NO. 1. Amend Senate Bill 336 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Procurement Code is amended by changing Section 20-60 as follows:  
(30 ILCS 500/20-60)

Sec. 20-60. Duration of contracts.

(a) Maximum duration. A contract may be entered into for any period of time deemed to be in the best interests of the State but not exceeding 10 years. The length of a lease for real property or capital improvements shall be in accordance with the provisions of Section 40-25. A contract for bond or mortgage insurance awarded by the Illinois Housing Development Authority, however, may be entered into for any period of time less than or equal to the maximum period of time that the subject bond or mortgage may remain outstanding.

(b) Subject to appropriation. All contracts made or entered into shall recite that they are subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to make payments under the terms of the contract.

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

Section 99. Effective date. This Act takes effect upon becoming law."

**AMENDMENT NO. 3 TO SENATE BILL 336**

AMENDMENT NO. 3. Amend Senate Bill 336, AS AMENDED, by inserting after the last line of Section 5 the following:

"Section 10. The Business Enterprise for Minorities, Females, and Persons with Disabilities Act is amended by changing Section 2 as follows:

(30 ILCS 575/2) (from Ch. 127, par. 132.602)

(Section scheduled to be repealed on September 6, 2008)

Sec. 2. Definitions.

(A) For the purpose of this Act, the following terms shall have the following definitions:

(1) "Minority person" shall mean a person who is a citizen or lawful permanent resident of the United States and who is:

(a) African American (a person having origins in any of the black racial groups in Africa);

(b) Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race);

(c) Asian American (a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent or the Pacific Islands); or

(d) Native American or Alaskan Native (a person having origins in any of the original peoples of North America).

(2) "Female" shall mean a person who is a citizen or lawful permanent resident of the United States and who is of the female gender.

(2.05) "Person with a disability" means a person who is a citizen or lawful resident of the United States and is a person qualifying as being disabled under subdivision (2.1) of this subsection (A).

(2.1) "Disabled" means a severe physical or mental disability that:

(a) results from:

amputation,

arthritis,

autism,

blindness,

burn injury,

cancer,

cerebral palsy,

cystic fibrosis,

deafness,

head injury,

heart disease,

hemiplegia,

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hemophilia,  
 respiratory or pulmonary dysfunction,  
 mental retardation,  
 mental illness,  
 multiple sclerosis,  
 muscular dystrophy,  
 musculoskeletal disorders,  
 neurological disorders, including stroke and epilepsy,  
 paraplegia,  
 quadriplegia and other spinal cord conditions,  
 sickle cell anemia,  
 specific learning disabilities, or  
 end stage renal failure disease; and

(b) substantially limits one or more of the person's major life activities.

Another disability or combination of disabilities may also be considered as a severe disability for the purposes of item (a) of this subdivision (2.1) if it is determined by an evaluation of rehabilitation potential to cause a comparable degree of substantial functional limitation similar to the specific list of disabilities listed in item (a) of this subdivision (2.1).

(3) "Minority owned business" means a business concern which is at least 51% owned by one or more minority persons, or in the case of a corporation, at least 51% of the stock in which is owned by one or more minority persons; and the management and daily business operations of which are controlled by one or more of the minority individuals who own it.

(4) "Female owned business" means a business concern which is at least 51% owned by one or more females, or, in the case of a corporation, at least 51% of the stock in which is owned by one or more females; and the management and daily business operations of which are controlled by one or more of the females who own it.

(4.1) "Business owned by a person with a disability" means a business concern that is at least 51% owned by one or more persons with a disability and the management and daily business operations of which are controlled by one or more of the persons with disabilities who own it. A not-for-profit agency for persons with disabilities that is exempt from taxation under Section 501 of the Internal Revenue Code of 1986 is also considered a "business owned by a person with a disability".

(4.2) "Council" means the Business Enterprise Council for Minorities, Females, and Persons with Disabilities created under Section 5 of this Act.

(5) "State contracts" shall mean all State contracts, funded exclusively with State funds which are not subject to federal reimbursement, whether competitively bid or negotiated as defined by the Secretary of the Council and approved by the Council.

"State construction contracts" means all State contracts entered into by a State agency or State university for the repair, remodeling, renovation or construction of a building or structure, or for the construction or maintenance of a highway defined in Article 2 of the Illinois Highway Code.

(6) "State agencies" shall mean all departments, officers, boards, commissions, institutions and bodies politic and corporate of the State, but does not include the Board of Trustees of the University of Illinois, the Board of Trustees of Southern Illinois University, the Board of Trustees of Chicago State University, the Board of Trustees of Eastern Illinois University, the Board of Trustees of Governors State University, the Board of Trustees of Illinois State University, the Board of Trustees of Northeastern Illinois University, the Board of Trustees of Northern Illinois University, the Board of Trustees of Western Illinois University, municipalities or other local governmental units, or other State constitutional officers.

(7) "State universities" shall mean the Board of Trustees of the University of Illinois, the Board of Trustees of Southern Illinois University, the Board of Trustees of Chicago State University, the Board of Trustees of Eastern Illinois University, the Board of Trustees of Governors State University, the Board of Trustees of Illinois State University, the Board of Trustees of Northeastern Illinois University, the Board of Trustees of Northern Illinois University, and the Board of Trustees of Western Illinois University.

(8) "Certification" means a determination made by the Council or by one delegated authority from the Council to make certifications, or by a State agency with statutory authority to make such a certification, that a business entity is a business owned by a minority, female, or person with a disability for whatever purpose.

(9) "Control" means the exclusive or ultimate and sole control of the business including, but not limited to, capital investment and all other financial matters, property, acquisitions, contract

negotiations, legal matters, officer-director-employee selection and comprehensive hiring, operating responsibilities, cost-control matters, income and dividend matters, financial transactions and rights of other shareholders or joint partners. Control shall be real, substantial and continuing, not pro forma. Control shall include the power to direct or cause the direction of the management and policies of the business and to make the day-to-day as well as major decisions in matters of policy, management and operations. Control shall be exemplified by possessing the requisite knowledge and expertise to run the particular business and control shall not include simple majority or absentee ownership.

(10) "Business concern or business" means a business that has average annual gross sales over the 3 most recent calendar years of less than \$31,400,000 as evidenced by the federal income tax return of the business. A firm with gross sales in excess of this cap may apply to the Council for certification for a particular contract if the firm can demonstrate that the contract would have significant impact on businesses owned by minorities, females, or persons with disabilities as suppliers or subcontractors or in employment of minorities, females, or persons with disabilities. ~~"Business concern or business" means a business which has annual gross sales for the most recent fiscal year of less than \$27,000,000, except that a firm with gross sales in excess of that amount may apply to the Council for certification for a particular contract if the firm can demonstrate that the contract would have significant impact on businesses owned by minorities, females, or persons with disabilities as suppliers or subcontractors or in employment of minorities, females, or persons with disabilities.~~

(B) When a business concern is owned at least 51% by any combination of minority persons, females, or persons with disabilities, even though none of the 3 classes alone holds at least a 51% interest, the ownership requirement for purposes of this Act is considered to be met. The certification category for the business is that of the class holding the largest ownership interest in the business. If 2 or more classes have equal ownership interests, the certification category shall be determined by the Department of Central Management Services.

(Source: P.A. 92-670, eff. 7-16-02)."

Under the rules, the foregoing **Senate Bill No. 336**, with House Amendments numbered 1 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 545

A bill for AN ACT concerning State government.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 545

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 1 TO SENATE BILL 545

AMENDMENT NO. 1. Amend Senate Bill 545 on page 1, line 18, by replacing "sexual" with "other".

Under the rules, the foregoing **Senate Bill No. 545**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 684

A bill for AN ACT concerning local government.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

[May 31, 2007]

House Amendment No. 1 to SENATE BILL NO. 684  
Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 684**

AMENDMENT NO. 1. Amend Senate Bill 684 on page 6, line 19, by replacing "rule, under Section 7.1," with "rule imposing a penalty or assessing a charge under Section 7.1,"; and

on page 6, line 21, after "rule" by inserting "imposing a penalty or assessing a charge under Section 7.1"; and

on page 6, line 22, by replacing "or, ~~if no such newspaper exists,~~" with "or, if no such newspaper exists,"; and

on page 7, line 12, by replacing "rule required by this Section" with "rule imposing a penalty or assessing a charge under Section 7.1 ~~required by this Section~~"; and

on page 7, line 24, after "rule", by inserting "imposing a penalty or assessing a charge under Section 7.1"; and

on page 7, line 25, by replacing "subsection" with "Section"; and

on page 8, by replacing lines 16 and 17 with the following:

"(c) Except as otherwise provided in this Section, all ordinances, rules, or resolutions shall be (1) printed or published in"; and

on page 8, line 19, by deleting "be".

Under the rules, the foregoing **Senate Bill No. 684**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1261

A bill for AN ACT concerning revenue.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 2 to SENATE BILL NO. 1261

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 2 TO SENATE BILL 1261**

AMENDMENT NO. 2. Amend Senate Bill 1261 on page 1, line 12, after "bond.", by inserting "If such a suit is brought in the circuit court and, based on preliminary evidence, the court determines that it is necessary that a temporary county collector be appointed, then the county board may, subject to the consent of the court, appoint an interim county collector to serve for the duration of the suit.".

Under the rules, the foregoing **Senate Bill No. 1261**, with House Amendment No. 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

[May 31, 2007]

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1327

A bill for AN ACT concerning finance.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1327

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1327**

AMENDMENT NO. 1. Amend Senate Bill 1327 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Finance Authority Act is amended by changing Sections 801-10, 830-50, and 845-5 and by adding Section 825-12 as follows:

(20 ILCS 3501/801-10)

Sec. 801-10. Definitions. The following terms, whenever used or referred to in this Act, shall have the following meanings, except in such instances where the context may clearly indicate otherwise:

(a) The term "Authority" means the Illinois Finance Authority created by this Act.

(b) The term "project" means an industrial project, conservation project, housing project, public purpose project, higher education project, health facility project, cultural institution project, agricultural facility or agribusiness, and "project" may include any combination of one or more of the foregoing undertaken jointly by any person with one or more other persons.

(c) The term "public purpose project" means any project or facility including without limitation land, buildings, structures, machinery, equipment and all other real and personal property, which is authorized or required by law to be acquired, constructed, improved, rehabilitated, reconstructed, replaced or maintained by any unit of government or any other lawful public purpose which is authorized or required by law to be undertaken by any unit of government.

(d) The term "industrial project" means the acquisition, construction, refurbishment, creation, development or redevelopment of any facility, equipment, machinery, real property or personal property for use by any instrumentality of the State or its political subdivisions, for use by any person or institution, public or private, for profit or not for profit, or for use in any trade or business including, but not limited to, any industrial, manufacturing or commercial enterprise and which is (1) a capital project including but not limited to: (i) land and any rights therein, one or more buildings, structures or other improvements, machinery and equipment, whether now existing or hereafter acquired, and whether or not located on the same site or sites; (ii) all appurtenances and facilities incidental to the foregoing, including, but not limited to utilities, access roads, railroad sidings, track, docking and similar facilities, parking facilities, dockage, wharfage, railroad roadbed, track, trestle, depot, terminal, switching and signaling or related equipment, site preparation and landscaping; and (iii) all non-capital costs and expenses relating thereto or (2) any addition to, renovation, rehabilitation or improvement of a capital project or (3) any activity or undertaking which the Authority determines will aid, assist or encourage economic growth, development or redevelopment within the State or any area thereof, will promote the expansion, retention or diversification of employment opportunities within the State or any area thereof or will aid in stabilizing or developing any industry or economic sector of the State economy. The term "industrial project" also means the production of motion pictures.

(e) The term "bond" or "bonds" shall include bonds, notes (including bond, grant or revenue anticipation notes), certificates and/or other evidences of indebtedness representing an obligation to pay money, including refunding bonds.

(f) The terms "lease agreement" and "loan agreement" shall mean: (i) an agreement whereby a project acquired by the Authority by purchase, gift or lease is leased to any person, corporation or unit of local government which will use or cause the project to be used as a project as heretofore defined upon terms providing for lease rental payments at least sufficient to pay when due all principal of, interest and premium, if any, on any bonds of the Authority issued with respect to such project, providing for the maintenance, insuring and operation of the project on terms satisfactory to the Authority, providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, and such other terms as may be deemed desirable by the Authority, or (ii) any agreement pursuant to which the Authority agrees to loan the proceeds of its bonds issued with respect to

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a project or other funds of the Authority to any person which will use or cause the project to be used as a project as heretofore defined upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, interest and premium, if any, on any bonds of the Authority, if any, issued with respect to the project, and providing for maintenance, insurance and other matters as may be deemed desirable by the Authority.

(g) The term "financial aid" means the expenditure of Authority funds or funds provided by the Authority through the issuance of its bonds, notes or other evidences of indebtedness or from other sources for the development, construction, acquisition or improvement of a project.

(h) The term "person" means an individual, corporation, unit of government, business trust, estate, trust, partnership or association, 2 or more persons having a joint or common interest, or any other legal entity.

(i) The term "unit of government" means the federal government, the State or unit of local government, a school district, or any agency or instrumentality, office, officer, department, division, bureau, commission, college or university thereof.

(j) The term "health facility" means: (a) any public or private institution, place, building, or agency required to be licensed under the Hospital Licensing Act; (b) any public or private institution, place, building, or agency required to be licensed under the Nursing Home Care Act; (c) any public or licensed private hospital as defined in the Mental Health and Developmental Disabilities Code; (d) any such facility exempted from such licensure when the Director of Public Health attests that such exempted facility meets the statutory definition of a facility subject to licensure; (e) any other public or private health service institution, place, building, or agency which the Director of Public Health attests is subject to certification by the Secretary, U.S. Department of Health and Human Services under the Social Security Act, as now or hereafter amended, or which the Director of Public Health attests is subject to standard-setting by a recognized public or voluntary accrediting or standard-setting agency; (f) any public or private institution, place, building or agency engaged in providing one or more supporting services to a health facility; (g) any public or private institution, place, building or agency engaged in providing training in the healing arts, including but not limited to schools of medicine, dentistry, osteopathy, optometry, podiatry, pharmacy or nursing, schools for the training of x-ray, laboratory or other health care technicians and schools for the training of para-professionals in the health care field; (h) any public or private congregate, life or extended care or elderly housing facility or any public or private home for the aged or infirm, including, without limitation, any Facility as defined in the Life Care Facilities Act; (i) any public or private mental, emotional or physical rehabilitation facility or any public or private educational, counseling, or rehabilitation facility or home, for those persons with a developmental disability, those who are physically ill or disabled, the emotionally disturbed, those persons with a mental illness or persons with learning or similar disabilities or problems; (j) any public or private alcohol, drug or substance abuse diagnosis, counseling treatment or rehabilitation facility, (k) any public or private institution, place, building or agency licensed by the Department of Children and Family Services or which is not so licensed but which the Director of Children and Family Services attests provides child care, child welfare or other services of the type provided by facilities subject to such licensure; (l) any public or private adoption agency or facility; and (m) any public or private blood bank or blood center. "Health facility" also means a public or private structure or structures suitable primarily for use as a laboratory, laundry, nurses or interns residence or other housing or hotel facility used in whole or in part for staff, employees or students and their families, patients or relatives of patients admitted for treatment or care in a health facility, or persons conducting business with a health facility, physician's facility, surgicenter, administration building, research facility, maintenance, storage or utility facility and all structures or facilities related to any of the foregoing or required or useful for the operation of a health facility, including parking or other facilities or other supporting service structures required or useful for the orderly conduct of such health facility.

(k) The term "participating health institution" means a private corporation or association or public entity of this State, authorized by the laws of this State to provide or operate a health facility as defined in this Act and which, pursuant to the provisions of this Act, undertakes the financing, construction or acquisition of a project or undertakes the refunding or refinancing of obligations, loans, indebtedness or advances as provided in this Act.

(l) The term "health facility project", means a specific health facility work or improvement to be financed or refinanced (including without limitation through reimbursement of prior expenditures), acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, with funds provided in whole or in part hereunder, any accounts receivable, working capital, liability or insurance cost or operating expense financing or refinancing program of a health facility with or involving funds provided in whole or in part hereunder, or any combination thereof.

(m) The term "bond resolution" means the resolution or resolutions authorizing the issuance of, or providing terms and conditions related to, bonds issued under this Act and includes, where appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of trust providing terms and conditions for such bonds.

(n) The term "property" means any real, personal or mixed property, whether tangible or intangible, or any interest therein, including, without limitation, any real estate, leasehold interests, appurtenances, buildings, easements, equipment, furnishings, furniture, improvements, machinery, rights of way, structures, accounts, contract rights or any interest therein.

(o) The term "revenues" means, with respect to any project, the rents, fees, charges, interest, principal repayments, collections and other income or profit derived therefrom.

(p) The term "higher education project" means, in the case of a private institution of higher education, an educational facility to be acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, or any combination thereof.

(q) The term "cultural institution project" means, in the case of a cultural institution, a cultural facility to be acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, or any combination thereof.

(r) The term "educational facility" means any property located within the State constructed or acquired before or after the effective date of this Act, which is or will be, in whole or in part, suitable for the instruction, feeding, recreation or housing of students, the conducting of research or other work of a private institution of higher education, the use by a private institution of higher education in connection with any educational, research or related or incidental activities then being or to be conducted by it, or any combination of the foregoing, including, without limitation, any such property suitable for use as or in connection with any one or more of the following: an academic facility, administrative facility, agricultural facility, assembly hall, athletic facility, auditorium, boating facility, campus, communication facility, computer facility, continuing education facility, classroom, dining hall, dormitory, exhibition hall, fire fighting facility, fire prevention facility, food service and preparation facility, gymnasium, greenhouse, health care facility, hospital, housing, instructional facility, laboratory, library, maintenance facility, medical facility, museum, offices, parking area, physical education facility, recreational facility, research facility, stadium, storage facility, student union, study facility, theatre or utility.

(s) The term "cultural facility" means any property located within the State constructed or acquired before or after the effective date of this Act, which is or will be, in whole or in part, suitable for the particular purposes or needs of a cultural institution, including, without limitation, any such property suitable for use as or in connection with any one or more of the following: an administrative facility, aquarium, assembly hall, auditorium, botanical garden, exhibition hall, gallery, greenhouse, library, museum, scientific laboratory, theater or zoological facility, and shall also include, without limitation, books, works of art or music, animal, plant or aquatic life or other items for display, exhibition or performance. The term "cultural facility" includes buildings on the National Register of Historic Places which are owned or operated by nonprofit entities.

(t) "Private institution of higher education" means a not-for-profit educational institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which is authorized by law to provide a program of education beyond the high school level and which:

(1) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) Provides an educational program for which it awards a bachelor's degree, or provides an educational program, admission into which is conditioned upon the prior attainment of a bachelor's degree or its equivalent, for which it awards a postgraduate degree, or provides not less than a 2-year program which is acceptable for full credit toward such a degree, or offers a 2-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(3) Is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than 3 institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited, and holds an unrevoked certificate of approval under the Private College Act from the Board of Higher Education, or is qualified as a "degree granting institution" under the Academic Degree Act; and

(4) Does not discriminate in the admission of students on the basis of race or color. "Private institution of higher education" also includes any "academic institution".



(u) The term "academic institution" means any not-for-profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which institution engages in, or facilitates academic, scientific, educational or professional research or learning in a field or fields of study taught at a private institution of higher education. Academic institutions include, without limitation, libraries, archives, academic, scientific, educational or professional societies, institutions, associations or foundations having such purposes.

(v) The term "cultural institution" means any not-for-profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which institution engages in the cultural, intellectual, scientific, educational or artistic enrichment of the people of the State. Cultural institutions include, without limitation, aquaria, botanical societies, historical societies, libraries, museums, performing arts associations or societies, scientific societies and zoological societies.

(w) The term "affiliate" means, with respect to financing of an agricultural facility or an agribusiness, any lender, any person, firm or corporation controlled by, or under common control with, such lender, and any person, firm or corporation controlling such lender.

(x) The term "agricultural facility" means land, any building or other improvement thereon or thereto, and any personal properties deemed necessary or suitable for use, whether or not now in existence, in farming, ranching, the production of agricultural commodities (including, without limitation, the products of aquaculture, hydroponics and silviculture) or the treating, processing or storing of such agricultural commodities when such activities are customarily engaged in by farmers as a part of farming.

(y) The term "lender" with respect to financing of an agricultural facility or an agribusiness, means any federal or State chartered bank, Federal Land Bank, Production Credit Association, Bank for Cooperatives, federal or State chartered savings and loan association or building and loan association, Small Business Investment Company or any other institution qualified within this State to originate and service loans, including, but without limitation to, insurance companies, credit unions and mortgage loan companies. "Lender" also means a wholly owned subsidiary of a manufacturer, seller or distributor of goods or services that makes loans to businesses or individuals, commonly known as a "captive finance company".

(z) The term "agribusiness" means any sole proprietorship, limited partnership, co-partnership, joint venture, corporation or cooperative which operates or will operate a facility located within the State of Illinois that is related to the processing of agricultural commodities (including, without limitation, the products of aquaculture, hydroponics and silviculture) or the manufacturing, production or construction of agricultural buildings, structures, equipment, implements, and supplies, or any other facilities or processes used in agricultural production. Agribusiness includes but is not limited to the following:

(1) grain handling and processing, including grain storage, drying, treatment, conditioning, mailing and packaging;

(2) seed and feed grain development and processing;

(3) fruit and vegetable processing, including preparation, canning and packaging;

(4) processing of livestock and livestock products, dairy products, poultry and poultry products, fish or apiarian products, including slaughter, shearing, collecting, preparation, canning and packaging;

(5) fertilizer and agricultural chemical manufacturing, processing, application and supplying;

(6) farm machinery, equipment and implement manufacturing and supplying;

(7) manufacturing and supplying of agricultural commodity processing machinery and equipment, including machinery and equipment used in slaughter, treatment, handling, collecting, preparation, canning or packaging of agricultural commodities;

(8) farm building and farm structure manufacturing, construction and supplying;

(9) construction, manufacturing, implementation, supplying or servicing of irrigation, drainage and soil and water conservation devices or equipment;

(10) fuel processing and development facilities that produce fuel from agricultural commodities or byproducts;

(11) facilities and equipment for processing and packaging agricultural commodities specifically for export;

(12) facilities and equipment for forestry product processing and supplying, including sawmilling operations, wood chip operations, timber harvesting operations, and manufacturing of prefabricated buildings, paper, furniture or other goods from forestry products;

(13) facilities and equipment for research and development of products, processes and equipment for the production, processing, preparation or packaging of agricultural commodities and

byproducts.

(aa) The term "asset" with respect to financing of any agricultural facility or any agribusiness, means, but is not limited to the following: cash crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests in trusts; government payments or grants; and any other assets.

(bb) The term "liability" with respect to financing of any agricultural facility or any agribusiness shall include, but not be limited to the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and any other liability.

(cc) The term "Predecessor Authorities" means those authorities as described in Section 845-75.

(dd) The term "housing project" means a specific work or improvement undertaken to provide residential dwelling accommodations, including the acquisition, construction or rehabilitation of lands, buildings and community facilities and in connection therewith to provide nonhousing facilities which are part of the housing project, including land, buildings, improvements, equipment and all ancillary facilities for use for offices, stores, retirement homes, hotels, financial institutions, service, health care, education, recreation or research establishments, or any other commercial purpose which are or are to be related to a housing development.

(ee) The term "conservation project" means any project including the acquisition, construction, rehabilitation, maintenance, operation, or upgrade that is intended to create or expand open space or to reduce energy usage through efficiency measures. For the purpose of this definition, "open space" has the definition set forth under Section 10 of the Illinois Open Land Trust Act.

(Source: P.A. 93-205, eff. 1-1-04; 93-1101, eff. 3-31-05.)

(20 ILCS 3501/825-12 new)

Sec. 825-12. Conservation projects.

(a) The Authority may develop a program to provide low-interest loans and other financing to individuals, business entities, private organizations, and units of local government for conservation projects in the State of Illinois.

(b) Projects under this Section may include, without limitation, the acquisition of land for open-space projects, preservation or recreation measures for open spaces, and energy conservation or efficiency projects that are intended to reduce energy usage and costs.

(c) The Authority, in cooperation with the Department of Natural Resources and the Department of Commerce and Economic Opportunity, may adopt any rules necessary for the administration of this Section. The Authority must include any information concerning the program under this Section on its Internet website.

(20 ILCS 3501/830-50)

Sec. 830-50. Specialized Livestock Guarantee Program.

(a) The Authority is authorized to issue State Guarantees to lenders for loans to finance or refinance debts for specialized livestock operations that are or will be located in Illinois. For purposes of this Section, a "specialized livestock operation" includes, but is not limited to, dairy, beef, and swine enterprises. For purposes of this Section, a specialized livestock operation also includes livestock operations using anaerobic digestors to generate electricity.

(b) Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fee or charge that the Authority may require. The application shall, at a minimum, contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the borrower must certify to the Authority that, at the time the State Guarantee is provided, the borrower will not be delinquent in the repayment of any debt. The lender must agree to charge a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State guaranteed loan can be converted to a fixed interest rate at any time during the term of the loan.

(c) State Guarantees provided under this Section (i) shall not exceed \$1,000,000 per applicant, (ii) shall be no longer than 15 years in duration, and (iii) shall be subject to an annual review and renewal by the lender and the Authority. An applicant may use this program more than once, provided that the

[May 31, 2007]

aggregate principal amount of State Guarantees under this Section to that applicant does not exceed \$1,000,000. A State Guarantee shall not be revoked by the Authority without a 90-day notice, in writing, to all parties.

(d) The Authority shall provide or renew a State Guarantee to a lender if: (i) The lender pays a fee equal to 25 basis points on the loan to the Authority on an annual basis. (ii) The application provides collateral acceptable to the Authority that is at least equal to the State Guarantee. (iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default. (iv) The lender is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided.

(e) The Illinois Farmer and Agribusiness Loan Guarantee Fund may be used to secure State Guarantees issued under this Section as provided in Section 830-35.

(f) Notwithstanding the provisions of this Section 830-50 with respect to the specialized livestock operations and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of specialized livestock operations and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section.

(Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3501/845-5)

Sec. 845-5. The Authority may not have outstanding at any one time bonds for any of its corporate purposes in an aggregate principal amount exceeding \$26,650,000,000 ~~\$25,200,000,000~~, excluding bonds issued to refund the bonds of the Authority or bonds of the Predecessor Authorities.

(Source: P.A. 93-205, eff. 1-1-04; 93-1101, eff. 3-31-05; 94-1068, eff. 8-1-06.)

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 1327**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1453

A bill for AN ACT concerning local government.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1453

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1453**

AMENDMENT NO. 1. Amend Senate Bill 1453 on page 13, line 22, by replacing "\$10,000" with "\$20,000"; and

on page 13, lines 24 and 25, by replacing "~~in each week for three consecutive weeks prior to the opening of bids~~" with "in each week for three consecutive weeks prior to the opening of bids"; and

on page 14, line 5, by replacing "bid" with "proposal"; and

on page 14, line 6, by replacing "bids" with "proposals"; and

on page 14, line 12, by replacing "bids" with "proposals"; and

on page 14, line 13, by replacing "bids" with "proposals".

[May 31, 2007]

Under the rules, the foregoing **Senate Bill No. 1453**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1481

A bill for AN ACT concerning public employee benefits.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1481

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1481**

AMENDMENT NO. 1. Amend Senate Bill 1481 on page 6, below line 6, by inserting the following:

"(1-5) By paying the contributions otherwise required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest, a member may establish service credit for periods of up to 2 years spent on authorized leave of absence from service, provided that during that leave the member represented or was employed as an officer or employee of a statewide labor organization that represents members of this System. In determining the contributions required for establishing service credit under this subsection, the interest shall be calculated from the beginning of the leave of absence to the date of payment."

Under the rules, the foregoing **Senate Bill No. 1481**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 4

A bill for AN ACT concerning health.

SENATE BILL NO. 544

A bill for AN ACT concerning regulation.

SENATE BILL NO. 1508

A bill for AN ACT concerning local government.

SENATE BILL NO. 1545

A bill for AN ACT concerning criminal law.

SENATE BILL NO. 1553

A bill for AN ACT concerning public employee benefits.

SENATE BILL NO. 1557

A bill for AN ACT concerning education.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 66

A bill for AN ACT concerning finance.

[May 31, 2007]

SENATE BILL NO. 215

A bill for AN ACT concerning regulation.

SENATE BILL NO. 1391

A bill for AN ACT concerning criminal law.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 73

A bill for AN ACT concerning transportation.

SENATE BILL NO. 83

A bill for AN ACT concerning local government.

SENATE BILL NO. 1702

A bill for AN ACT concerning education.

SENATE BILL NO. 1729

A bill for AN ACT concerning finance.

SENATE BILL NO. 1739

A bill for AN ACT in relation to public aid.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 1575

A bill for AN ACT concerning transportation.

SENATE BILL NO. 1576

A bill for AN ACT concerning business.

SENATE BILL NO. 1618

A bill for AN ACT concerning public health.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 1663

A bill for AN ACT concerning safety.

SENATE BILL NO. 1665

A bill for AN ACT concerning State government.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

**JOINT ACTION MOTIONS FILED**

[May 31, 2007]

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendment 2 to Senate Bill 1261  
Motion to Concur in House Amendment 1 to Senate Bill 1327  
Motion to Concur in House Amendment 1 to Senate Bill 1346  
Motion to Concur in House Amendment 1 to Senate Bill 1453  
Motion to Concur in House Amendment 1 to Senate Bill 1481

#### **LEGISLATIVE MEASURES FILED**

The following Floor amendments to the House Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Senate Floor Amendment No. 5 to House Bill 25  
Senate Floor Amendment No. 6 to House Bill 25  
Senate Floor Amendment No. 4 to House Bill 1752

#### **PRESENTATION OF RESOLUTIONS**

##### **SENATE RESOLUTION 234**

Offered by Senator E. Jones and all Senators:  
Mourns the death of Juanita Newell Cook of Dolton.

##### **SENATE RESOLUTION 235**

Offered by Senator Wilhelmi and all Senators:  
Mourns the death of Virginia McCoy Hutchison of Joliet.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

#### **READING BILL FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME**

**House Bill No. 232**, sponsored by Senator Link, was taken up, read by title a first time and referred to the Committee on Rules.

#### **MESSAGES FROM THE HOUSE**

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 531

A bill for AN ACT concerning trusts.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 531

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

##### **AMENDMENT NO. 1 TO SENATE BILL 531**

AMENDMENT NO. 1. Amend Senate Bill 531, by replacing everything after the enacting clause with the following:

[May 31, 2007]

"Section 5. The Trusts and Trustees Act is amended by changing Section 4 and adding Section 4.26 as follows:

(760 ILCS 5/4) (from Ch. 17, par. 1654)

Sec. 4. Powers of Trustee. The trustee has the powers specified in the Sections following this Section and preceding Section 5 4.01 through 4.25.

(Source: P.A. 88-367.)

(760 ILCS 5/4.26 new)

Sec. 4.26. Small trust termination. To terminate the trust and distribute the trust estate, including principal and accrued and undistributed income, if the trustee determines, in the trustee's sole discretion with the consent of the recipients, that the market value of a trust is less than \$100,000 and that the costs of continuing the trust will substantially impair accomplishment of the purpose of the trust.

Distribution shall be made to the persons then entitled to receive or eligible to have the benefit of the income from the trust in the proportions in which they are entitled thereto, or if their interests are indefinite, to those persons per stirpes if they have a common ancestor, or if not, then in equal shares. The trustee shall give notice to the persons at least 30 days prior to the effective date of the termination.

If a particular trustee is an income beneficiary of the trust or is legally obligated to an income beneficiary, then that particular trustee may not participate as a trustee in the exercise of this termination power; provided, however, that if the trust has one or more co-trustees who are not so disqualified from participating, the co-trustee or co-trustees may exercise this power.

This Section shall not apply to the extent that it would cause a trust otherwise qualifying for a federal or State tax benefit or other benefit not to so qualify, nor shall it apply to trusts for domestic or pet animals.

The provisions of this amendatory Act of the 95th General Assembly apply to all trusts created before, on, or after its effective date."

Under the rules, the foregoing **Senate Bill No. 531**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 607

A bill for AN ACT concerning transportation.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 607

House Amendment No. 2 to SENATE BILL NO. 607

House Amendment No. 3 to SENATE BILL NO. 607

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 607**

AMENDMENT NO. 1. Amend Senate Bill 607, on page 132, line 13, by replacing "If, however," with "However,"; and

on page 132, by replacing lines 17 through 19 with the following:

"the seizing agency or the prosecutor for the agency's or the prosecutor's official use."

**AMENDMENT NO. 2 TO SENATE BILL 607**

AMENDMENT NO. 2. Amend Senate Bill 607 on page 139, by inserting after line 11 the following:

"Section 7. If and only if Senate Bill 300 of the 95th General Assembly becomes law and the changes to Section 6-206.1 of the Illinois Vehicle Code in that bill become law in the form in which they appear in House Amendment No. 1 to that bill, the Illinois Vehicle Code is amended by changing Section 6-206.1 as follows:

[May 31, 2007]

(625 ILCS 5/6-206.1) (from Ch. 95 1/2, par. 6-206.1)

Sec. 6-206.1. Monitoring Device Driving Permit. Declaration of Policy. It is hereby declared a policy of the State of Illinois that the driver who is impaired by alcohol, other drug or drugs, or intoxicating compound or compounds is a threat to the public safety and welfare. Therefore, to provide a deterrent to such practice and to remove problem drivers from the highway, a statutory summary driver's license suspension is appropriate. It is also recognized that driving is a privilege and therefore, that the granting of driving privileges, in a manner consistent with public safety, is warranted during the period of suspension in the form of a monitoring device driving permit. A person who drives and fails to comply with the requirements of the monitoring device driving permit commits a violation of Section 6-303 of this Code.

The following procedures shall apply whenever a first offender is arrested for any offense as defined in Section 11-501 or a similar provision of a local ordinance:

(a) Subsequent to a notification of a statutory summary suspension of driving privileges as provided in Section 11-501.1, the court, after informing the first offender, as defined in Section 11-500, of his or her right to a monitoring device driving permit, hereinafter referred to as a MDDP, and of the obligations of the MDDP, shall enter an order directing the Secretary of State to issue a MDDP to the offender, unless the offender has opted, in writing, not to have a MDDP issued. However, the court shall not enter the order directing the Secretary of State to issue the MDDP, if the court finds:

- (1) The offender's driver's license is otherwise ~~invalid~~ valid;
- (2) ~~Death~~ ~~No death~~ or great bodily harm resulted from the arrest for Section 11-501;
- (3) That the offender has ~~not~~ been previously convicted of reckless homicide; ~~or~~ ~~and~~
- (4) That the offender is ~~not~~ less than 18 years of age.

Any court order for a MDDP shall order the person to pay the Secretary of State a MDDP

Administration Fee an amount not to exceed \$30 per month. The Secretary shall establish by rule the amount and the procedures, terms, and conditions relating to these fees. The order shall further specify that the offender must have an ignition interlock device installed within 14 days of the date the Secretary issues the MDDP, and shall specify the vehicle in which the device is to be installed. The ignition interlock device provider must notify the Secretary, in a manner and form prescribed by the Secretary, of the installation. If the Secretary does not receive notice of installation, the Secretary shall cancel the MDDP.

A MDDP shall not become effective prior to the 31st day of the original statutory summary suspension.

(a-1) A person issued a MDDP may drive for any purpose and at any time, subject to the rules adopted by the Secretary of State under subsection (g). The person must, at his or her own expense, drive only vehicles equipped with an ignition interlock device as defined in Section 1-129.1, but in no event shall such person drive a commercial motor vehicle.

(a-2) Persons who are issued a MDDP and must drive employer-owned vehicles in the course of their employment duties may seek permission from the court to drive an employer-owned vehicle that does not have an ignition interlock device. The employee shall provide to the court a form, prescribed by the Secretary of State, completed by the employer verifying that the employee must drive an employer-owned vehicle in the course of employment. If approved by the court, the form must be file stamped and must be in the driver's possession while operating an employer-owner vehicle not equipped with an ignition interlock device. No person may use this exemption to drive a school bus, school vehicle, or a vehicle designed to transport more than 15 passengers. No person may use this exemption to drive an employer-owned motor vehicle that is owned by an entity that is wholly or partially owned by the person holding the MDDP, or by a family member of the person holding the MDDP. No person may use this exemption to drive an employer-owned vehicle that is made available to the employee for personal use. No person may drive the exempted vehicle more than 12 hours per day, 6 days per week.

(b) (Blank).

(c) (Blank).

(c-1)

If the person is issued a citation for a violation of Section 6-303 or a violation of Section 11-501 or a similar provision of a local ordinance or a similar out of state offense during the term of the MDDP, the officer issuing the citation, or the law enforcement agency employing that officer, shall confiscate the MDDP and immediately send the MDDP and notice of the citation to the court that ordered the issuance of the MDDP. Within 10 days of receipt, the issuing court, upon notice to the person, shall conduct a hearing to consider cancellation of the MDDP. If the court enters an order of cancellation, the court shall forward the order to the Secretary of State, and the Secretary shall cancel the MDDP and notify the person of the cancellation. If, however, the person is convicted of the offense before the MDDP has been cancelled, the court of venue shall send notice of conviction to the court that ordered issuance of the

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MDDP. The court receiving the notice shall immediately enter an order of cancellation and forward the order to the Secretary of State. The Secretary shall cancel the MDDP ~~DDP~~ and notify the person of the cancellation.

If the person is issued a citation for any other traffic related offense during the term of the MDDP, the officer issuing the citation, or the law enforcement agency employing that officer, shall send notice of the citation to the court that ordered issuance of the MDDP. Upon receipt and notice to the person and an opportunity for a hearing, the court shall determine whether the violation constitutes grounds for cancellation of the MDDP. If the court enters an order of cancellation, the court shall forward the order to the Secretary of State, and the Secretary shall cancel the MDDP and shall notify the person of the cancellation.

(c-5) If the court determines that the person seeking the MDDP is indigent, the court shall provide the person with a written document, in a form prescribed by the Secretary of State, as evidence of that determination, and the person shall provide that written document to an ignition interlock device provider. The provider shall install an ignition interlock device on that person's vehicle without charge to the person, and seek reimbursement from the Indigent BAIID Fund.

(d) The Secretary of State shall, upon receiving a court order from the court of venue, issue a MDDP to a person who applies under this Section. Such court order form shall also contain a notification, which shall be sent to the Secretary of State, providing the name, driver's license number and legal address of the applicant. This information shall be available only to the courts, police officers, and the Secretary of State, except during the actual period the MDDP is valid, during which time it shall be a public record. The Secretary of State shall design and furnish to the courts an official court order form to be used by the courts when directing the Secretary of State to issue a MDDP.

Any submitted court order that contains insufficient data or fails to comply with this Code shall not be utilized for MDDP issuance or entered to the driver record but shall be returned to the issuing court indicating why the MDDP cannot be so entered. A notice of this action shall also be sent to the MDDP applicant by the Secretary of State.

(e) (Blank).

(f) (Blank).

(g) The Secretary of State shall adopt rules for implementing this Section. The rules adopted shall address issues including, but not limited to: compliance with the requirements of the MDDP; methods for determining compliance with those requirements; the consequences of noncompliance with those requirements; what constitutes a violation of the MDDP; and the duties of a person or entity that supplies the ignition interlock device.

(h) The rules adopted under subsection (g) shall provide, at a minimum, that the person is not in compliance with the requirements of the MDDP if he or she:

- (1) tampers or attempts to tamper with or circumvent the proper operation of the ignition interlock device;
- (2) provides valid breath samples that register blood alcohol levels in excess of the number of times allowed under the rules;
- (3) fails to provide evidence sufficient to satisfy the Secretary that the ignition interlock device has been installed in the designated vehicle or vehicles; or
- (4) fails to follow any other applicable rules adopted by the Secretary.

(i) Any person or entity that supplies an ignition interlock device as provided under this Section shall, in addition to supplying only those devices which fully comply with all the rules adopted under subsection (g), provide the Secretary, within 7 days of inspection, all monitoring reports of each person who has had an ignition interlock device installed. These reports shall be furnished in a manner or form as prescribed by the Secretary.

(j) Upon making a determination that a violation of the requirements of the MDDP has occurred, the Secretary shall extend the summary suspension period for an additional 3 months beyond the originally imposed summary suspension period, during which time the person shall only be allowed to drive vehicles equipped with an ignition interlock device; provided further there are no limitations on the number of times the summary suspension may be extended. Any person whose summary suspension is extended pursuant to this Section shall have the right to contest the extension through an administrative hearing with the Secretary. If the summary suspension has already terminated prior to the Secretary receiving the monitoring report that shows a violation, the Secretary shall be authorized to suspend the person's driving privileges for 3 months. The only permit the person shall be eligible for during this new suspension period is a MDDP.

(k) A person who has had his or her summary suspension extended for the third time shall have his or her vehicle impounded for a period of 30 days, at the person's own expense. A person who

has his or her summary suspension extended for the fourth time shall have his or her vehicle subject to seizure and forfeiture. The Secretary shall notify the prosecuting authority of any third or fourth extensions. Upon receipt of the notification, the prosecuting authority shall impound or forfeit the vehicle.

(l) A person whose driving privileges have been suspended under Section 11-501.1 of this Code and who had a MDDP that was cancelled pursuant to subsection (c-1) of this Section, shall not be eligible for reinstatement when the summary suspension is scheduled to terminate, but instead shall be eligible only to apply for a restricted driving permit. If a restricted driving permit is granted, the offender may only operate vehicles equipped with an ignition interlock device, for a period of not less than twice the original summary suspension period.

(m) Any person or entity that supplies an ignition interlock device under this Section shall, for each ignition interlock device installed, pay 5% of the total gross revenue received for the device into the Indigent BAIID Fund. This 5% shall be clearly indicated as a separate surcharge on each invoice that is issued. The Secretary shall conduct an annual review of the fund to determine whether the surcharge is sufficient to provide for indigent users. The Secretary may increase or decrease this surcharge requirement as needed.

(n) Any person or entity that supplies an ignition interlock device under this Section that is requested to provide an ignition interlock device to a person who presents written documentation of indigency from the court, as provided in subsection (c-5) of this Section, shall install the device on the person's vehicle without charge to the person and shall seek reimbursement from the Indigent BAIID Fund.

(o) The Indigent BAIID Fund is created as a special fund in the State treasury. The Secretary of State shall, subject to appropriation by the General Assembly, use all money in the Indigent BAIID Fund to reimburse ignition interlock device providers who have installed devices in vehicles of indigent persons pursuant to court orders issued under this Section. The Secretary shall make payments to such providers every 3 months. If the amount of money in the fund at the time payments are made is not sufficient to pay all requests for reimbursement submitted during that 3 month period, the Secretary shall make payments on a pro-rata basis, and those payments shall be considered payment in full for the requests submitted.

(p) The Monitoring Device Driving Permit Administration Fee Fund is created as a special fund in the State treasury. The Secretary of State shall, subject to appropriation by the General Assembly, use the money paid into this fund to offset its administrative costs for administering MDDPs.

(Source: P.A. 94-307, eff. 9-30-05; 94-357, eff. 1-1-06; 94-930, eff. 6-26-06; 09500SB0300ham001.); and

on page 158, by inserting after line 3 the following:

"Section 99. Effective date. Section 7 of this Act takes effect on January 1, 2009."

#### **AMENDMENT NO. 3 TO SENATE BILL 607**

AMENDMENT NO. 3. Amend Senate Bill 607, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by changing Sections 6-101, 6-206.2, 6-303, and 11-501 and by adding Section 11-501.01 as follows:

(625 ILCS 5/6-101) (from Ch. 95 1/2, par. 6-101)

Sec. 6-101. Drivers must have licenses or permits.

(a) No person, except those expressly exempted by Section 6-102, shall drive any motor vehicle upon a highway in this State unless such person has a valid license or permit, or a restricted driving permit, issued under the provisions of this Act.

(b) No person shall drive a motor vehicle unless he holds a valid license or permit, or a restricted driving permit issued under the provisions of Section 6-205, 6-206, or 6-113 of this Act. Any person to whom a license is issued under the provisions of this Act must surrender to the Secretary of State all valid licenses or permits. No drivers license shall be issued to any person who holds a valid Foreign State license, identification card, or permit unless such person first surrenders to the Secretary of State any such valid Foreign State license, identification card, or permit.

(b-5) Any person who commits a violation of subsection (a) or (b) of this Section is guilty of a Class A misdemeanor, if at the time of the violation the person's driver's license or permit was cancelled under

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clause (a)9 of Section 6-201 of this Code.

(c) Any person licensed as a driver hereunder shall not be required by any city, village, incorporated town or other municipal corporation to obtain any other license to exercise the privilege thereby granted.

(d) In addition to other penalties imposed under this Section, any person in violation of this Section who is also in violation of Section 7-601 of this Code relating to mandatory insurance requirements shall have his or her motor vehicle immediately impounded by the arresting law enforcement officer. The motor vehicle may be released to any licensed driver upon a showing of proof of insurance for the motor vehicle that was impounded and the notarized written consent for the release by the vehicle owner.

(e) In addition to other penalties imposed under this Section, the vehicle of any person in violation of this Section who is also in violation of Section 7-601 of this Code relating to mandatory insurance requirements and who, in violating this Section, has caused death or personal injury to another person is subject to forfeiture under Sections 36-1 and 36-2 of the Criminal Code of 1961. For the purposes of this Section, a personal injury shall include any type A injury as indicated on the traffic accident report completed by a law enforcement officer that requires immediate professional attention in either a doctor's office or a medical facility. A type A injury shall include severely bleeding wounds, distorted extremities, and injuries that require the injured party to be carried from the scene.

(Source: P.A. 93-187, eff. 7-11-03; 93-895, eff. 1-1-05; 94-993, eff. 1-1-07.)

(625 ILCS 5/6-206.2)

Sec. 6-206.2. Violations relating to an ignition interlock device.

(a) It is unlawful for any person whose driving privilege is restricted by being prohibited from operating a motor vehicle not equipped with an ignition interlock device to request or solicit any other person to blow into an ignition interlock device or to start a motor vehicle equipped with the device for the purpose of providing the person so restricted with an operable motor vehicle.

(b) It is unlawful to blow into an ignition interlock device or to start a motor vehicle equipped with the device for the purpose of providing an operable motor vehicle to a person whose driving privilege is restricted by being prohibited from operating a motor vehicle not equipped with an ignition interlock device.

(c) It is unlawful to tamper with, or circumvent the operation of, an ignition interlock device.

(d) Except as provided in subsection (c)(17) of Section 5-6-3.1 of the Unified Code of Corrections or by rule, no person shall knowingly rent, lease, or lend a motor vehicle to a person known to have his or her driving privilege restricted by being prohibited from operating a vehicle not equipped with an ignition interlock device, unless the vehicle is equipped with a functioning ignition interlock device. Any person whose driving privilege is so restricted shall notify any person intending to rent, lease, or loan a motor vehicle to the restricted person of the driving restriction imposed upon him or her.

A person convicted of a violation of this subsection shall be punished by imprisonment for not more than 6 months or by a fine of not more than \$5,000, or both.

(e) If a person prohibited under ~~Section 11-501.1~~ ~~paragraph (2) or paragraph (3) of subsection (c) 4 of Section 11-501~~ from driving any vehicle not equipped with an ignition interlock device nevertheless is convicted of driving a vehicle that is not equipped with the device, that person is prohibited from driving any vehicle not equipped with an ignition interlock device for an additional period of time equal to the initial time period that the person was required to use an ignition interlock device.

(Source: P.A. 91-127, eff. 1-1-00; 92-418, eff. 8-17-01.)

(625 ILCS 5/6-303) (from Ch. 95 1/2, par. 6-303)

Sec. 6-303. Driving while driver's license, permit or privilege to operate a motor vehicle is suspended or revoked.

(a) Any person who drives or is in actual physical control of a motor vehicle on any highway of this State at a time when such person's driver's license, permit or privilege to do so or the privilege to obtain a driver's license or permit is revoked or suspended as provided by this Code or the law of another state, except as may be specifically allowed by a judicial driving permit, family financial responsibility driving permit, probationary license to drive, or a restricted driving permit issued pursuant to this Code or under the law of another state, shall be guilty of a Class A misdemeanor.

(b) The Secretary of State upon receiving a report of the conviction of any violation indicating a person was operating a motor vehicle during the time when said person's driver's license, permit or privilege was suspended by the Secretary, by the appropriate authority of another state, or pursuant to Section 11-501.1; except as may be specifically allowed by a probationary license to drive, judicial driving permit or restricted driving permit issued pursuant to this Code or the law of another state; shall extend the suspension for the same period of time as the originally imposed suspension; however, if the period of suspension has then expired, the Secretary shall be authorized to suspend said person's driving privileges for the same period of time as the originally imposed suspension; and if the conviction was

upon a charge which indicated that a vehicle was operated during the time when the person's driver's license, permit or privilege was revoked; except as may be allowed by a restricted driving permit issued pursuant to this Code or the law of another state; the Secretary shall not issue a driver's license for an additional period of one year from the date of such conviction indicating such person was operating a vehicle during such period of revocation.

(c) Any person convicted of violating this Section shall serve a minimum term of imprisonment of 10 consecutive days or 30 days of community service when the person's driving privilege was revoked or suspended as a result of:

- (1) a violation of Section 11-501 of this Code or a similar provision of a local ordinance relating to the offense of operating or being in physical control of a vehicle while under the influence of alcohol, any other drug or any combination thereof; or
- (2) a violation of paragraph (b) of Section 11-401 of this Code or a similar provision of a local ordinance relating to the offense of leaving the scene of a motor vehicle accident involving personal injury or death; or
- (3) a violation of Section 9-3 of the Criminal Code of 1961, as amended, relating to the offense of reckless homicide; or
- (4) a statutory summary suspension under Section 11-501.1 of this Code.

Such sentence of imprisonment or community service shall not be subject to suspension in order to reduce such sentence.

(c-1) Except as provided in subsection (d), any person convicted of a second violation of this Section shall be ordered by the court to serve a minimum of 100 hours of community service.

(c-2) In addition to other penalties imposed under this Section, the court may impose on any person convicted a fourth time of violating this Section any of the following:

- (1) Seizure of the license plates of the person's vehicle.
- (2) Immobilization of the person's vehicle for a period of time to be determined by the court.

(d) Any person convicted of a second violation of this Section shall be guilty of a Class 4 felony and shall serve a minimum term of imprisonment of 30 days or 300 hours of community service, as determined by the court, if the revocation or suspension was for a violation of Section 11-401 or 11-501 of this Code, or a similar out-of-state offense, or a similar provision of a local ordinance, a violation of Section 9-3 of the Criminal Code of 1961, relating to the offense of reckless homicide, or a similar out-of-state offense, or a statutory summary suspension under Section 11-501.1 of this Code.

(d-1) Except as provided in subsection (d-2) and subsection (d-3), any person convicted of a third or subsequent violation of this Section shall serve a minimum term of imprisonment of 30 days or 300 hours of community service, as determined by the court.

(d-2) Any person convicted of a third violation of this Section is guilty of a Class 4 felony and must serve a minimum term of imprisonment of 30 days if the revocation or suspension was for a violation of Section 11-401 or 11-501 of this Code, or a similar out-of-state offense, or a similar provision of a local ordinance, a violation of Section 9-3 of the Criminal Code of 1961, relating to the offense of reckless homicide, or a similar out-of-state offense, or a statutory summary suspension under Section 11-501.1 of this Code.

(d-3) Any person convicted of a fourth, fifth, sixth, seventh, eighth, or ninth violation of this Section is guilty of a Class 4 felony and must serve a minimum term of imprisonment of 180 days if the revocation or suspension was for a violation of Section 11-401 or 11-501 of this Code, or a similar out-of-state offense, or a similar provision of a local ordinance, a violation of Section 9-3 of the Criminal Code of 1961, relating to the offense of reckless homicide, or a similar out-of-state offense, or a statutory summary suspension under Section 11-501.1 of this Code.

(d-4) Any person convicted of a tenth, eleventh, twelfth, thirteenth, or fourteenth violation of this Section is guilty of a Class 3 felony, and is not eligible for probation or conditional discharge, if the revocation or suspension was for a violation of Section 11-401 or 11-501 of this Code, or a similar out-of-state offense, or a similar provision of a local ordinance, a violation of Section 9-3 of the Criminal Code of 1961, relating to the offense of reckless homicide, or a similar out-of-state offense, or a statutory summary suspension under Section 11-501.1 of this Code.

(d-5) Any person convicted of a fifteenth or subsequent violation of this Section is guilty of a Class 2 felony, and is not eligible for probation or conditional discharge, if the revocation or suspension was for a violation of Section 11-401 or 11-501 of this Code, or a similar out-of-state offense, or a similar provision of a local ordinance, a violation of Section 9-3 of the Criminal Code of 1961, relating to the offense of reckless homicide, or a similar out-of-state offense, or a statutory summary suspension under Section 11-501.1 of this Code.

(e) Any person in violation of this Section who is also in violation of Section 7-601 of this Code relating to mandatory insurance requirements, in addition to other penalties imposed under this Section, shall have his or her motor vehicle immediately impounded by the arresting law enforcement officer. The motor vehicle may be released to any licensed driver upon a showing of proof of insurance for the vehicle that was impounded and the notarized written consent for the release by the vehicle owner.

(f) For any prosecution under this Section, a certified copy of the driving abstract of the defendant shall be admitted as proof of any prior conviction.

(g) The motor vehicle used in a violation of this Section is subject to seizure and forfeiture as provided in Sections 36-1 and 36-2 of the Criminal Code of 1961 if the person's driving privilege was revoked or suspended as a result of a violation listed in paragraph (1), (2), or (3) of subsection (c) of this Section or as a result of a summary suspension as provided in paragraph (4) of subsection (c) of this Section.

(Source: P.A. 94-112, eff. 1-1-06.)

(625 ILCS 5/11-501) (from Ch. 95 1/2, par. 11-501)

Sec. 11-501. Driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof.

(a) A person shall not drive or be in actual physical control of any vehicle within this State while:

(1) the alcohol concentration in the person's blood or breath is 0.08 or more based on the definition of blood and breath units in Section 11-501.2;

(2) under the influence of alcohol;

(3) under the influence of any intoxicating compound or combination of intoxicating compounds to a degree that renders the person incapable of driving safely;

(4) under the influence of any other drug or combination of drugs to a degree that renders the person incapable of safely driving;

(5) under the combined influence of alcohol, other drug or drugs, or intoxicating compound or compounds to a degree that renders the person incapable of safely driving; or

(6) there is any amount of a drug, substance, or compound in the person's breath, blood, or urine resulting from the unlawful use or consumption of cannabis listed in the Cannabis Control Act, a controlled substance listed in the Illinois Controlled Substances Act, or an intoxicating compound listed in the Use of Intoxicating Compounds Act.

(b) The fact that any person charged with violating this Section is or has been legally entitled to use alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof, shall not constitute a defense against any charge of violating this Section.

(c) Penalties.

(1) Except as otherwise provided in this Section, any person convicted of violating subsection (a) of this Section is guilty of a Class A misdemeanor.

(2) A person who violates subsection (a) or a similar provision a second time shall be sentenced to a mandatory minimum term of either 5 days of imprisonment or 240 hours of community service in addition to any other criminal or administrative sanction.

(3) A person who violates subsection (a) is subject to 6 months of imprisonment, an additional mandatory minimum fine of \$1,000, and 25 days of community service in a program benefiting children if the person was transporting a person under the age of 16 at the time of the violation.

(4) A person who violates subsection (a) a first time, if the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 100 hours of community service and a mandatory minimum fine of \$500.

(5) A person who violates subsection (a) a second time, if at the time of the second violation the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 2 days of imprisonment and a mandatory minimum fine of \$1,250.

(d) Aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof.

(1) Every person convicted of committing a violation of this Section shall be guilty of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof if:

(A) the person committed a violation of subsection (a) or a similar provision for the third or subsequent time;

(B) the person committed a violation of subsection (a) while driving a school bus with persons 18 years of age or younger on board;

(C) the person in committing a violation of subsection (a) was involved in a motor vehicle accident that resulted in great bodily harm or permanent disability or disfigurement to another, when the violation was a proximate cause of the injuries;

(D) the person committed a violation of subsection (a) for a second time and has been previously convicted of violating Section 9-3 of the Criminal Code of 1961 or a similar provision of a law of another state relating to reckless homicide in which the person was determined to have been under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds as an element of the offense or the person has previously been convicted under subparagraph (C) or subparagraph (F) of this paragraph (1);

(E) the person, in committing a violation of subsection (a) while driving at any speed in a school speed zone at a time when a speed limit of 20 miles per hour was in effect under subsection (a) of Section 11-605 of this Code, was involved in a motor vehicle accident that resulted in bodily harm, other than great bodily harm or permanent disability or disfigurement, to another person, when the violation of subsection (a) was a proximate cause of the bodily harm;

(F) the person, in committing a violation of subsection (a), was involved in a motor vehicle, snowmobile, all-terrain vehicle, or watercraft accident that resulted in the death of another person, when the violation of subsection (a) was a proximate cause of the death;

(G) the person committed a violation of subsection (a) during a period in which the defendant's driving privileges are revoked or suspended, where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, paragraph (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961;

(H) the person committed the violation while he or she did not possess a driver's license or permit or a restricted driving permit or a judicial driving permit;

(I) the person committed the violation while he or she knew or should have known that the vehicle he or she was driving was not covered by a liability insurance policy;

(J) the person in committing a violation of subsection (a) was involved in a motor vehicle accident that resulted in bodily harm, but not great bodily harm, to the child under the age of 16 being transported by the person, if the violation was the proximate cause of the injury; or

(K) the person in committing a second violation of subsection (a) or a similar provision was transporting a person under the age of 16.

(2)(A) Except as provided otherwise, a person convicted of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof is guilty of a Class 4 felony.

(B) A third violation of this Section or a similar provision is a Class 2 felony. If at the time of the third violation the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, a mandatory minimum of 90 days of imprisonment and a mandatory minimum fine of \$2,500 shall be imposed in addition to any other criminal or administrative sanction. If at the time of the third violation, the defendant was transporting a person under the age of 16, a mandatory fine of \$25,000 and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(C) A fourth violation of this Section or a similar provision is a Class 2 felony, for which a sentence of probation or conditional discharge may not be imposed. If at the time of the violation, the alcohol concentration in the defendant's blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, a mandatory minimum fine of \$5,000 shall be imposed in addition to any other criminal or administrative sanction. If at the time of the fourth violation, the defendant was transporting a person under the age of 16 a mandatory fine of \$25,000 and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(D) A fifth violation of this Section or a similar provision is a Class 1 felony, for which a sentence of probation or conditional discharge may not be imposed. If at the time of the violation, the alcohol concentration in the defendant's blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, a mandatory minimum fine of \$5,000 shall be imposed in addition to any other criminal or administrative sanction. If at the time of the fifth violation, the defendant was transporting a person under the age of 16, a mandatory fine of \$25,000, and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(E) A sixth or subsequent violation of this Section or similar provision is a Class X felony. If at the time of the violation, the alcohol concentration in the defendant's blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, a mandatory minimum

fine of \$5,000 shall be imposed in addition to any other criminal or administrative sanction. If at the time of the violation, the defendant was transporting a person under the age of 16, a mandatory fine of \$25,000 and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(F) For a violation of subparagraph (C) of paragraph (1) of this subsection (d), the defendant, if sentenced to a term of imprisonment, shall be sentenced to not less than one year nor more than 12 years.

(G) A violation of subparagraph (F) of paragraph (1) of this subsection (d) is a Class 2 felony, for which the defendant, unless the court determines that extraordinary circumstances exist and require probation, shall be sentenced to: (i) a term of imprisonment of not less than 3 years and not more than 14 years if the violation resulted in the death of one person; or (ii) a term of imprisonment of not less than 6 years and not more than 28 years if the violation resulted in the deaths of 2 or more persons.

(H) For a violation of subparagraph (J) of paragraph (1) of this subsection (d), a mandatory fine of \$2,500, and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(I) A violation of subparagraph (K) of paragraph (1) of this subsection (d), is a Class 2 felony and a mandatory fine of \$2,500, and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction. If the child being transported suffered bodily harm, but not great bodily harm, in a motor vehicle accident, and the violation was the proximate cause of that injury, a mandatory fine of \$5,000 and 25 days of community service in a program benefiting children shall be imposed in addition to any other criminal or administrative sanction.

(3) Any person sentenced under this subsection (d) who receives a term of probation or conditional discharge must serve a minimum term of either 480 hours of community service or 10 days of imprisonment as a condition of the probation or conditional discharge in addition to any other criminal or administrative sanction.

(e) Any reference to a prior violation of subsection (a) or a similar provision includes any violation of a provision of a local ordinance or a provision of a law of another state that is similar to a violation of subsection (a) of this Section.

(f) The imposition of a mandatory term of imprisonment or assignment of community service for a violation of this Section shall not be suspended or reduced by the court.

(g) Any penalty imposed for driving with a license that has been revoked for a previous violation of subsection (a) of this Section shall be in addition to the penalty imposed for any subsequent violation of subsection (a).

(h) For any prosecution under this Section, a certified copy of the driving abstract of the defendant shall be admitted as proof of any prior conviction.

(Text of Section from P.A. 93-1093 and 94-963)

Sec. 11-501. Driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof:

(a) A person shall not drive or be in actual physical control of any vehicle within this State while:

(1) the alcohol concentration in the person's blood or breath is 0.08 or more based on the definition of blood and breath units in Section 11-501.2;

(2) under the influence of alcohol;

(3) under the influence of any intoxicating compound or combination of intoxicating compounds to a degree that renders the person incapable of driving safely;

(4) under the influence of any other drug or combination of drugs to a degree that renders the person incapable of safely driving;

(5) under the combined influence of alcohol, other drug or drugs, or intoxicating compound or compounds to a degree that renders the person incapable of safely driving; or

(6) there is any amount of a drug, substance, or compound in the person's breath, blood, or urine resulting from the unlawful use or consumption of cannabis listed in the Cannabis Control Act, a controlled substance listed in the Illinois Controlled Substances Act, or an intoxicating compound listed in the Use of Intoxicating Compounds Act.

(b) The fact that any person charged with violating this Section is or has been legally entitled to use alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof, shall not constitute a defense against any charge of violating this Section.

(b-1) With regard to penalties imposed under this Section:

(1) Any reference to a prior violation of subsection (a) or a similar provision includes any violation of a provision of a local ordinance or a provision of a law of another state that is similar to a violation of subsection (a) of this Section.

(2) Any penalty imposed for driving with a license that has been revoked for a previous violation of subsection (a) of this Section shall be in addition to the penalty imposed for any subsequent violation of subsection (a).

(b 2) Except as otherwise provided in this Section, any person convicted of violating subsection (a) of this Section is guilty of a Class A misdemeanor.

(b 3) In addition to any other criminal or administrative sanction for any second conviction of violating subsection (a) or a similar provision committed within 5 years of a previous violation of subsection (a) or a similar provision, the defendant shall be sentenced to a mandatory minimum of 5 days of imprisonment or assigned a mandatory minimum of 240 hours of community service as may be determined by the court.

(b 4) In the case of a third or subsequent violation committed within 5 years of a previous violation of subsection (a) or a similar provision, in addition to any other criminal or administrative sanction, a mandatory minimum term of either 10 days of imprisonment or 480 hours of community service shall be imposed.

(b 5) The imprisonment or assignment of community service under subsections (b 3) and (b 4) shall not be subject to suspension, nor shall the person be eligible for a reduced sentence.

(c) (Blank).

(e 1) (1) A person who violates subsection (a) during a period in which his or her driving privileges are revoked or suspended, where the revocation or suspension was for a violation of subsection (a), Section 11 501.1, paragraph (b) of Section 11 401, or for reckless homicide as defined in Section 9 3 of the Criminal Code of 1961 is guilty of a Class 4 felony.

(2) A person who violates subsection (a) a third time, if the third violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11 501.1, paragraph (b) of Section 11 401, or for reckless homicide as defined in Section 9 3 of the Criminal Code of 1961, is guilty of a Class 3 felony; and if the person receives a term of probation or conditional discharge, he or she shall be required to serve a mandatory minimum of 10 days of imprisonment or shall be assigned a mandatory minimum of 480 hours of community service, as may be determined by the court, as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service shall not be suspended or reduced by the court.

(2.2) A person who violates subsection (a), if the violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a) or Section 11 501.1, shall also be sentenced to an additional mandatory minimum term of 30 consecutive days of imprisonment, 40 days of 24 hour periodic imprisonment, or 720 hours of community service, as may be determined by the court. This mandatory term of imprisonment or assignment of community service shall not be suspended or reduced by the court.

(3) A person who violates subsection (a) a fourth or subsequent time, if the fourth or subsequent violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11 501.1, paragraph (b) of Section 11 401, or for reckless homicide as defined in Section 9 3 of the Criminal Code of 1961, is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge.

(e 2) (Blank).

(e 3) (Blank).

(e 4) (Blank).

(e 5) (1) A person who violates subsection (a), if the person was transporting a person under the age of 16 at the time of the violation, is subject to an additional mandatory minimum fine of \$1,000, an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children, and an additional 2 days of imprisonment. The imprisonment or assignment of community service under this subdivision (e 5) (1) is not subject to suspension, nor is the person eligible for a reduced sentence.

(2) Except as provided in subdivisions (e 5) (3) and (e 5) (4) a person who violates subsection (a) a second time, if at the time of the second violation the person was transporting a person under the age of 16, is subject to an additional 10 days of imprisonment, an additional mandatory minimum fine of \$1,000, and an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children. The imprisonment or assignment of community service under this subdivision (e 5) (2) is not subject to suspension, nor is the person eligible for a reduced sentence.

(3) Except as provided in subdivision (e 5) (4), any person convicted of violating subdivision (e 5) (2) or a similar provision within 10 years of a previous violation of subsection (a) or a similar



provision shall receive, in addition to any other penalty imposed, a mandatory minimum 12 days imprisonment, an additional 40 hours of mandatory community service in a program benefiting children, and a mandatory minimum fine of \$1,750. The imprisonment or assignment of community service under this subdivision (e-5)(3) is not subject to suspension, nor is the person eligible for a reduced sentence.

(4) Any person convicted of violating subdivision (e-5)(2) or a similar provision within 5 years of a previous violation of subsection (a) or a similar provision shall receive, in addition to any other penalty imposed, an additional 80 hours of mandatory community service in a program benefiting children, an additional mandatory minimum 12 days of imprisonment, and a mandatory minimum fine of \$1,750. The imprisonment or assignment of community service under this subdivision (e-5)(4) is not subject to suspension, nor is the person eligible for a reduced sentence.

(5) Any person convicted a third time for violating subsection (a) or a similar provision, if at the time of the third violation the person was transporting a person under the age of 16, is guilty of a Class 4 felony and shall receive, in addition to any other penalty imposed, an additional mandatory fine of \$1,000, an additional mandatory 140 hours of community service, which shall include 40 hours in a program benefiting children, and a mandatory minimum 30 days of imprisonment. The imprisonment or assignment of community service under this subdivision (e-5)(5) is not subject to suspension, nor is the person eligible for a reduced sentence.

(6) Any person convicted of violating subdivision (e-5)(5) or a similar provision a third time within 20 years of a previous violation of subsection (a) or a similar provision is guilty of a Class 4 felony and shall receive, in addition to any other penalty imposed, an additional mandatory 40 hours of community service in a program benefiting children, an additional mandatory fine of \$3,000, and a mandatory minimum 120 days of imprisonment. The imprisonment or assignment of community service under this subdivision (e-5)(6) is not subject to suspension, nor is the person eligible for a reduced sentence.

(7) Any person convicted a fourth or subsequent time for violating subsection (a) or a similar provision, if at the time of the fourth or subsequent violation the person was transporting a person under the age of 16, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony, is not eligible for probation or conditional discharge, and is subject to a minimum fine of \$3,000.

(e-6)(1) Any person convicted of a first violation of subsection (a) or a similar provision, if the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 100 hours of community service and a mandatory minimum fine of \$500.

(2) Any person convicted of a second violation of subsection (a) or a similar provision committed within 10 years of a previous violation of subsection (a) or a similar provision, if at the time of the second violation of subsection (a) or a similar provision the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 2 days of imprisonment and a mandatory minimum fine of \$1,250.

(3) Any person convicted of a third violation of subsection (a) or a similar provision within 20 years of a previous violation of subsection (a) or a similar provision, if at the time of the third violation of subsection (a) or a similar provision the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 4 felony and shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 90 days of imprisonment and a mandatory minimum fine of \$2,500.

(4) Any person convicted of a fourth or subsequent violation of subsection (a) or a similar provision, if at the time of the fourth or subsequent violation the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge and is subject to a minimum fine of \$2,500.

(d)(1) Every person convicted of committing a violation of this Section shall be guilty of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof if:

(A) the person committed a violation of subsection (a) or a similar provision for the third or

subsequent time;

(B) the person committed a violation of subsection (a) while driving a school bus with persons 18 years of age or younger on board;

(C) the person in committing a violation of subsection (a) was involved in a motor vehicle accident that resulted in great bodily harm or permanent disability or disfigurement to another, when the violation was a proximate cause of the injuries;

(D) the person committed a violation of subsection (a) for a second time and has been previously convicted of violating Section 9-3 of the Criminal Code of 1961 or a similar provision of a law of another state relating to reckless homicide in which the person was determined to have been under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds as an element of the offense or the person has previously been convicted under subparagraph (C) or subparagraph (F) of this paragraph (1);

(E) the person, in committing a violation of subsection (a) while driving at any speed in a school speed zone at a time when a speed limit of 20 miles per hour was in effect under subsection (a) of Section 11-605 of this Code, was involved in a motor vehicle accident that resulted in bodily harm, other than great bodily harm or permanent disability or disfigurement, to another person, when the violation of subsection (a) was a proximate cause of the bodily harm; or

(F) the person, in committing a violation of subsection (a), was involved in a motor vehicle, snowmobile, all terrain vehicle, or watercraft accident that resulted in the death of another person, when the violation of subsection (a) was a proximate cause of the death.

(2) Except as provided in this paragraph (2), a person convicted of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof is guilty of a Class 4 felony. For a violation of subparagraph (C) of paragraph (1) of this subsection (d), the defendant, if sentenced to a term of imprisonment, shall be sentenced to not less than one year nor more than 12 years. Aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof as defined in subparagraph (F) of paragraph (1) of this subsection (d) is a Class 2 felony, for which the defendant, if sentenced to a term of imprisonment, shall be sentenced to: (A) a term of imprisonment of not less than 3 years and not more than 14 years if the violation resulted in the death of one person; or (B) a term of imprisonment of not less than 6 years and not more than 28 years if the violation resulted in the deaths of 2 or more persons. For any prosecution under this subsection (d), a certified copy of the driving abstract of the defendant shall be admitted as proof of any prior conviction. Any person sentenced under this subsection (d) who receives a term of probation or conditional discharge must serve a minimum term of either 480 hours of community service or 10 days of imprisonment as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service may not be suspended or reduced by the court.

(e) After a finding of guilt and prior to any final sentencing, or an order for supervision, for an offense based upon an arrest for a violation of this Section or a similar provision of a local ordinance, individuals shall be required to undergo a professional evaluation to determine if an alcohol, drug, or intoxicating compound abuse problem exists and the extent of the problem, and undergo the imposition of treatment as appropriate. Programs conducting these evaluations shall be licensed by the Department of Human Services. The cost of any professional evaluation shall be paid for by the individual required to undergo the professional evaluation.

(e-1) Any person who is found guilty of or pleads guilty to violating this Section, including any person receiving a disposition of court supervision for violating this Section, may be required by the Court to attend a victim impact panel offered by, or under contract with, a County State's Attorney's office, a probation and court services department, Mothers Against Drunk Driving, or the Alliance Against Intoxicated Motorists. All costs generated by the victim impact panel shall be paid from fees collected from the offender or as may be determined by the court.

(f) Every person found guilty of violating this Section, whose operation of a motor vehicle while in violation of this Section proximately caused any incident resulting in an appropriate emergency response, shall be liable for the expense of an emergency response as provided under Section 5-5-3 of the Unified Code of Corrections.

(g) The Secretary of State shall revoke the driving privileges of any person convicted under this Section or a similar provision of a local ordinance.

(h) (Blank).

(i) The Secretary of State shall require the use of ignition interlock devices on all vehicles owned by an individual who has been convicted of a second or subsequent offense of this Section or a similar provision of a local ordinance. The Secretary shall establish by rule and regulation the procedures for

certification and use of the interlock system.

(j) In addition to any other penalties and liabilities, a person who is found guilty of or pleads guilty to violating subsection (a), including any person placed on court supervision for violating subsection (a), shall be fined \$500, payable to the circuit clerk, who shall distribute the money as follows: 20% to the law enforcement agency that made the arrest and 80% shall be forwarded to the State Treasurer for deposit into the General Revenue Fund. If the person has been previously convicted of violating subsection (a) or a similar provision of a local ordinance, the fine shall be \$1,000. In the event that more than one agency is responsible for the arrest, the amount payable to law enforcement agencies shall be shared equally. Any moneys received by a law enforcement agency under this subsection (j) shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations. Equipment and commodities shall include, but are not limited to, in car video cameras, radar and laser speed detection devices, and alcohol breath testers. Any moneys received by the Department of State Police under this subsection (j) shall be deposited into the State Police DUI Fund and shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(k) The Secretary of State Police DUI Fund is created as a special fund in the State treasury. All moneys received by the Secretary of State Police under subsection (j) of this Section shall be deposited into the Secretary of State Police DUI Fund and, subject to appropriation, shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities to assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(l) Whenever an individual is sentenced for an offense based upon an arrest for a violation of subsection (a) or a similar provision of a local ordinance, and the professional evaluation recommends remedial or rehabilitative treatment or education, neither the treatment nor the education shall be the sole disposition and either or both may be imposed only in conjunction with another disposition. The court shall monitor compliance with any remedial education or treatment recommendations contained in the professional evaluation. Programs conducting alcohol or other drug evaluation or remedial education must be licensed by the Department of Human Services. If the individual is not a resident of Illinois, however, the court may accept an alcohol or other drug evaluation or remedial education program in the individual's state of residence. Programs providing treatment must be licensed under existing applicable alcoholism and drug treatment licensure standards.

(m) In addition to any other fine or penalty required by law, an individual convicted of a violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision, whose operation of a motor vehicle, snowmobile, or watercraft while in violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision proximately caused an incident resulting in an appropriate emergency response, shall be required to make restitution to a public agency for the costs of that emergency response. The restitution may not exceed \$1,000 per public agency for each emergency response. As used in this subsection (m), "emergency response" means any incident requiring a response by a police officer, a firefighter carried on the rolls of a regularly constituted fire department, or an ambulance.

(Source: P.A. 93-156, eff. 1-1-04; 93-213, eff. 7-18-03; 93-584, eff. 8-22-03; 93-712, eff. 1-1-05; 93-800, eff. 1-1-05; 93-840, eff. 7-30-04; 93-1093, eff. 3-29-05; 94-963, eff. 6-28-06.)

(Text of Section from P.A. 94-110 and 94-963)

[May 31, 2007]

Sec. 11 501. Driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof.

(a) A person shall not drive or be in actual physical control of any vehicle within this State while:

(1) the alcohol concentration in the person's blood or breath is 0.08 or more based on the definition of blood and breath units in Section 11 501.2;

(2) under the influence of alcohol;

(3) under the influence of any intoxicating compound or combination of intoxicating compounds to a degree that renders the person incapable of driving safely;

(4) under the influence of any other drug or combination of drugs to a degree that renders the person incapable of safely driving;

(5) under the combined influence of alcohol, other drug or drugs, or intoxicating compound or compounds to a degree that renders the person incapable of safely driving; or

(6) there is any amount of a drug, substance, or compound in the person's breath, blood, or urine resulting from the unlawful use or consumption of cannabis listed in the Cannabis Control Act, a controlled substance listed in the Illinois Controlled Substances Act, or an intoxicating compound listed in the Use of Intoxicating Compounds Act.

(b) The fact that any person charged with violating this Section is or has been legally entitled to use alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof, shall not constitute a defense against any charge of violating this Section.

(b 1) With regard to penalties imposed under this Section:

(1) Any reference to a prior violation of subsection (a) or a similar provision includes any violation of a provision of a local ordinance or a provision of a law of another state that is similar to a violation of subsection (a) of this Section.

(2) Any penalty imposed for driving with a license that has been revoked for a previous violation of subsection (a) of this Section shall be in addition to the penalty imposed for any subsequent violation of subsection (a).

(b 2) Except as otherwise provided in this Section, any person convicted of violating subsection (a) of this Section is guilty of a Class A misdemeanor.

(b 3) In addition to any other criminal or administrative sanction for any second conviction of violating subsection (a) or a similar provision committed within 5 years of a previous violation of subsection (a) or a similar provision, the defendant shall be sentenced to a mandatory minimum of 5 days of imprisonment or assigned a mandatory minimum of 240 hours of community service as may be determined by the court.

(b 4) In the case of a third or subsequent violation committed within 5 years of a previous violation of subsection (a) or a similar provision, in addition to any other criminal or administrative sanction, a mandatory minimum term of either 10 days of imprisonment or 480 hours of community service shall be imposed.

(b 5) The imprisonment or assignment of community service under subsections (b 3) and (b 4) shall not be subject to suspension, nor shall the person be eligible for a reduced sentence.

(c) (Blank).

(c 1) (1) A person who violates subsection (a) during a period in which his or her driving privileges are revoked or suspended, where the revocation or suspension was for a violation of subsection (a), Section 11 501.1, paragraph (b) of Section 11 401, or for reckless homicide as defined in Section 9 3 of the Criminal Code of 1961 is guilty of a Class 4 felony.

(2) A person who violates subsection (a) a third time, if the third violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11 501.1, paragraph (b) of Section 11 401, or for reckless homicide as defined in Section 9 3 of the Criminal Code of 1961, is guilty of a Class 3 felony; and if the person receives a term of probation or conditional discharge, he or she shall be required to serve a mandatory minimum of 10 days of imprisonment or shall be assigned a mandatory minimum of 480 hours of community service, as may be determined by the court, as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service shall not be suspended or reduced by the court.

(2.2) A person who violates subsection (a), if the violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a) or Section 11 501.1, shall also be sentenced to an additional mandatory minimum term of 30 consecutive days of imprisonment, 40 days of 24 hour periodic imprisonment, or 720 hours of community service, as may be determined by the court. This mandatory term of imprisonment or assignment of community service shall not be suspended or reduced by the court.

(3) A person who violates subsection (a) a fourth or subsequent time, if the fourth or subsequent violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, paragraph (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961, is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge.

(e-2) (Blank).

(e-3) (Blank).

(e-4) (Blank).

(e-5) Except as provided in subsection (e-5.1), a person 21 years of age or older who violates subsection (a), if the person was transporting a person under the age of 16 at the time of the violation, is subject to 6 months of imprisonment, an additional mandatory minimum fine of \$1,000, and 25 days of community service in a program benefiting children. The imprisonment or assignment of community service under this subsection (e-5) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e-5.1) A person 21 years of age or older who is convicted of violating subsection (a) of this Section a first time and who in committing that violation was involved in a motor vehicle accident that resulted in bodily harm to the child under the age of 16 being transported by the person, if the violation was the proximate cause of the injury, is guilty of a Class 4 felony and is subject to one year of imprisonment, a mandatory fine of \$2,500, and 25 days of community service in a program benefiting children. The imprisonment or assignment to community service under this subsection (e-5.1) shall not be subject to suspension, nor shall the person be eligible for probation in order to reduce the sentence or assignment.

(e-6) Except as provided in subsections (e-7) and (e-7.1), a person 21 years of age or older who violates subsection (a) a second time, if at the time of the second violation the person was transporting a person under the age of 16, is subject to 6 months of imprisonment, an additional mandatory minimum fine of \$1,000, and an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children. The imprisonment or assignment of community service under this subsection (e-6) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e-7) Except as provided in subsection (e-7.1), any person 21 years of age or older convicted of violating subsection (e-6) or a similar provision within 10 years of a previous violation of subsection (a) or a similar provision is guilty of a Class 4 felony and, in addition to any other penalty imposed, is subject to one year of imprisonment, 25 days of mandatory community service in a program benefiting children, and a mandatory fine of \$2,500. The imprisonment or assignment of community service under this subsection (e-7) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e-7.1) A person 21 years of age or older who is convicted of violating subsection (a) of this Section a second time within 10 years and who in committing that violation was involved in a motor vehicle accident that resulted in bodily harm to the child under the age of 16 being transported, if the violation was the proximate cause of the injury, is guilty of a Class 4 felony and is subject to 18 months of imprisonment, a mandatory fine of \$5,000, and 25 days of community service in a program benefiting children. The imprisonment or assignment to community service under this subsection (e-7.1) shall not be subject to suspension, nor shall the person be eligible for probation in order to reduce the sentence or assignment.

(e-8) (Blank).

(e-9) Any person 21 years of age or older convicted a third time for violating subsection (a) or a similar provision, if at the time of the third violation the person was transporting a person under the age of 16, is guilty of a Class 4 felony and is subject to 18 months of imprisonment, a mandatory fine of \$2,500, and 25 days of community service in a program benefiting children. The imprisonment or assignment of community service under this subsection (e-9) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e-10) Any person 21 years of age or older convicted of violating subsection (e-9) or a similar provision a third time within 20 years of a previous violation of subsection (a) or a similar provision is guilty of a Class 3 felony and, in addition to any other penalty imposed, is subject to 3 years of imprisonment, 25 days of community service in a program benefiting children, and a mandatory fine of \$25,000. The imprisonment or assignment of community service under this subsection (e-10) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e-11) Any person 21 years of age or older convicted a fourth or subsequent time for violating subsection (a) or a similar provision, if at the time of the fourth or subsequent violation the person was transporting a person under the age of 16, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol

concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony, is not eligible for probation or conditional discharge, and is subject to a minimum fine of \$25,000.

(e-12) Any person convicted of a first violation of subsection (a) or a similar provision, if the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 100 hours of community service and a mandatory minimum fine of \$500.

(e-13) Any person convicted of a second violation of subsection (a) or a similar provision committed within 10 years of a previous violation of subsection (a) or a similar provision, if at the time of the second violation of subsection (a) or a similar provision the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 2 days of imprisonment and a mandatory minimum fine of \$1,250.

(e-14) Any person convicted of a third violation of subsection (a) or a similar provision within 20 years of a previous violation of subsection (a) or a similar provision, if at the time of the third violation of subsection (a) or a similar provision the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 4 felony and shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 90 days of imprisonment and a mandatory minimum fine of \$2,500.

(e-15) Any person convicted of a fourth or subsequent violation of subsection (a) or a similar provision, if at the time of the fourth or subsequent violation the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge and is subject to a minimum fine of \$2,500.

(d)(1) Every person convicted of committing a violation of this Section shall be guilty of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof if:

(A) the person committed a violation of subsection (a) or a similar provision for the third or subsequent time;

(B) the person committed a violation of subsection (a) while driving a school bus with persons 18 years of age or younger on board;

(C) the person in committing a violation of subsection (a) was involved in a motor vehicle accident that resulted in great bodily harm or permanent disability or disfigurement to another, when the violation was a proximate cause of the injuries;

(D) the person committed a violation of subsection (a) for a second time and has been previously convicted of violating Section 9-3 of the Criminal Code of 1961 or a similar provision of a law of another state relating to reckless homicide in which the person was determined to have been under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds as an element of the offense or the person has previously been convicted under subparagraph (C) or subparagraph (F) of this paragraph (1);

(E) the person, in committing a violation of subsection (a) while driving at any speed in a school speed zone at a time when a speed limit of 20 miles per hour was in effect under subsection (a) of Section 11-605 of this Code, was involved in a motor vehicle accident that resulted in bodily harm, other than great bodily harm or permanent disability or disfigurement, to another person, when the violation of subsection (a) was a proximate cause of the bodily harm; or

(F) the person, in committing a violation of subsection (a), was involved in a motor vehicle, snowmobile, all-terrain vehicle, or watercraft accident that resulted in the death of another person, when the violation of subsection (a) was a proximate cause of the death.

(2) Except as provided in this paragraph (2), a person convicted of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof is guilty of a Class 4 felony. For a violation of subparagraph (C) of paragraph (1) of this subsection (d), the defendant, if sentenced to a term of imprisonment, shall be sentenced to not less than one year nor more than 12 years. Aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof as defined in subparagraph (F) of paragraph (1) of this subsection (d) is a Class 2 felony, for which the defendant, if sentenced to a term of

imprisonment, shall be sentenced to: (A) a term of imprisonment of not less than 3 years and not more than 14 years if the violation resulted in the death of one person; or (B) a term of imprisonment of not less than 6 years and not more than 28 years if the violation resulted in the deaths of 2 or more persons. For any prosecution under this subsection (d), a certified copy of the driving abstract of the defendant shall be admitted as proof of any prior conviction. Any person sentenced under this subsection (d) who receives a term of probation or conditional discharge must serve a minimum term of either 480 hours of community service or 10 days of imprisonment as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service may not be suspended or reduced by the court.

(e) After a finding of guilt and prior to any final sentencing, or an order for supervision, for an offense based upon an arrest for a violation of this Section or a similar provision of a local ordinance, individuals shall be required to undergo a professional evaluation to determine if an alcohol, drug, or intoxicating compound abuse problem exists and the extent of the problem, and undergo the imposition of treatment as appropriate. Programs conducting these evaluations shall be licensed by the Department of Human Services. The cost of any professional evaluation shall be paid for by the individual required to undergo the professional evaluation.

(e.1) Any person who is found guilty of or pleads guilty to violating this Section, including any person receiving a disposition of court supervision for violating this Section, may be required by the Court to attend a victim impact panel offered by, or under contract with, a County State's Attorney's office, a probation and court services department, Mothers Against Drunk Driving, or the Alliance Against Intoxicated Motorists. All costs generated by the victim impact panel shall be paid from fees collected from the offender or as may be determined by the court.

(f) Every person found guilty of violating this Section, whose operation of a motor vehicle while in violation of this Section proximately caused any incident resulting in an appropriate emergency response, shall be liable for the expense of an emergency response as provided under Section 5-5-3 of the Unified Code of Corrections.

(g) The Secretary of State shall revoke the driving privileges of any person convicted under this Section or a similar provision of a local ordinance.

(h) (Blank).

(i) The Secretary of State shall require the use of ignition interlock devices on all vehicles owned by an individual who has been convicted of a second or subsequent offense of this Section or a similar provision of a local ordinance. The Secretary shall establish by rule and regulation the procedures for certification and use of the interlock system.

(j) In addition to any other penalties and liabilities, a person who is found guilty of or pleads guilty to violating subsection (a), including any person placed on court supervision for violating subsection (a), shall be fined \$500, payable to the circuit clerk, who shall distribute the money as follows: 20% to the law enforcement agency that made the arrest and 80% shall be forwarded to the State Treasurer for deposit into the General Revenue Fund. If the person has been previously convicted of violating subsection (a) or a similar provision of a local ordinance, the fine shall be \$1,000. In the event that more than one agency is responsible for the arrest, the amount payable to law enforcement agencies shall be shared equally. Any moneys received by a law enforcement agency under this subsection (j) shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations. Equipment and commodities shall include, but are not limited to, in car video cameras, radar and laser speed detection devices, and alcohol breath testers. Any moneys received by the Department of State Police under this subsection (j) shall be deposited into the State Police DUI Fund and shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(k) The Secretary of State Police DUI Fund is created as a special fund in the State treasury. All moneys received by the Secretary of State Police under subsection (j) of this Section shall be deposited

into the Secretary of State Police DUI Fund and, subject to appropriation, shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities to assist in the prevention of alcohol-related criminal violence throughout the State; police officer training and education in areas related to alcohol-related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(l) Whenever an individual is sentenced for an offense based upon an arrest for a violation of subsection (a) or a similar provision of a local ordinance, and the professional evaluation recommends remedial or rehabilitative treatment or education, neither the treatment nor the education shall be the sole disposition and either or both may be imposed only in conjunction with another disposition. The court shall monitor compliance with any remedial education or treatment recommendations contained in the professional evaluation. Programs conducting alcohol or other drug evaluation or remedial education must be licensed by the Department of Human Services. If the individual is not a resident of Illinois, however, the court may accept an alcohol or other drug evaluation or remedial education program in the individual's state of residence. Programs providing treatment must be licensed under existing applicable alcoholism and drug treatment licensure standards.

(m) In addition to any other fine or penalty required by law, an individual convicted of a violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision, whose operation of a motor vehicle, snowmobile, or watercraft while in violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision proximately caused an incident resulting in an appropriate emergency response, shall be required to make restitution to a public agency for the costs of that emergency response. The restitution may not exceed \$1,000 per public agency for each emergency response. As used in this subsection (m), "emergency response" means any incident requiring a response by a police officer, a firefighter carried on the rolls of a regularly constituted fire department, or an ambulance.

(Source: P.A. 93-156, eff. 1-1-04; 93-213, eff. 7-18-03; 93-584, eff. 8-22-03; 93-712, eff. 1-1-05; 93-800, eff. 1-1-05; 93-840, eff. 7-30-04; 94-110, eff. 1-1-06; 94-963, eff. 6-28-06.)

(Text of Section from P.A. 94-113, 94-609, and 94-963)

Sec. 11-501. Driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof:

(a) A person shall not drive or be in actual physical control of any vehicle within this State while:

(1) the alcohol concentration in the person's blood or breath is 0.08 or more based on the definition of blood and breath units in Section 11-501.2;

(2) under the influence of alcohol;

(3) under the influence of any intoxicating compound or combination of intoxicating compounds to a degree that renders the person incapable of driving safely;

(4) under the influence of any other drug or combination of drugs to a degree that renders the person incapable of safely driving;

(5) under the combined influence of alcohol, other drug or drugs, or intoxicating compound or compounds to a degree that renders the person incapable of safely driving; or

(6) there is any amount of a drug, substance, or compound in the person's breath, blood, or urine resulting from the unlawful use or consumption of cannabis listed in the Cannabis Control Act, a controlled substance listed in the Illinois Controlled Substances Act, or an intoxicating compound listed in the Use of Intoxicating Compounds Act.

(b) The fact that any person charged with violating this Section is or has been legally entitled to use alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof, shall not constitute a defense against any charge of violating this Section.

(b-1) With regard to penalties imposed under this Section:

(1) Any reference to a prior violation of subsection (a) or a similar provision includes any violation of a provision of a local ordinance or a provision of a law of another state that is similar to a violation of subsection (a) of this Section.

(2) Any penalty imposed for driving with a license that has been revoked for a previous violation of subsection (a) of this Section shall be in addition to the penalty imposed for any subsequent violation of subsection (a):

(b-2) Except as otherwise provided in this Section, any person convicted of violating subsection (a) of

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this Section is guilty of a Class A misdemeanor.

(b 3) In addition to any other criminal or administrative sanction for any second conviction of violating subsection (a) or a similar provision committed within 5 years of a previous violation of subsection (a) or a similar provision, the defendant shall be sentenced to a mandatory minimum of 5 days of imprisonment or assigned a mandatory minimum of 240 hours of community service as may be determined by the court.

(b 4) In the case of a third or subsequent violation committed within 5 years of a previous violation of subsection (a) or a similar provision, in addition to any other criminal or administrative sanction, a mandatory minimum term of either 10 days of imprisonment or 480 hours of community service shall be imposed.

(b 5) The imprisonment or assignment of community service under subsections (b 3) and (b 4) shall not be subject to suspension, nor shall the person be eligible for a reduced sentence.

(c) (Blank).

(e 1) (1) A person who violates subsection (a) during a period in which his or her driving privileges are revoked or suspended, where the revocation or suspension was for a violation of subsection (a), Section 11 501.1, paragraph (b) of Section 11 401, or for reckless homicide as defined in Section 9 3 of the Criminal Code of 1961 is guilty of a Class 4 felony.

(2) A person who violates subsection (a) a third time, if the third violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11 501.1, paragraph (b) of Section 11 401, or for reckless homicide as defined in Section 9 3 of the Criminal Code of 1961, is guilty of a Class 3 felony.

(2.1) A person who violates subsection (a) a third time, if the third violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11 501.1, subsection (b) of Section 11 401, or for reckless homicide as defined in Section 9 3 of the Criminal Code of 1961, is guilty of a Class 3 felony; and if the person receives a term of probation or conditional discharge, he or she shall be required to serve a mandatory minimum of 10 days of imprisonment or shall be assigned a mandatory minimum of 480 hours of community service, as may be determined by the court, as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service shall not be suspended or reduced by the court.

(2.2) A person who violates subsection (a), if the violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a) or Section 11 501.1, shall also be sentenced to an additional mandatory minimum term of 30 consecutive days of imprisonment, 40 days of 24 hour periodic imprisonment, or 720 hours of community service, as may be determined by the court. This mandatory term of imprisonment or assignment of community service shall not be suspended or reduced by the court.

(3) A person who violates subsection (a) a fourth or subsequent time, if the fourth or subsequent violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11 501.1, paragraph (b) of Section 11 401, or for reckless homicide as defined in Section 9 3 of the Criminal Code of 1961, is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge.

(e 2) (Blank).

(e 3) (Blank).

(e 4) (Blank).

(e 5) A person who violates subsection (a), if the person was transporting a person under the age of 16 at the time of the violation, is subject to an additional mandatory minimum fine of \$1,000, an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children, and an additional 2 days of imprisonment. The imprisonment or assignment of community service under this subsection (e 5) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 6) Except as provided in subsections (e 7) and (e 8) a person who violates subsection (a) a second time, if at the time of the second violation the person was transporting a person under the age of 16, is subject to an additional 10 days of imprisonment, an additional mandatory minimum fine of \$1,000, and an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children. The imprisonment or assignment of community service under this subsection (e 6) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 7) Except as provided in subsection (e 8), any person convicted of violating subsection (e 6) or a similar provision within 10 years of a previous violation of subsection (a) or a similar provision shall

receive, in addition to any other penalty imposed, a mandatory minimum 12 days imprisonment, an additional 40 hours of mandatory community service in a program benefiting children, and a mandatory minimum fine of \$1,750. The imprisonment or assignment of community service under this subsection (e-7) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e-8) Any person convicted of violating subsection (e-6) or a similar provision within 5 years of a previous violation of subsection (a) or a similar provision shall receive, in addition to any other penalty imposed, an additional 80 hours of mandatory community service in a program benefiting children, an additional mandatory minimum 12 days of imprisonment, and a mandatory minimum fine of \$1,750. The imprisonment or assignment of community service under this subsection (e-8) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e-9) Any person convicted a third time for violating subsection (a) or a similar provision, if at the time of the third violation the person was transporting a person under the age of 16, is guilty of a Class 4 felony and shall receive, in addition to any other penalty imposed, an additional mandatory fine of \$1,000, an additional mandatory 140 hours of community service, which shall include 40 hours in a program benefiting children, and a mandatory minimum 30 days of imprisonment. The imprisonment or assignment of community service under this subsection (e-9) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e-10) Any person convicted of violating subsection (e-9) or a similar provision a third time within 20 years of a previous violation of subsection (a) or a similar provision is guilty of a Class 4 felony and shall receive, in addition to any other penalty imposed, an additional mandatory 40 hours of community service in a program benefiting children, an additional mandatory fine of \$3,000, and a mandatory minimum 120 days of imprisonment. The imprisonment or assignment of community service under this subsection (e-10) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e-11) Any person convicted a fourth or subsequent time for violating subsection (a) or a similar provision, if at the time of the fourth or subsequent violation the person was transporting a person under the age of 16, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony, is not eligible for probation or conditional discharge, and is subject to a minimum fine of \$3,000.

(e-12) Any person convicted of a first violation of subsection (a) or a similar provision, if the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 100 hours of community service and a mandatory minimum fine of \$500.

(e-13) Any person convicted of a second violation of subsection (a) or a similar provision committed within 10 years of a previous violation of subsection (a) or a similar provision committed within 10 years of a previous violation of subsection (a) or a similar provision, if at the time of the second violation of subsection (a) the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 2 days of imprisonment and a mandatory minimum fine of \$1,250.

(e-14) Any person convicted of a third violation of subsection (a) or a similar provision within 20 years of a previous violation of subsection (a) or a similar provision, if at the time of the third violation of subsection (a) or a similar provision the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 4 felony and shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 90 days of imprisonment and a mandatory minimum fine of \$2,500.

(e-15) Any person convicted of a fourth or subsequent violation of subsection (a) or a similar provision, if at the time of the fourth or subsequent violation the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge and is subject to a minimum fine of \$2,500.

(d)(1) Every person convicted of committing a violation of this Section shall be guilty of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof if:

(A) the person committed a violation of subsection (a) or a similar provision for the third or subsequent time;

(B) the person committed a violation of subsection (a) while driving a school bus with persons 18 years of age or younger on board;

(C) the person in committing a violation of subsection (a) was involved in a motor vehicle accident that resulted in great bodily harm or permanent disability or disfigurement to another, when the violation was a proximate cause of the injuries;

(D) the person committed a violation of subsection (a) for a second time and has been previously convicted of violating Section 9-3 of the Criminal Code of 1961 or a similar provision of a law of another state relating to reckless homicide in which the person was determined to have been under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds as an element of the offense or the person has previously been convicted under subparagraph (C) or subparagraph (F) of this paragraph (1);

(E) the person, in committing a violation of subsection (a) while driving at any speed in a school speed zone at a time when a speed limit of 20 miles per hour was in effect under subsection (a) of Section 11-605 of this Code, was involved in a motor vehicle accident that resulted in bodily harm, other than great bodily harm or permanent disability or disfigurement, to another person, when the violation of subsection (a) was a proximate cause of the bodily harm; or

(F) the person, in committing a violation of subsection (a), was involved in a motor vehicle, snowmobile, all terrain vehicle, or watercraft accident that resulted in the death of another person, when the violation of subsection (a) was a proximate cause of the death.

(2) Except as provided in this paragraph (2), a person convicted of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof is guilty of a Class 4 felony. For a violation of subparagraph (C) of paragraph (1) of this subsection (d), the defendant, if sentenced to a term of imprisonment, shall be sentenced to not less than one year nor more than 12 years. Aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof as defined in subparagraph (F) of paragraph (1) of this subsection (d) is a Class 2 felony, for which the defendant, unless the court determines that extraordinary circumstances exist and require probation, shall be sentenced to: (A) a term of imprisonment of not less than 3 years and not more than 14 years if the violation resulted in the death of one person; or (B) a term of imprisonment of not less than 6 years and not more than 28 years if the violation resulted in the deaths of 2 or more persons. For any prosecution under this subsection (d), a certified copy of the driving abstract of the defendant shall be admitted as proof of any prior conviction. Any person sentenced under this subsection (d) who receives a term of probation or conditional discharge must serve a minimum term of either 480 hours of community service or 10 days of imprisonment as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service may not be suspended or reduced by the court.

(e) After a finding of guilt and prior to any final sentencing, or an order for supervision, for an offense based upon an arrest for a violation of this Section or a similar provision of a local ordinance, individuals shall be required to undergo a professional evaluation to determine if an alcohol, drug, or intoxicating compound abuse problem exists and the extent of the problem, and undergo the imposition of treatment as appropriate. Programs conducting these evaluations shall be licensed by the Department of Human Services. The cost of any professional evaluation shall be paid for by the individual required to undergo the professional evaluation.

(e 1) Any person who is found guilty of or pleads guilty to violating this Section, including any person receiving a disposition of court supervision for violating this Section, may be required by the Court to attend a victim impact panel offered by, or under contract with, a County State's Attorney's office, a probation and court services department, Mothers Against Drunk Driving, or the Alliance Against Intoxicated Motorists. All costs generated by the victim impact panel shall be paid from fees collected from the offender or as may be determined by the court.

(f) Every person found guilty of violating this Section, whose operation of a motor vehicle while in violation of this Section proximately caused any incident resulting in an appropriate emergency response, shall be liable for the expense of an emergency response as provided under Section 5-5-3 of the Unified Code of Corrections.

(g) The Secretary of State shall revoke the driving privileges of any person convicted under this Section or a similar provision of a local ordinance.

(h) (Blank).

(i) The Secretary of State shall require the use of ignition interlock devices on all vehicles owned by an individual who has been convicted of a second or subsequent offense of this Section or a similar

provision of a local ordinance. The Secretary shall establish by rule and regulation the procedures for certification and use of the interlock system.

(j) In addition to any other penalties and liabilities, a person who is found guilty of or pleads guilty to violating subsection (a), including any person placed on court supervision for violating subsection (a), shall be fined \$500, payable to the circuit clerk, who shall distribute the money as follows: 20% to the law enforcement agency that made the arrest and 80% shall be forwarded to the State Treasurer for deposit into the General Revenue Fund. If the person has been previously convicted of violating subsection (a) or a similar provision of a local ordinance, the fine shall be \$1,000. In the event that more than one agency is responsible for the arrest, the amount payable to law enforcement agencies shall be shared equally. Any moneys received by a law enforcement agency under this subsection (j) shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations. Equipment and commodities shall include, but are not limited to, in car video cameras, radar and laser speed detection devices, and alcohol breath testers. Any moneys received by the Department of State Police under this subsection (j) shall be deposited into the State Police DUI Fund and shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(k) The Secretary of State Police DUI Fund is created as a special fund in the State treasury. All moneys received by the Secretary of State Police under subsection (j) of this Section shall be deposited into the Secretary of State Police DUI Fund and, subject to appropriation, shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities to assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(l) Whenever an individual is sentenced for an offense based upon an arrest for a violation of subsection (a) or a similar provision of a local ordinance, and the professional evaluation recommends remedial or rehabilitative treatment or education, neither the treatment nor the education shall be the sole disposition and either or both may be imposed only in conjunction with another disposition. The court shall monitor compliance with any remedial education or treatment recommendations contained in the professional evaluation. Programs conducting alcohol or other drug evaluation or remedial education must be licensed by the Department of Human Services. If the individual is not a resident of Illinois, however, the court may accept an alcohol or other drug evaluation or remedial education program in the individual's state of residence. Programs providing treatment must be licensed under existing applicable alcoholism and drug treatment licensure standards.

(m) In addition to any other fine or penalty required by law, an individual convicted of a violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision, whose operation of a motor vehicle, snowmobile, or watercraft while in violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision proximately caused an incident resulting in an appropriate emergency response, shall be required to make restitution to a public agency for the costs of that emergency response. The restitution may not exceed \$1,000 per public agency for each emergency response. As used in this subsection (m), "emergency response" means any incident requiring a response by a police officer, a firefighter carried on the rolls of a regularly constituted fire department, or an ambulance.

(Source: P.A. 93-156, eff. 1-1-04; 93-213, eff. 7-18-03; 93-584, eff. 8-22-03; 93-712, eff. 1-1-05; 93-800, eff. 1-1-05; 93-840, eff. 7-30-04; 94-113, eff. 1-1-06; 94-609, eff. 1-1-06; 94-963, eff. 6-28-06.)

(Text of Section from P.A. 94-114 and 94-963)

Sec. 11-501. Driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof:

(a) A person shall not drive or be in actual physical control of any vehicle within this State while:

(1) the alcohol concentration in the person's blood or breath is 0.08 or more based on the definition of blood and breath units in Section 11-501.2;

(2) under the influence of alcohol;

(3) under the influence of any intoxicating compound or combination of intoxicating compounds to a degree that renders the person incapable of driving safely;

(4) under the influence of any other drug or combination of drugs to a degree that renders the person incapable of safely driving;

(5) under the combined influence of alcohol, other drug or drugs, or intoxicating compound or compounds to a degree that renders the person incapable of safely driving; or

(6) there is any amount of a drug, substance, or compound in the person's breath, blood, or urine resulting from the unlawful use or consumption of cannabis listed in the Cannabis Control Act, a controlled substance listed in the Illinois Controlled Substances Act, or an intoxicating compound listed in the Use of Intoxicating Compounds Act.

(b) The fact that any person charged with violating this Section is or has been legally entitled to use alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof, shall not constitute a defense against any charge of violating this Section.

(b-1) With regard to penalties imposed under this Section:

(1) Any reference to a prior violation of subsection (a) or a similar provision includes any violation of a provision of a local ordinance or a provision of a law of another state that is similar to a violation of subsection (a) of this Section.

(2) Any penalty imposed for driving with a license that has been revoked for a previous violation of subsection (a) of this Section shall be in addition to the penalty imposed for any subsequent violation of subsection (a).

(b-2) Except as otherwise provided in this Section, any person convicted of violating subsection (a) of this Section is guilty of a Class A misdemeanor.

(b-3) In addition to any other criminal or administrative sanction for any second conviction of violating subsection (a) or a similar provision committed within 5 years of a previous violation of subsection (a) or a similar provision, the defendant shall be sentenced to a mandatory minimum of 5 days of imprisonment or assigned a mandatory minimum of 240 hours of community service as may be determined by the court.

(b-4) In the case of a third or subsequent violation committed within 5 years of a previous violation of subsection (a) or a similar provision, in addition to any other criminal or administrative sanction, a mandatory minimum term of either 10 days of imprisonment or 480 hours of community service shall be imposed.

(b-5) The imprisonment or assignment of community service under subsections (b-3) and (b-4) shall not be subject to suspension, nor shall the person be eligible for a reduced sentence.

(c) (Blank).

(e-1) (1) A person who violates subsection (a) during a period in which his or her driving privileges are revoked or suspended, where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, paragraph (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961 is guilty of a Class 4 felony.

(2) A person who violates subsection (a) a third time, if the third violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, paragraph (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961, is guilty of a Class 3 felony.

(2.1) A person who violates subsection (a) a third time, if the third violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, subsection (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961, is guilty of a Class 3 felony; and if the person receives a term of probation or conditional discharge, he or she shall be required to serve a mandatory minimum of 10 days of imprisonment or shall be assigned a mandatory minimum of 480 hours of community service, as may be determined by the court, as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service shall not be suspended or reduced by the court.

(2.2) A person who violates subsection (a), if the violation occurs during a period in which his or

her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a) or Section 11-501.1, shall also be sentenced to an additional mandatory minimum term of 30 consecutive days of imprisonment, 40 days of 24-hour periodic imprisonment, or 720 hours of community service, as may be determined by the court. This mandatory term of imprisonment or assignment of community service shall not be suspended or reduced by the court.

(3) A person who violates subsection (a) a fourth or fifth time, if the fourth or fifth violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, paragraph (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961, is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge.

(c 2) (Blank).

(c 3) (Blank).

(c 4) (Blank).

(c 5) A person who violates subsection (a), if the person was transporting a person under the age of 16 at the time of the violation, is subject to an additional mandatory minimum fine of \$1,000, an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children, and an additional 2 days of imprisonment. The imprisonment or assignment of community service under this subsection (c 5) is not subject to suspension, nor is the person eligible for a reduced sentence.

(c 6) Except as provided in subsections (c 7) and (c 8) a person who violates subsection (a) a second time, if at the time of the second violation the person was transporting a person under the age of 16, is subject to an additional 10 days of imprisonment, an additional mandatory minimum fine of \$1,000, and an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children. The imprisonment or assignment of community service under this subsection (c 6) is not subject to suspension, nor is the person eligible for a reduced sentence.

(c 7) Except as provided in subsection (c 8), any person convicted of violating subsection (c 6) or a similar provision within 10 years of a previous violation of subsection (a) or a similar provision shall receive, in addition to any other penalty imposed, a mandatory minimum 12 days imprisonment, an additional 40 hours of mandatory community service in a program benefiting children, and a mandatory minimum fine of \$1,750. The imprisonment or assignment of community service under this subsection (c 7) is not subject to suspension, nor is the person eligible for a reduced sentence.

(c 8) Any person convicted of violating subsection (c 6) or a similar provision within 5 years of a previous violation of subsection (a) or a similar provision shall receive, in addition to any other penalty imposed, an additional 80 hours of mandatory community service in a program benefiting children, an additional mandatory minimum 12 days of imprisonment, and a mandatory minimum fine of \$1,750. The imprisonment or assignment of community service under this subsection (c 8) is not subject to suspension, nor is the person eligible for a reduced sentence.

(c 9) Any person convicted a third time for violating subsection (a) or a similar provision, if at the time of the third violation the person was transporting a person under the age of 16, is guilty of a Class 4 felony and shall receive, in addition to any other penalty imposed, an additional mandatory fine of \$1,000, an additional mandatory 140 hours of community service, which shall include 40 hours in a program benefiting children, and a mandatory minimum 30 days of imprisonment. The imprisonment or assignment of community service under this subsection (c 9) is not subject to suspension, nor is the person eligible for a reduced sentence.

(c 10) Any person convicted of violating subsection (c 9) or a similar provision a third time within 20 years of a previous violation of subsection (a) or a similar provision is guilty of a Class 4 felony and shall receive, in addition to any other penalty imposed, an additional mandatory 40 hours of community service in a program benefiting children, an additional mandatory fine of \$3,000, and a mandatory minimum 120 days of imprisonment. The imprisonment or assignment of community service under this subsection (c 10) is not subject to suspension, nor is the person eligible for a reduced sentence.

(c 11) Any person convicted a fourth or fifth time for violating subsection (a) or a similar provision, if at the time of the fourth or fifth violation the person was transporting a person under the age of 16, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony, is not eligible for probation or conditional discharge, and is subject to a minimum fine of \$3,000.

(c 12) Any person convicted of a first violation of subsection (a) or a similar provision, if the alcohol

concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 100 hours of community service and a mandatory minimum fine of \$500.

(e-13) Any person convicted of a second violation of subsection (a) or a similar provision committed within 10 years of a previous violation of subsection (a) or a similar provision committed within 10 years of a previous violation of subsection (a) or a similar provision, if at the time of the second violation of subsection (a) the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 2 days of imprisonment and a mandatory minimum fine of \$1,250.

(e-14) Any person convicted of a third violation of subsection (a) or a similar provision within 20 years of a previous violation of subsection (a) or a similar provision, if at the time of the third violation of subsection (a) or a similar provision the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 4 felony and shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 90 days of imprisonment and a mandatory minimum fine of \$2,500.

(e-15) Any person convicted of a fourth or fifth violation of subsection (a) or a similar provision, if at the time of the fourth or fifth violation the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge and is subject to a minimum fine of \$2,500.

(e-16) Any person convicted of a sixth or subsequent violation of subsection (a) is guilty of a Class X felony.

(d)(1) Every person convicted of committing a violation of this Section shall be guilty of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof if:

(A) the person committed a violation of subsection (a) or a similar provision for the third or subsequent time;

(B) the person committed a violation of subsection (a) while driving a school bus with persons 18 years of age or younger on board;

(C) the person in committing a violation of subsection (a) was involved in a motor vehicle accident that resulted in great bodily harm or permanent disability or disfigurement to another, when the violation was a proximate cause of the injuries;

(D) the person committed a violation of subsection (a) for a second time and has been previously convicted of violating Section 9-3 of the Criminal Code of 1961 or a similar provision of a law of another state relating to reckless homicide in which the person was determined to have been under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds as an element of the offense or the person has previously been convicted under subparagraph (C) or subparagraph (F) of this paragraph (1);

(E) the person, in committing a violation of subsection (a) while driving at any speed in a school speed zone at a time when a speed limit of 20 miles per hour was in effect under subsection (a) of Section 11-605 of this Code, was involved in a motor vehicle accident that resulted in bodily harm, other than great bodily harm or permanent disability or disfigurement, to another person, when the violation of subsection (a) was a proximate cause of the bodily harm; or

(F) the person, in committing a violation of subsection (a), was involved in a motor vehicle, snowmobile, all terrain vehicle, or watercraft accident that resulted in the death of another person, when the violation of subsection (a) was a proximate cause of the death.

(2) Except as provided in this paragraph (2), a person convicted of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof is guilty of a Class 4 felony. For a violation of subparagraph (C) of paragraph (1) of this subsection (d), the defendant, if sentenced to a term of imprisonment, shall be sentenced to not less than one year nor more than 12 years. Aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof as defined in subparagraph (F) of paragraph (1) of this subsection (d) is a Class 2 felony, for which the defendant, if sentenced to a term of imprisonment, shall be sentenced to: (A) a term of imprisonment of not less than 3 years and not more

than 14 years if the violation resulted in the death of one person; or (B) a term of imprisonment of not less than 6 years and not more than 28 years if the violation resulted in the deaths of 2 or more persons. For any prosecution under this subsection (d), a certified copy of the driving abstract of the defendant shall be admitted as proof of any prior conviction. Any person sentenced under this subsection (d) who receives a term of probation or conditional discharge must serve a minimum term of either 480 hours of community service or 10 days of imprisonment as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service may not be suspended or reduced by the court.

(e) After a finding of guilt and prior to any final sentencing, or an order for supervision, for an offense based upon an arrest for a violation of this Section or a similar provision of a local ordinance, individuals shall be required to undergo a professional evaluation to determine if an alcohol, drug, or intoxicating compound abuse problem exists and the extent of the problem, and undergo the imposition of treatment as appropriate. Programs conducting these evaluations shall be licensed by the Department of Human Services. The cost of any professional evaluation shall be paid for by the individual required to undergo the professional evaluation.

(e-1) Any person who is found guilty of or pleads guilty to violating this Section, including any person receiving a disposition of court supervision for violating this Section, may be required by the Court to attend a victim impact panel offered by, or under contract with, a County State's Attorney's office, a probation and court services department, Mothers Against Drunk Driving, or the Alliance Against Intoxicated Motorists. All costs generated by the victim impact panel shall be paid from fees collected from the offender or as may be determined by the court.

(f) Every person found guilty of violating this Section, whose operation of a motor vehicle while in violation of this Section proximately caused any incident resulting in an appropriate emergency response, shall be liable for the expense of an emergency response as provided under Section 5-5-3 of the Unified Code of Corrections.

(g) The Secretary of State shall revoke the driving privileges of any person convicted under this Section or a similar provision of a local ordinance.

(h) (Blank).

(i) The Secretary of State shall require the use of ignition interlock devices on all vehicles owned by an individual who has been convicted of a second or subsequent offense of this Section or a similar provision of a local ordinance. The Secretary shall establish by rule and regulation the procedures for certification and use of the interlock system.

(j) In addition to any other penalties and liabilities, a person who is found guilty of or pleads guilty to violating subsection (a), including any person placed on court supervision for violating subsection (a), shall be fined \$500, payable to the circuit clerk, who shall distribute the money as follows: 20% to the law enforcement agency that made the arrest and 80% shall be forwarded to the State Treasurer for deposit into the General Revenue Fund. If the person has been previously convicted of violating subsection (a) or a similar provision of a local ordinance, the fine shall be \$1,000. In the event that more than one agency is responsible for the arrest, the amount payable to law enforcement agencies shall be shared equally. Any moneys received by a law enforcement agency under this subsection (j) shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations. Equipment and commodities shall include, but are not limited to, in car video cameras, radar and laser speed detection devices, and alcohol breath testers. Any moneys received by the Department of State Police under this subsection (j) shall be deposited into the State Police DUI Fund and shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(k) The Secretary of State Police DUI Fund is created as a special fund in the State treasury. All moneys received by the Secretary of State Police under subsection (j) of this Section shall be deposited into the Secretary of State Police DUI Fund and, subject to appropriation, shall be used for enforcement



and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities to assist in the prevention of alcohol-related criminal violence throughout the State; police officer training and education in areas related to alcohol-related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire-back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(l) Whenever an individual is sentenced for an offense based upon an arrest for a violation of subsection (a) or a similar provision of a local ordinance, and the professional evaluation recommends remedial or rehabilitative treatment or education, neither the treatment nor the education shall be the sole disposition and either or both may be imposed only in conjunction with another disposition. The court shall monitor compliance with any remedial education or treatment recommendations contained in the professional evaluation. Programs conducting alcohol or other drug evaluation or remedial education must be licensed by the Department of Human Services. If the individual is not a resident of Illinois, however, the court may accept an alcohol or other drug evaluation or remedial education program in the individual's state of residence. Programs providing treatment must be licensed under existing applicable alcoholism and drug treatment licensure standards.

(m) In addition to any other fine or penalty required by law, an individual convicted of a violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision, whose operation of a motor vehicle, snowmobile, or watercraft while in violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision proximately caused an incident resulting in an appropriate emergency response, shall be required to make restitution to a public agency for the costs of that emergency response. The restitution may not exceed \$1,000 per public agency for each emergency response. As used in this subsection (m), "emergency response" means any incident requiring a response by a police officer, a firefighter carried on the rolls of a regularly constituted fire department, or an ambulance.

(Source: P.A. 93-156, eff. 1-1-04; 93-213, eff. 7-18-03; 93-584, eff. 8-22-03; 93-712, eff. 1-1-05; 93-800, eff. 1-1-05; 93-840, eff. 7-30-04; 94-114, eff. 1-1-06; 94-963, eff. 6-28-06.)

(Text of Section from P.A. 94-116 and 94-963)

Sec. 11-501. Driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof:

(a) A person shall not drive or be in actual physical control of any vehicle within this State while:

(1) the alcohol concentration in the person's blood or breath is 0.08 or more based on the definition of blood and breath units in Section 11-501.2;

(2) under the influence of alcohol;

(3) under the influence of any intoxicating compound or combination of intoxicating compounds to a degree that renders the person incapable of driving safely;

(4) under the influence of any other drug or combination of drugs to a degree that renders the person incapable of safely driving;

(5) under the combined influence of alcohol, other drug or drugs, or intoxicating compound or compounds to a degree that renders the person incapable of safely driving; or

(6) there is any amount of a drug, substance, or compound in the person's breath, blood, or urine resulting from the unlawful use or consumption of cannabis listed in the Cannabis Control Act, a controlled substance listed in the Illinois Controlled Substances Act, or an intoxicating compound listed in the Use of Intoxicating Compounds Act.

(b) The fact that any person charged with violating this Section is or has been legally entitled to use alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof, shall not constitute a defense against any charge of violating this Section.

(b-1) With regard to penalties imposed under this Section:

(1) Any reference to a prior violation of subsection (a) or a similar provision includes any violation of a provision of a local ordinance or a provision of a law of another state that is similar to a violation of subsection (a) of this Section.

(2) Any penalty imposed for driving with a license that has been revoked for a previous violation of subsection (a) of this Section shall be in addition to the penalty imposed for any subsequent violation of subsection (a).

(b-2) Except as otherwise provided in this Section, any person convicted of violating subsection (a) of this Section is guilty of a Class A misdemeanor.

~~(b 3) In addition to any other criminal or administrative sanction for any second conviction of violating subsection (a) or a similar provision committed within 5 years of a previous violation of subsection (a) or a similar provision, the defendant shall be sentenced to a mandatory minimum of 5 days of imprisonment or assigned a mandatory minimum of 240 hours of community service as may be determined by the court.~~

~~(b 4) In the case of a third violation committed within 5 years of a previous violation of subsection (a) or a similar provision, the defendant is guilty of a Class 2 felony, and in addition to any other criminal or administrative sanction, a mandatory minimum term of either 10 days of imprisonment or 480 hours of community service shall be imposed.~~

~~(b 5) The imprisonment or assignment of community service under subsections (b 3) and (b 4) shall not be subject to suspension, nor shall the person be eligible for a reduced sentence.~~

~~(c) (Blank).~~

~~(c 1) (1) A person who violates subsection (a) during a period in which his or her driving privileges are revoked or suspended, where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, paragraph (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961 is guilty of a Class 4 felony.~~

~~(2) A person who violates subsection (a) a third time is guilty of a Class 2 felony.~~

~~(2.1) A person who violates subsection (a) a third time, if the third violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, subsection (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961, is guilty of a Class 2 felony; and if the person receives a term of probation or conditional discharge, he or she shall be required to serve a mandatory minimum of 10 days of imprisonment or shall be assigned a mandatory minimum of 480 hours of community service, as may be determined by the court, as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service shall not be suspended or reduced by the court.~~

~~(2.2) A person who violates subsection (a), if the violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a) or Section 11-501.1, shall also be sentenced to an additional mandatory minimum term of 30 consecutive days of imprisonment, 40 days of 24 hour periodic imprisonment, or 720 hours of community service, as may be determined by the court. This mandatory term of imprisonment or assignment of community service shall not be suspended or reduced by the court.~~

~~(3) A person who violates subsection (a) a fourth time is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge.~~

~~(4) A person who violates subsection (a) a fifth or subsequent time is guilty of a Class 1 felony and is not eligible for a sentence of probation or conditional discharge.~~

~~(c 2) (Blank).~~

~~(c 3) (Blank).~~

~~(c 4) (Blank).~~

~~(c 5) A person who violates subsection (a), if the person was transporting a person under the age of 16 at the time of the violation, is subject to an additional mandatory minimum fine of \$1,000, an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children, and an additional 2 days of imprisonment. The imprisonment or assignment of community service under this subsection (c 5) is not subject to suspension, nor is the person eligible for a reduced sentence.~~

~~(c 6) Except as provided in subsections (c 7) and (c 8) a person who violates subsection (a) a second time, if at the time of the second violation the person was transporting a person under the age of 16, is subject to an additional 10 days of imprisonment, an additional mandatory minimum fine of \$1,000, and an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children. The imprisonment or assignment of community service under this subsection (c 6) is not subject to suspension, nor is the person eligible for a reduced sentence.~~

~~(c 7) Except as provided in subsection (c 8), any person convicted of violating subsection (c 6) or a similar provision within 10 years of a previous violation of subsection (a) or a similar provision shall receive, in addition to any other penalty imposed, a mandatory minimum 12 days imprisonment, an additional 40 hours of mandatory community service in a program benefiting children, and a mandatory minimum fine of \$1,750. The imprisonment or assignment of community service under this subsection (c 7) is not subject to suspension, nor is the person eligible for a reduced sentence.~~

~~(c 8) Any person convicted of violating subsection (c 6) or a similar provision within 5 years of a~~

previous violation of subsection (a) or a similar provision shall receive, in addition to any other penalty imposed, an additional 80 hours of mandatory community service in a program benefiting children, an additional mandatory minimum 12 days of imprisonment, and a mandatory minimum fine of \$1,750. The imprisonment or assignment of community service under this subsection (e 8) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 9) Any person convicted a third time for violating subsection (a) or a similar provision, if at the time of the third violation the person was transporting a person under the age of 16, is guilty of a Class 2 felony and shall receive, in addition to any other penalty imposed, an additional mandatory fine of \$1,000, an additional mandatory 140 hours of community service, which shall include 40 hours in a program benefiting children, and a mandatory minimum 30 days of imprisonment. The imprisonment or assignment of community service under this subsection (e 9) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 10) Any person convicted of violating subsection (e 9) or a similar provision a third time within 20 years of a previous violation of subsection (a) or a similar provision is guilty of a Class 2 felony and shall receive, in addition to any other penalty imposed, an additional mandatory 40 hours of community service in a program benefiting children, an additional mandatory fine of \$3,000, and a mandatory minimum 120 days of imprisonment. The imprisonment or assignment of community service under this subsection (e 10) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 11) Any person convicted a fourth time for violating subsection (a) or a similar provision, if at the time of the fourth violation the person was transporting a person under the age of 16, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony, is not eligible for probation or conditional discharge, and is subject to a minimum fine of \$3,000.

(e 12) Any person convicted of a first violation of subsection (a) or a similar provision, if the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 100 hours of community service and a mandatory minimum fine of \$500.

(e 13) Any person convicted of a second violation of subsection (a) or a similar provision committed within 10 years of a previous violation of subsection (a) or a similar provision committed within 10 years of a previous violation of subsection (a) or a similar provision, if at the time of the second violation of subsection (a) the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 2 days of imprisonment and a mandatory minimum fine of \$1,250.

(e 14) Any person convicted of a third violation of subsection (a) or a similar provision within 20 years of a previous violation of subsection (a) or a similar provision, if at the time of the third violation of subsection (a) or a similar provision the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony and shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 90 days of imprisonment and a mandatory minimum fine of \$2,500.

(e 15) Any person convicted of a fourth violation of subsection (a) or a similar provision, if at the time of the fourth violation the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge and is subject to a minimum fine of \$2,500.

(d) (1) Every person convicted of committing a violation of this Section shall be guilty of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof if:

(A) the person committed a violation of subsection (a) or a similar provision for the third or subsequent time;

(B) the person committed a violation of subsection (a) while driving a school bus with persons 18 years of age or younger on board;

(C) the person in committing a violation of subsection (a) was involved in a motor vehicle accident that resulted in great bodily harm or permanent disability or disfigurement to another, when the violation was a proximate cause of the injuries;

(D) the person committed a violation of subsection (a) for a second time and has been previously convicted of violating Section 9-3 of the Criminal Code of 1961 or a similar provision of a law of another state relating to reckless homicide in which the person was determined to have been under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds as an element of the offense or the person has previously been convicted under subparagraph (C) or subparagraph (F) of this paragraph (1);

(E) the person, in committing a violation of subsection (a) while driving at any speed in a school speed zone at a time when a speed limit of 20 miles per hour was in effect under subsection (a) of Section 11-605 of this Code, was involved in a motor vehicle accident that resulted in bodily harm, other than great bodily harm or permanent disability or disfigurement, to another person, when the violation of subsection (a) was a proximate cause of the bodily harm; or

(F) the person, in committing a violation of subsection (a), was involved in a motor vehicle, snowmobile, all terrain vehicle, or watercraft accident that resulted in the death of another person, when the violation of subsection (a) was a proximate cause of the death.

(2) Except as provided in this paragraph (2) and in paragraphs (3) and (4) of subsection (c 1), a person convicted of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof is guilty of a Class 4 felony. For a violation of subparagraph (C) of paragraph (1) of this subsection (d), the defendant, if sentenced to a term of imprisonment, shall be sentenced to not less than one year nor more than 12 years. Except as provided in paragraph (4) of subsection (c 1), aggravated driving under the influence of alcohol, other drug, or drugs, intoxicating compounds or compounds, or any combination thereof as defined in subparagraph (A) of paragraph (1) of this subsection (d) is a Class 2 felony. Aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof as defined in subparagraph (F) of paragraph (1) of this subsection (d) is a Class 2 felony, for which the defendant, if sentenced to a term of imprisonment, shall be sentenced to: (A) a term of imprisonment of not less than 3 years and not more than 14 years if the violation resulted in the death of one person; or (B) a term of imprisonment of not less than 6 years and not more than 28 years if the violation resulted in the deaths of 2 or more persons. For any prosecution under this subsection (d), a certified copy of the driving abstract of the defendant shall be admitted as proof of any prior conviction. Any person sentenced under this subsection (d) who receives a term of probation or conditional discharge must serve a minimum term of either 480 hours of community service or 10 days of imprisonment as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service may not be suspended or reduced by the court.

(e) After a finding of guilt and prior to any final sentencing, or an order for supervision, for an offense based upon an arrest for a violation of this Section or a similar provision of a local ordinance, individuals shall be required to undergo a professional evaluation to determine if an alcohol, drug, or intoxicating compound abuse problem exists and the extent of the problem, and undergo the imposition of treatment as appropriate. Programs conducting these evaluations shall be licensed by the Department of Human Services. The cost of any professional evaluation shall be paid for by the individual required to undergo the professional evaluation.

(e 1) Any person who is found guilty of or pleads guilty to violating this Section, including any person receiving a disposition of court supervision for violating this Section, may be required by the Court to attend a victim impact panel offered by, or under contract with, a County State's Attorney's office, a probation and court services department, Mothers Against Drunk Driving, or the Alliance Against Intoxicated Motorists. All costs generated by the victim impact panel shall be paid from fees collected from the offender or as may be determined by the court.

(f) Every person found guilty of violating this Section, whose operation of a motor vehicle while in violation of this Section proximately caused any incident resulting in an appropriate emergency response, shall be liable for the expense of an emergency response as provided under Section 5-5-3 of the Unified Code of Corrections.

(g) The Secretary of State shall revoke the driving privileges of any person convicted under this Section or a similar provision of a local ordinance.

(h) (Blank).

(i) The Secretary of State shall require the use of ignition interlock devices on all vehicles owned by an individual who has been convicted of a second or subsequent offense of this Section or a similar provision of a local ordinance. The Secretary shall establish by rule and regulation the procedures for certification and use of the interlock system.

(j) In addition to any other penalties and liabilities, a person who is found guilty of or pleads guilty to violating subsection (a), including any person placed on court supervision for violating subsection (a),

shall be fined \$500, payable to the circuit clerk, who shall distribute the money as follows: 20% to the law enforcement agency that made the arrest and 80% shall be forwarded to the State Treasurer for deposit into the General Revenue Fund. If the person has been previously convicted of violating subsection (a) or a similar provision of a local ordinance, the fine shall be \$1,000. In the event that more than one agency is responsible for the arrest, the amount payable to law enforcement agencies shall be shared equally. Any moneys received by a law enforcement agency under this subsection (j) shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations. Equipment and commodities shall include, but are not limited to, in car video cameras, radar and laser speed detection devices, and alcohol breath testers. Any moneys received by the Department of State Police under this subsection (j) shall be deposited into the State Police DUI Fund and shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(k) The Secretary of State Police DUI Fund is created as a special fund in the State treasury. All moneys received by the Secretary of State Police under subsection (j) of this Section shall be deposited into the Secretary of State Police DUI Fund and, subject to appropriation, shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities to assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(l) Whenever an individual is sentenced for an offense based upon an arrest for a violation of subsection (a) or a similar provision of a local ordinance, and the professional evaluation recommends remedial or rehabilitative treatment or education, neither the treatment nor the education shall be the sole disposition and either or both may be imposed only in conjunction with another disposition. The court shall monitor compliance with any remedial education or treatment recommendations contained in the professional evaluation. Programs conducting alcohol or other drug evaluation or remedial education must be licensed by the Department of Human Services. If the individual is not a resident of Illinois, however, the court may accept an alcohol or other drug evaluation or remedial education program in the individual's state of residence. Programs providing treatment must be licensed under existing applicable alcoholism and drug treatment licensure standards.

(m) In addition to any other fine or penalty required by law, an individual convicted of a violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision, whose operation of a motor vehicle, snowmobile, or watercraft while in violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision proximately caused an incident resulting in an appropriate emergency response, shall be required to make restitution to a public agency for the costs of that emergency response. The restitution may not exceed \$1,000 per public agency for each emergency response. As used in this subsection (m), "emergency response" means any incident requiring a response by a police officer, a firefighter carried on the rolls of a regularly constituted fire department, or an ambulance.

(Source: P.A. 93-156, eff. 1-1-04; 93-213, eff. 7-18-03; 93-584, eff. 8-22-03; 93-712, eff. 1-1-05; 93-800, eff. 1-1-05; 93-840, eff. 7-30-04; 94-116, eff. 1-1-06; 94-963, eff. 6-28-06.)

(Text of Section from P.A. 94-329 and 94-963)

Sec. 11-501. Driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof.

(a) A person shall not drive or be in actual physical control of any vehicle within this State while:

[May 31, 2007]

(1) the alcohol concentration in the person's blood or breath is 0.08 or more based on the definition of blood and breath units in Section 11-501.2;

(2) under the influence of alcohol;

(3) under the influence of any intoxicating compound or combination of intoxicating compounds to a degree that renders the person incapable of driving safely;

(4) under the influence of any other drug or combination of drugs to a degree that renders the person incapable of safely driving;

(5) under the combined influence of alcohol, other drug or drugs, or intoxicating compound or compounds to a degree that renders the person incapable of safely driving; or

(6) there is any amount of a drug, substance, or compound in the person's breath, blood, or urine resulting from the unlawful use or consumption of cannabis listed in the Cannabis Control Act, a controlled substance listed in the Illinois Controlled Substances Act, or an intoxicating compound listed in the Use of Intoxicating Compounds Act.

(b) The fact that any person charged with violating this Section is or has been legally entitled to use alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof, shall not constitute a defense against any charge of violating this Section.

(b-1) With regard to penalties imposed under this Section:

(1) Any reference to a prior violation of subsection (a) or a similar provision includes any violation of a provision of a local ordinance or a provision of a law of another state that is similar to a violation of subsection (a) of this Section.

(2) Any penalty imposed for driving with a license that has been revoked for a previous violation of subsection (a) of this Section shall be in addition to the penalty imposed for any subsequent violation of subsection (a).

(b-2) Except as otherwise provided in this Section, any person convicted of violating subsection (a) of this Section is guilty of a Class A misdemeanor.

(b-3) In addition to any other criminal or administrative sanction for any second conviction of violating subsection (a) or a similar provision committed within 5 years of a previous violation of subsection (a) or a similar provision, the defendant shall be sentenced to a mandatory minimum of 5 days of imprisonment or assigned a mandatory minimum of 240 hours of community service as may be determined by the court.

(b-4) In the case of a third or subsequent violation committed within 5 years of a previous violation of subsection (a) or a similar provision, in addition to any other criminal or administrative sanction, a mandatory minimum term of either 10 days of imprisonment or 480 hours of community service shall be imposed.

(b-5) The imprisonment or assignment of community service under subsections (b-3) and (b-4) shall not be subject to suspension, nor shall the person be eligible for a reduced sentence.

(c) (Blank).

(e-1) (1) A person who violates subsection (a) during a period in which his or her driving privileges are revoked or suspended, where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, paragraph (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961 is guilty of aggravated driving under the influence of alcohol, other drug or drugs, intoxicating compound or compounds, or any combination thereof and is guilty of a Class 4 felony.

(2) A person who violates subsection (a) a third time, if the third violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, paragraph (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961, is guilty of aggravated driving under the influence of alcohol, other drug or drugs, intoxicating compound or compounds, or any combination thereof and is guilty of a Class 3 felony.

(2.1) A person who violates subsection (a) a third time, if the third violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11-501.1, subsection (b) of Section 11-401, or for reckless homicide as defined in Section 9-3 of the Criminal Code of 1961, is guilty of aggravated driving under the influence of alcohol, other drug or drugs, intoxicating compound or compounds, or any combination thereof and is guilty of a Class 3 felony; and if the person receives a term of probation or conditional discharge, he or she shall be required to serve a mandatory minimum of 10 days of imprisonment or shall be assigned a mandatory minimum of 480 hours of community service, as may be determined by the court, as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service shall not be suspended or reduced by the court.

(2.2) A person who violates subsection (a), if the violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a) or Section 11 501.1, is guilty of aggravated driving under the influence of alcohol, other drug or drugs, intoxicating compound or compounds, or any combination thereof and shall also be sentenced to an additional mandatory minimum term of 30 consecutive days of imprisonment, 40 days of 24 hour periodic imprisonment, or 720 hours of community service, as may be determined by the court. This mandatory term of imprisonment or assignment of community service shall not be suspended or reduced by the court.

(3) A person who violates subsection (a) a fourth or subsequent time, if the fourth or subsequent violation occurs during a period in which his or her driving privileges are revoked or suspended where the revocation or suspension was for a violation of subsection (a), Section 11 501.1, paragraph (b) of Section 11 401, or for reckless homicide as defined in Section 9 3 of the Criminal Code of 1961, is guilty of aggravated driving under the influence of alcohol, other drug or drugs, intoxicating compound or compounds, or any combination thereof and is guilty of a Class 2 felony, and is not eligible for a sentence of probation or conditional discharge.

(e 2) (Blank).

(e 3) (Blank).

(e 4) (Blank).

(e 5) A person who violates subsection (a), if the person was transporting a person under the age of 16 at the time of the violation, is subject to an additional mandatory minimum fine of \$1,000, an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children, and an additional 2 days of imprisonment. The imprisonment or assignment of community service under this subsection (e 5) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 6) Except as provided in subsections (e 7) and (e 8) a person who violates subsection (a) a second time, if at the time of the second violation the person was transporting a person under the age of 16, is subject to an additional 10 days of imprisonment, an additional mandatory minimum fine of \$1,000, and an additional mandatory minimum 140 hours of community service, which shall include 40 hours of community service in a program benefiting children. The imprisonment or assignment of community service under this subsection (e 6) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 7) Except as provided in subsection (e 8), any person convicted of violating subsection (e 6) or a similar provision within 10 years of a previous violation of subsection (a) or a similar provision shall receive, in addition to any other penalty imposed, a mandatory minimum 12 days imprisonment, an additional 40 hours of mandatory community service in a program benefiting children, and a mandatory minimum fine of \$1,750. The imprisonment or assignment of community service under this subsection (e 7) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 8) Any person convicted of violating subsection (e 6) or a similar provision within 5 years of a previous violation of subsection (a) or a similar provision shall receive, in addition to any other penalty imposed, an additional 80 hours of mandatory community service in a program benefiting children, an additional mandatory minimum 12 days of imprisonment, and a mandatory minimum fine of \$1,750. The imprisonment or assignment of community service under this subsection (e 8) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 9) Any person convicted a third time for violating subsection (a) or a similar provision, if at the time of the third violation the person was transporting a person under the age of 16, is guilty of a Class 4 felony and shall receive, in addition to any other penalty imposed, an additional mandatory fine of \$1,000, an additional mandatory 140 hours of community service, which shall include 40 hours in a program benefiting children, and a mandatory minimum 30 days of imprisonment. The imprisonment or assignment of community service under this subsection (e 9) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 10) Any person convicted of violating subsection (e 9) or a similar provision a third time within 20 years of a previous violation of subsection (a) or a similar provision is guilty of a Class 4 felony and shall receive, in addition to any other penalty imposed, an additional mandatory 40 hours of community service in a program benefiting children, an additional mandatory fine of \$3,000, and a mandatory minimum 120 days of imprisonment. The imprisonment or assignment of community service under this subsection (e 10) is not subject to suspension, nor is the person eligible for a reduced sentence.

(e 11) Any person convicted a fourth or subsequent time for violating subsection (a) or a similar provision, if at the time of the fourth or subsequent violation the person was transporting a person under the age of 16, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while

transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony, is not eligible for probation or conditional discharge, and is subject to a minimum fine of \$3,000.

(e-12) Any person convicted of a first violation of subsection (a) or a similar provision, if the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 100 hours of community service and a mandatory minimum fine of \$500.

(e-13) Any person convicted of a second violation of subsection (a) or a similar provision committed within 10 years of a previous violation of subsection (a) or a similar provision committed within 10 years of a previous violation of subsection (a) or a similar provision, if at the time of the second violation of subsection (a) the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 2 days of imprisonment and a mandatory minimum fine of \$1,250.

(e-14) Any person convicted of a third violation of subsection (a) or a similar provision within 20 years of a previous violation of subsection (a) or a similar provision, if at the time of the third violation of subsection (a) or a similar provision the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 4 felony and shall be subject, in addition to any other penalty that may be imposed, to a mandatory minimum of 90 days of imprisonment and a mandatory minimum fine of \$2,500.

(e-15) Any person convicted of a fourth or subsequent violation of subsection (a) or a similar provision, if at the time of the fourth or subsequent violation the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, and if the person's 3 prior violations of subsection (a) or a similar provision occurred while transporting a person under the age of 16 or while the alcohol concentration in his or her blood, breath, or urine was 0.16 or more based on the definition of blood, breath, or urine units in Section 11-501.2, is guilty of a Class 2 felony and is not eligible for a sentence of probation or conditional discharge and is subject to a minimum fine of \$2,500.

(d)(1) Every person convicted of committing a violation of this Section shall be guilty of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof if:

(A) the person committed a violation of subsection (a) or a similar provision for the third or subsequent time;

(B) the person committed a violation of subsection (a) while driving a school bus with persons 18 years of age or younger on board;

(C) the person in committing a violation of subsection (a) was involved in a motor vehicle accident that resulted in great bodily harm or permanent disability or disfigurement to another, when the violation was a proximate cause of the injuries;

(D) the person committed a violation of subsection (a) for a second time and has been previously convicted of violating Section 9-3 of the Criminal Code of 1961 or a similar provision of a law of another state relating to reckless homicide in which the person was determined to have been under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds as an element of the offense or the person has previously been convicted under subparagraph (C) or subparagraph (F) of this paragraph (1);

(E) the person, in committing a violation of subsection (a) while driving at any speed in a school speed zone at a time when a speed limit of 20 miles per hour was in effect under subsection (a) of Section 11-605 of this Code, was involved in a motor vehicle accident that resulted in bodily harm, other than great bodily harm or permanent disability or disfigurement, to another person, when the violation of subsection (a) was a proximate cause of the bodily harm; or

(F) the person, in committing a violation of subsection (a), was involved in a motor vehicle, snowmobile, all terrain vehicle, or watercraft accident that resulted in the death of another person, when the violation of subsection (a) was a proximate cause of the death;

(G) the person committed the violation while he or she did not possess a driver's license or permit or a restricted driving permit or a judicial driving permit; or

(H) the person committed the violation while he or she knew or should have known that the vehicle he or she was driving was not covered by a liability insurance policy.

(2) Except as provided in this paragraph (2) and in paragraphs (2), (2-1), and (3) of subsection (c-1),



a person convicted of aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof is guilty of a Class 4 felony. For a violation of subparagraph (C) of paragraph (1) of this subsection (d), the defendant, if sentenced to a term of imprisonment, shall be sentenced to not less than one year nor more than 12 years. Aggravated driving under the influence of alcohol, other drug or drugs, or intoxicating compound or compounds, or any combination thereof as defined in subparagraph (F) of paragraph (1) of this subsection (d) is a Class 2 felony, for which the defendant, if sentenced to a term of imprisonment, shall be sentenced to: (A) a term of imprisonment of not less than 3 years and not more than 14 years if the violation resulted in the death of one person; or (B) a term of imprisonment of not less than 6 years and not more than 28 years if the violation resulted in the deaths of 2 or more persons. For any prosecution under this subsection (d), a certified copy of the driving abstract of the defendant shall be admitted as proof of any prior conviction. Any person sentenced under this subsection (d) who receives a term of probation or conditional discharge must serve a minimum term of either 480 hours of community service or 10 days of imprisonment as a condition of the probation or conditional discharge. This mandatory minimum term of imprisonment or assignment of community service may not be suspended or reduced by the court.

(e) After a finding of guilt and prior to any final sentencing, or an order for supervision, for an offense based upon an arrest for a violation of this Section or a similar provision of a local ordinance, individuals shall be required to undergo a professional evaluation to determine if an alcohol, drug, or intoxicating compound abuse problem exists and the extent of the problem, and undergo the imposition of treatment as appropriate. Programs conducting these evaluations shall be licensed by the Department of Human Services. The cost of any professional evaluation shall be paid for by the individual required to undergo the professional evaluation.

(e-1) Any person who is found guilty of or pleads guilty to violating this Section, including any person receiving a disposition of court supervision for violating this Section, may be required by the Court to attend a victim impact panel offered by, or under contract with, a County State's Attorney's office, a probation and court services department, Mothers Against Drunk Driving, or the Alliance Against Intoxicated Motorists. All costs generated by the victim impact panel shall be paid from fees collected from the offender or as may be determined by the court.

(f) Every person found guilty of violating this Section, whose operation of a motor vehicle while in violation of this Section proximately caused any incident resulting in an appropriate emergency response, shall be liable for the expense of an emergency response as provided under Section 5-5-3 of the Unified Code of Corrections.

(g) The Secretary of State shall revoke the driving privileges of any person convicted under this Section or a similar provision of a local ordinance.

(h) (Blank).

(i) The Secretary of State shall require the use of ignition interlock devices on all vehicles owned by an individual who has been convicted of a second or subsequent offense of this Section or a similar provision of a local ordinance. The Secretary shall establish by rule and regulation the procedures for certification and use of the interlock system.

(j) In addition to any other penalties and liabilities, a person who is found guilty of or pleads guilty to violating subsection (a), including any person placed on court supervision for violating subsection (a), shall be fined \$500, payable to the circuit clerk, who shall distribute the money as follows: 20% to the law enforcement agency that made the arrest and 80% shall be forwarded to the State Treasurer for deposit into the General Revenue Fund. If the person has been previously convicted of violating subsection (a) or a similar provision of a local ordinance, the fine shall be \$1,000. In the event that more than one agency is responsible for the arrest, the amount payable to law enforcement agencies shall be shared equally. Any moneys received by a law enforcement agency under this subsection (j) shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations. Equipment and commodities shall include, but are not limited to, in-car video cameras, radar and laser speed detection devices, and alcohol breath testers. Any moneys received by the Department of State Police under this subsection (j) shall be deposited into the State Police DUI Fund and shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement

equipment and commodities that will assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(k) The Secretary of State Police DUI Fund is created as a special fund in the State treasury. All moneys received by the Secretary of State Police under subsection (j) of this Section shall be deposited into the Secretary of State Police DUI Fund and, subject to appropriation, shall be used for enforcement and prevention of driving while under the influence of alcohol, other drug or drugs, intoxicating compound or compounds or any combination thereof, as defined by this Section, including but not limited to the purchase of law enforcement equipment and commodities to assist in the prevention of alcohol related criminal violence throughout the State; police officer training and education in areas related to alcohol related crime, including but not limited to DUI training; and police officer salaries, including but not limited to salaries for hire back funding for safety checkpoints, saturation patrols, and liquor store sting operations.

(l) Whenever an individual is sentenced for an offense based upon an arrest for a violation of subsection (a) or a similar provision of a local ordinance, and the professional evaluation recommends remedial or rehabilitative treatment or education, neither the treatment nor the education shall be the sole disposition and either or both may be imposed only in conjunction with another disposition. The court shall monitor compliance with any remedial education or treatment recommendations contained in the professional evaluation. Programs conducting alcohol or other drug evaluation or remedial education must be licensed by the Department of Human Services. If the individual is not a resident of Illinois, however, the court may accept an alcohol or other drug evaluation or remedial education program in the individual's state of residence. Programs providing treatment must be licensed under existing applicable alcoholism and drug treatment licensure standards.

(m) In addition to any other fine or penalty required by law, an individual convicted of a violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision, whose operation of a motor vehicle, snowmobile, or watercraft while in violation of subsection (a), Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision proximately caused an incident resulting in an appropriate emergency response, shall be required to make restitution to a public agency for the costs of that emergency response. The restitution may not exceed \$1,000 per public agency for each emergency response. As used in this subsection (m), "emergency response" means any incident requiring a response by a police officer, a firefighter carried on the rolls of a regularly constituted fire department, or an ambulance.

(Source: P.A. 93-156, eff. 1-1-04; 93-213, eff. 7-18-03; 93-584, eff. 8-22-03; 93-712, eff. 1-1-05; 93-800, eff. 1-1-05; 93-840, eff. 7-30-04; 94-329, eff. 1-1-06; 94-963, eff. 6-28-06.)

(625 ILCS 5/11-501.01 new)

Sec. 11-501.01. Additional administrative sanctions.

(a) After a finding of guilt and prior to any final sentencing or an order for supervision, for an offense based upon an arrest for a violation of Section 11-501 or a similar provision of a local ordinance, individuals shall be required to undergo a professional evaluation to determine if an alcohol, drug, or intoxicating compound abuse problem exists and the extent of the problem, and undergo the imposition of treatment as appropriate. Programs conducting these evaluations shall be licensed by the Department of Human Services. The cost of any professional evaluation shall be paid for by the individual required to undergo the professional evaluation.

(b) Any person who is found guilty of or pleads guilty to violating Section 11-501, including any person receiving a disposition of court supervision for violating that Section, may be required by the Court to attend a victim impact panel offered by, or under contract with, a county State's Attorney's office, a probation and court services department, Mothers Against Drunk Driving, or the Alliance Against Intoxicated Motorists. All costs generated by the victim impact panel shall be paid from fees collected from the offender or as may be determined by the court.

(c) Every person found guilty of violating Section 11-501, whose operation of a motor vehicle while in violation of that Section proximately caused any incident resulting in an appropriate emergency response, shall be liable for the expense of an emergency response as provided in subsection (i) of this Section.

(d) The Secretary of State shall revoke the driving privileges of any person convicted under Section 11-501 or a similar provision of a local ordinance.

(e) The Secretary of State shall require the use of ignition interlock devices on all vehicles owned by an individual who has been convicted of a second or subsequent offense of Section 11-501 or a similar

provision of a local ordinance. The Secretary shall establish by rule and regulation the procedures for certification and use of the interlock system.

(f) In addition to any other penalties and liabilities, a person who is found guilty of or pleads guilty to violating Section 11-501, including any person placed on court supervision for violating Section 11-501, shall be assessed \$500, payable to the circuit clerk, who shall distribute the money as follows: 20% to the law enforcement agency that made the arrest, and 80% shall be forwarded to the State Treasurer for deposit into the General Revenue Fund. If the person has been previously convicted of violating Section 11-501 or a similar provision of a local ordinance, the fine shall be \$1,000. In the event that more than one agency is responsible for the arrest, the amount payable to law enforcement agencies shall be shared equally. Any moneys received by a law enforcement agency under this subsection (f) shall be used to purchase law enforcement equipment that will assist in the prevention of alcohol related criminal violence throughout the State. This shall include, but is not limited to, in-car video cameras, radar and laser speed detection devices, and alcohol breath testers. Any moneys received by the Department of State Police under this subsection (f) shall be deposited into the State Police DUI Fund and shall be used to purchase law enforcement equipment that will assist in the prevention of alcohol related criminal violence throughout the State.

(g) The Secretary of State Police DUI Fund is created as a special fund in the State treasury. All moneys received by the Secretary of State Police under subsection (f) of this Section shall be deposited into the Secretary of State Police DUI Fund and, subject to appropriation, shall be used to purchase law enforcement equipment to assist in the prevention of alcohol related criminal violence throughout the State.

(h) Whenever an individual is sentenced for an offense based upon an arrest for a violation of Section 11-501 or a similar provision of a local ordinance, and the professional evaluation recommends remedial or rehabilitative treatment or education, neither the treatment nor the education shall be the sole disposition and either or both may be imposed only in conjunction with another disposition. The court shall monitor compliance with any remedial education or treatment recommendations contained in the professional evaluation. Programs conducting alcohol or other drug evaluation or remedial education must be licensed by the Department of Human Services. If the individual is not a resident of Illinois, however, the court may accept an alcohol or other drug evaluation or remedial education program in the individual's state of residence. Programs providing treatment must be licensed under existing applicable alcoholism and drug treatment licensure standards.

(i) In addition to any other fine or penalty required by law, an individual convicted of a violation of Section 11-501, Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision, whose operation of a motor vehicle, snowmobile, or watercraft while in violation of Section 11-501, Section 5-7 of the Snowmobile Registration and Safety Act, Section 5-16 of the Boat Registration and Safety Act, or a similar provision proximately caused an incident resulting in an appropriate emergency response, shall be required to make restitution to a public agency for the costs of that emergency response. The restitution may not exceed \$1,000 per public agency for each emergency response. As used in this subsection (i), "emergency response" means any incident requiring a response by a police officer, a firefighter carried on the rolls of a regularly constituted fire department, or an ambulance.

Section 10. If and only if Senate Bill 300 of the 95th General Assembly becomes law and the changes to Section 6-206.1 of the Illinois Vehicle Code in that bill become law in the form in which they appear in House Amendment No. 1 to that bill, the Illinois Vehicle Code is amended by changing Section 6-206.1 as follows:

(625 ILCS 5/6-206.1) (from Ch. 95 1/2, par. 6-206.1)

Sec. 6-206.1. Monitoring Device Driving Permit. Declaration of Policy. It is hereby declared a policy of the State of Illinois that the driver who is impaired by alcohol, other drug or drugs, or intoxicating compound or compounds is a threat to the public safety and welfare. Therefore, to provide a deterrent to such practice and to remove problem drivers from the highway, a statutory summary driver's license suspension is appropriate. It is also recognized that driving is a privilege and therefore, that the granting of driving privileges, in a manner consistent with public safety, is warranted during the period of suspension in the form of a monitoring device driving permit. A person who drives and fails to comply with the requirements of the monitoring device driving permit commits a violation of Section 6-303 of this Code.

The following procedures shall apply whenever a first offender is arrested for any offense as defined in Section 11-501 or a similar provision of a local ordinance:

(a) Subsequent to a notification of a statutory summary suspension of driving privileges as provided in

Section 11-501.1, the court, after informing the first offender, as defined in Section 11-500, of his or her right to a monitoring device driving permit, hereinafter referred to as a MDDP, and of the obligations of the MDDP, shall enter an order directing the Secretary of State to issue a MDDP to the offender, unless the offender has opted, in writing, not to have a MDDP issued. However, the court shall not enter the order directing the Secretary of State to issue the MDDP, if the court finds:

- (1) The offender's driver's license is otherwise invalid ~~valid~~;
- (2) ~~Death~~ ~~No death~~ or great bodily harm resulted from the arrest for Section 11-501;
- (3) That the offender has ~~not~~ been previously convicted of reckless homicide; ~~or~~ ~~and~~
- (4) That the offender is ~~not~~ less than 18 years of age.

Any court order for a MDDP shall order the person to pay the Secretary of State a MDDP

Administration Fee an amount not to exceed \$30 per month. The Secretary shall establish by rule the amount and the procedures, terms, and conditions relating to these fees. The order shall further specify that the offender must have an ignition interlock device installed within 14 days of the date the Secretary issues the MDDP, and shall specify the vehicle in which the device is to be installed. The ignition interlock device provider must notify the Secretary, in a manner and form prescribed by the Secretary, of the installation. If the Secretary does not receive notice of installation, the Secretary shall cancel the MDDP.

A MDDP shall not become effective prior to the 31st day of the original statutory summary suspension.

(a-1) A person issued a MDDP may drive for any purpose and at any time, subject to the rules adopted by the Secretary of State under subsection (g). The person must, at his or her own expense, drive only vehicles equipped with an ignition interlock device as defined in Section 1-129.1, but in no event shall such person drive a commercial motor vehicle.

(a-2) Persons who are issued a MDDP and must drive employer-owned vehicles in the course of their employment duties may seek permission from the court to drive an employer-owned vehicle that does not have an ignition interlock device. The employee shall provide to the court a form, prescribed by the Secretary of State, completed by the employer verifying that the employee must drive an employer-owned vehicle in the course of employment. If approved by the court, the form must be file stamped and must be in the driver's possession while operating an employer-owner vehicle not equipped with an ignition interlock device. No person may use this exemption to drive a school bus, school vehicle, or a vehicle designed to transport more than 15 passengers. No person may use this exemption to drive an employer-owned motor vehicle that is owned by an entity that is wholly or partially owned by the person holding the MDDP, or by a family member of the person holding the MDDP. No person may use this exemption to drive an employer-owned vehicle that is made available to the employee for personal use. No person may drive the exempted vehicle more than 12 hours per day, 6 days per week.

(b) (Blank).

(c) (Blank).

(c-1)

If the person is issued a citation for a violation of Section 6-303 or a violation of Section 11-501 or a similar provision of a local ordinance or a similar out of state offense during the term of the MDDP, the officer issuing the citation, or the law enforcement agency employing that officer, shall confiscate the MDDP and immediately send the MDDP and notice of the citation to the court that ordered the issuance of the MDDP. Within 10 days of receipt, the issuing court, upon notice to the person, shall conduct a hearing to consider cancellation of the MDDP. If the court enters an order of cancellation, the court shall forward the order to the Secretary of State, and the Secretary shall cancel the MDDP and notify the person of the cancellation. If, however, the person is convicted of the offense before the MDDP has been cancelled, the court of venue shall send notice of conviction to the court that ordered issuance of the MDDP. The court receiving the notice shall immediately enter an order of cancellation and forward the order to the Secretary of State. The Secretary shall cancel the MDDP ~~DDP~~ and notify the person of the cancellation.

If the person is issued a citation for any other traffic related offense during the term of the MDDP, the officer issuing the citation, or the law enforcement agency employing that officer, shall send notice of the citation to the court that ordered issuance of the MDDP. Upon receipt and notice to the person and an opportunity for a hearing, the court shall determine whether the violation constitutes grounds for cancellation of the MDDP. If the court enters an order of cancellation, the court shall forward the order to the Secretary of State, and the Secretary shall cancel the MDDP and shall notify the person of the cancellation.

(c-5) If the court determines that the person seeking the MDDP is indigent, the court shall provide the person with a written document, in a form prescribed by the Secretary of State, as evidence of that determination, and the person shall provide that written document to an ignition interlock device

provider. The provider shall install an ignition interlock device on that person's vehicle without charge to the person, and seek reimbursement from the Indigent BAIID Fund.

(d) The Secretary of State shall, upon receiving a court order from the court of venue, issue a MDDP to a person who applies under this Section. Such court order form shall also contain a notification, which shall be sent to the Secretary of State, providing the name, driver's license number and legal address of the applicant. This information shall be available only to the courts, police officers, and the Secretary of State, except during the actual period the MDDP is valid, during which time it shall be a public record. The Secretary of State shall design and furnish to the courts an official court order form to be used by the courts when directing the Secretary of State to issue a MDDP.

Any submitted court order that contains insufficient data or fails to comply with this Code shall not be utilized for MDDP issuance or entered to the driver record but shall be returned to the issuing court indicating why the MDDP cannot be so entered. A notice of this action shall also be sent to the MDDP applicant by the Secretary of State.

(e) (Blank).

(f) (Blank).

(g) The Secretary of State shall adopt rules for implementing this Section. The rules adopted shall address issues including, but not limited to: compliance with the requirements of the MDDP; methods for determining compliance with those requirements; the consequences of noncompliance with those requirements; what constitutes a violation of the MDDP; and the duties of a person or entity that supplies the ignition interlock device.

(h) The rules adopted under subsection (g) shall provide, at a minimum, that the person is not in compliance with the requirements of the MDDP if he or she:

- (1) tampers or attempts to tamper with or circumvent the proper operation of the ignition interlock device;
- (2) provides valid breath samples that register blood alcohol levels in excess of the number of times allowed under the rules;
- (3) fails to provide evidence sufficient to satisfy the Secretary that the ignition interlock device has been installed in the designated vehicle or vehicles; or
- (4) fails to follow any other applicable rules adopted by the Secretary.

(i) Any person or entity that supplies an ignition interlock device as provided under this Section shall, in addition to supplying only those devices which fully comply with all the rules adopted under subsection (g), provide the Secretary, within 7 days of inspection, all monitoring reports of each person who has had an ignition interlock device installed. These reports shall be furnished in a manner or form as prescribed by the Secretary.

(j) Upon making a determination that a violation of the requirements of the MDDP has occurred, the Secretary shall extend the summary suspension period for an additional 3 months beyond the originally imposed summary suspension period, during which time the person shall only be allowed to drive vehicles equipped with an ignition interlock device; provided further there are no limitations on the number of times the summary suspension may be extended. Any person whose summary suspension is extended pursuant to this Section shall have the right to contest the extension through an administrative hearing with the Secretary. If the summary suspension has already terminated prior to the Secretary receiving the monitoring report that shows a violation, the Secretary shall be authorized to suspend the person's driving privileges for 3 months. The only permit the person shall be eligible for during this new suspension period is a MDDP.

(k) A person who has had his or her summary suspension extended for the third time shall have his or her vehicle impounded for a period of 30 days, at the person's own expense. A person who has his or her summary suspension extended for the fourth time shall have his or her vehicle subject to seizure and forfeiture. The Secretary shall notify the prosecuting authority of any third or fourth extensions. Upon receipt of the notification, the prosecuting authority shall impound or forfeit the vehicle.

(l) A person whose driving privileges have been suspended under Section 11-501.1 of this Code and who had a MDDP that was cancelled pursuant to subsection (c-1) of this Section, shall not be eligible for reinstatement when the summary suspension is scheduled to terminate, but instead shall be eligible only to apply for a restricted driving permit. If a restricted driving permit is granted, the offender may only operate vehicles equipped with an ignition interlock device, for a period of not less than twice the original summary suspension period.

(m) Any person or entity that supplies an ignition interlock device under this Section shall, for each ignition interlock device installed, pay 5% of the total gross revenue received for the device into the Indigent BAIID Fund. This 5% shall be clearly indicated as a separate surcharge on

each invoice that is issued. The Secretary shall conduct an annual review of the fund to determine whether the surcharge is sufficient to provide for indigent users. The Secretary may increase or decrease this surcharge requirement as needed.

(n) Any person or entity that supplies an ignition interlock device under this Section that is requested to provide an ignition interlock device to a person who presents written documentation of indigency from the court, as provided in subsection (c-5) of this Section, shall install the device on the person's vehicle without charge to the person and shall seek reimbursement from the Indigent BAIID Fund.

(o) The Indigent BAIID Fund is created as a special fund in the State treasury. The Secretary of State shall, subject to appropriation by the General Assembly, use all money in the Indigent BAIID Fund to reimburse ignition interlock device providers who have installed devices in vehicles of indigent persons pursuant to court orders issued under this Section. The Secretary shall make payments to such providers every 3 months. If the amount of money in the fund at the time payments are made is not sufficient to pay all requests for reimbursement submitted during that 3 month period, the Secretary shall make payments on a pro-rata basis, and those payments shall be considered payment in full for the requests submitted.

(p) The Monitoring Device Driving Permit Administration Fee Fund is created as a special fund in the State treasury. The Secretary of State shall, subject to appropriation by the General Assembly, use the money paid into this fund to offset its administrative costs for administering MDDPs.

(Source: P.A. 94-307, eff. 9-30-05; 94-357, eff. 1-1-06; 94-930, eff. 6-26-06; 09500SB0300ham001.)

Section 15. The Unified Code of Corrections is amended by changing Sections 5-6-3 and 5-8-7 as follows:

(730 ILCS 5/5-6-3) (from Ch. 38, par. 1005-6-3)

Sec. 5-6-3. Conditions of Probation and of Conditional Discharge.

(a) The conditions of probation and of conditional discharge shall be that the person:

- (1) not violate any criminal statute of any jurisdiction;
- (2) report to or appear in person before such person or agency as directed by the court;
- (3) refrain from possessing a firearm or other dangerous weapon;
- (4) not leave the State without the consent of the court or, in circumstances in which

the reason for the absence is of such an emergency nature that prior consent by the court is not possible, without the prior notification and approval of the person's probation officer. Transfer of a person's probation or conditional discharge supervision to another state is subject to acceptance by the other state pursuant to the Interstate Compact for Adult Offender Supervision;

- (5) permit the probation officer to visit him at his home or elsewhere to the extent necessary to discharge his duties;

(6) perform no less than 30 hours of community service and not more than 120 hours of community service, if community service is available in the jurisdiction and is funded and approved by the county board where the offense was committed, where the offense was related to or in furtherance of the criminal activities of an organized gang and was motivated by the offender's membership in or allegiance to an organized gang. The community service shall include, but not be limited to, the cleanup and repair of any damage caused by a violation of Section 21-1.3 of the Criminal Code of 1961 and similar damage to property located within the municipality or county in which the violation occurred. When possible and reasonable, the community service should be performed in the offender's neighborhood. For purposes of this Section, "organized gang" has the meaning ascribed to it in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act;

(7) if he or she is at least 17 years of age and has been sentenced to probation or conditional discharge for a misdemeanor or felony in a county of 3,000,000 or more inhabitants and has not been previously convicted of a misdemeanor or felony, may be required by the sentencing court to attend educational courses designed to prepare the defendant for a high school diploma and to work toward a high school diploma or to work toward passing the high school level Test of General Educational Development (GED) or to work toward completing a vocational training program approved by the court. The person on probation or conditional discharge must attend a public institution of education to obtain the educational or vocational training required by this clause (7). The court shall revoke the probation or conditional discharge of a person who wilfully fails to comply with this clause (7). The person on probation or conditional discharge shall be required to pay for the cost of the educational courses or GED test, if a fee is charged for those courses or test. The court shall resentence the offender whose probation or conditional discharge has been revoked as provided in

Section 5-6-4. This clause (7) does not apply to a person who has a high school diploma or has successfully passed the GED test. This clause (7) does not apply to a person who is determined by the court to be developmentally disabled or otherwise mentally incapable of completing the educational or vocational program;

(8) if convicted of possession of a substance prohibited by the Cannabis Control Act, the Illinois Controlled Substances Act, or the Methamphetamine Control and Community Protection Act after a previous conviction or disposition of supervision for possession of a substance prohibited by the Cannabis Control Act or Illinois Controlled Substances Act or after a sentence of probation under Section 10 of the Cannabis Control Act, Section 410 of the Illinois Controlled Substances Act, or Section 70 of the Methamphetamine Control and Community Protection Act and upon a finding by the court that the person is addicted, undergo treatment at a substance abuse program approved by the court;

(8.5) if convicted of a felony sex offense as defined in the Sex Offender Management Board Act, the person shall undergo and successfully complete sex offender treatment by a treatment provider approved by the Board and conducted in conformance with the standards developed under the Sex Offender Management Board Act;

(8.6) if convicted of a sex offense as defined in the Sex Offender Management Board Act, refrain from residing at the same address or in the same condominium unit or apartment unit or in the same condominium complex or apartment complex with another person he or she knows or reasonably should know is a convicted sex offender or has been placed on supervision for a sex offense; the provisions of this paragraph do not apply to a person convicted of a sex offense who is placed in a Department of Corrections licensed transitional housing facility for sex offenders; ~~and~~

(9) if convicted of a felony, physically surrender at a time and place designated by the court, his or her Firearm Owner's Identification Card and any and all firearms in his or her possession; and

(10) if convicted of a sex offense as defined in subsection (a-5) of Section 3-1-2 of this Code, unless the offender is a parent or guardian of the person under 18 years of age present in the home and no non-familial minors are present, not participate in a holiday event involving children under 18 years of age, such as distributing candy or other items to children on Halloween, wearing a Santa Claus costume on or preceding Christmas, being employed as a department store Santa Claus, or wearing an Easter Bunny costume on or preceding Easter.

(b) The Court may in addition to other reasonable conditions relating to the nature of the offense or the rehabilitation of the defendant as determined for each defendant in the proper discretion of the Court require that the person:

- (1) serve a term of periodic imprisonment under Article 7 for a period not to exceed that specified in paragraph (d) of Section 5-7-1;
- (2) pay a fine and costs;
- (3) work or pursue a course of study or vocational training;
- (4) undergo medical, psychological or psychiatric treatment; or treatment for drug addiction or alcoholism;
- (5) attend or reside in a facility established for the instruction or residence of defendants on probation;
- (6) support his dependents;
- (7) and in addition, if a minor:
  - (i) reside with his parents or in a foster home;
  - (ii) attend school;
  - (iii) attend a non-residential program for youth;
  - (iv) contribute to his own support at home or in a foster home;
  - (v) with the consent of the superintendent of the facility, attend an educational program at a facility other than the school in which the offense was committed if he or she is convicted of a crime of violence as defined in Section 2 of the Crime Victims Compensation Act committed in a school, on the real property comprising a school, or within 1,000 feet of the real property comprising a school;
- (8) make restitution as provided in Section 5-5-6 of this Code;
- (9) perform some reasonable public or community service;
- (10) serve a term of home confinement. In addition to any other applicable condition of probation or conditional discharge, the conditions of home confinement shall be that the offender:
  - (i) remain within the interior premises of the place designated for his confinement during the hours designated by the court;

(ii) admit any person or agent designated by the court into the offender's place of confinement at any time for purposes of verifying the offender's compliance with the conditions of his confinement; and

(iii) if further deemed necessary by the court or the Probation or Court Services Department, be placed on an approved electronic monitoring device, subject to Article 8A of Chapter V;

(iv) for persons convicted of any alcohol, cannabis or controlled substance violation who are placed on an approved monitoring device as a condition of probation or conditional discharge, the court shall impose a reasonable fee for each day of the use of the device, as established by the county board in subsection (g) of this Section, unless after determining the inability of the offender to pay the fee, the court assesses a lesser fee or no fee as the case may be. This fee shall be imposed in addition to the fees imposed under subsections (g) and (i) of this Section. The fee shall be collected by the clerk of the circuit court. The clerk of the circuit court shall pay all monies collected from this fee to the county treasurer for deposit in the substance abuse services fund under Section 5-1086.1 of the Counties Code; and

(v) for persons convicted of offenses other than those referenced in clause (iv) above and who are placed on an approved monitoring device as a condition of probation or conditional discharge, the court shall impose a reasonable fee for each day of the use of the device, as established by the county board in subsection (g) of this Section, unless after determining the inability of the defendant to pay the fee, the court assesses a lesser fee or no fee as the case may be. This fee shall be imposed in addition to the fees imposed under subsections (g) and (i) of this Section. The fee shall be collected by the clerk of the circuit court. The clerk of the circuit court shall pay all monies collected from this fee to the county treasurer who shall use the monies collected to defray the costs of corrections. The county treasurer shall deposit the fee collected in the county working cash fund under Section 6-27001 or Section 6-29002 of the Counties Code, as the case may be.

(11) comply with the terms and conditions of an order of protection issued by the court pursuant to the Illinois Domestic Violence Act of 1986, as now or hereafter amended, or an order of protection issued by the court of another state, tribe, or United States territory. A copy of the order of protection shall be transmitted to the probation officer or agency having responsibility for the case;

(12) reimburse any "local anti-crime program" as defined in Section 7 of the Anti-Crime Advisory Council Act for any reasonable expenses incurred by the program on the offender's case, not to exceed the maximum amount of the fine authorized for the offense for which the defendant was sentenced;

(13) contribute a reasonable sum of money, not to exceed the maximum amount of the fine authorized for the offense for which the defendant was sentenced, to a "local anti-crime program", as defined in Section 7 of the Anti-Crime Advisory Council Act;

(14) refrain from entering into a designated geographic area except upon such terms as the court finds appropriate. Such terms may include consideration of the purpose of the entry, the time of day, other persons accompanying the defendant, and advance approval by a probation officer, if the defendant has been placed on probation or advance approval by the court, if the defendant was placed on conditional discharge;

(15) refrain from having any contact, directly or indirectly, with certain specified persons or particular types of persons, including but not limited to members of street gangs and drug users or dealers;

(16) refrain from having in his or her body the presence of any illicit drug prohibited by the Cannabis Control Act, the Illinois Controlled Substances Act, or the Methamphetamine Control and Community Protection Act, unless prescribed by a physician, and submit samples of his or her blood or urine or both for tests to determine the presence of any illicit drug.

(c) The court may as a condition of probation or of conditional discharge require that a person under 18 years of age found guilty of any alcohol, cannabis or controlled substance violation, refrain from acquiring a driver's license during the period of probation or conditional discharge. If such person is in possession of a permit or license, the court may require that the minor refrain from driving or operating any motor vehicle during the period of probation or conditional discharge, except as may be necessary in the course of the minor's lawful employment.

(d) An offender sentenced to probation or to conditional discharge shall be given a certificate setting forth the conditions thereof.

(e) Except where the offender has committed a fourth or subsequent violation of subsection (c) of Section 6-303 of the Illinois Vehicle Code, the court shall not require as a condition of the sentence of



probation or conditional discharge that the offender be committed to a period of imprisonment in excess of 6 months. This 6 month limit shall not include periods of confinement given pursuant to a sentence of county impact incarceration under Section 5-8-1.2. ~~This 6 month limit does not apply to a person sentenced to probation as a result of a conviction of a fourth or subsequent violation of subsection (c 4) of Section 11-501 of the Illinois Vehicle Code or a similar provision of a local ordinance.~~

Persons committed to imprisonment as a condition of probation or conditional discharge shall not be committed to the Department of Corrections.

(f) The court may combine a sentence of periodic imprisonment under Article 7 or a sentence to a county impact incarceration program under Article 8 with a sentence of probation or conditional discharge.

(g) An offender sentenced to probation or to conditional discharge and who during the term of either undergoes mandatory drug or alcohol testing, or both, or is assigned to be placed on an approved electronic monitoring device, shall be ordered to pay all costs incidental to such mandatory drug or alcohol testing, or both, and all costs incidental to such approved electronic monitoring in accordance with the defendant's ability to pay those costs. The county board with the concurrence of the Chief Judge of the judicial circuit in which the county is located shall establish reasonable fees for the cost of maintenance, testing, and incidental expenses related to the mandatory drug or alcohol testing, or both, and all costs incidental to approved electronic monitoring, involved in a successful probation program for the county. The concurrence of the Chief Judge shall be in the form of an administrative order. The fees shall be collected by the clerk of the circuit court. The clerk of the circuit court shall pay all moneys collected from these fees to the county treasurer who shall use the moneys collected to defray the costs of drug testing, alcohol testing, and electronic monitoring. The county treasurer shall deposit the fees collected in the county working cash fund under Section 6-27001 or Section 6-29002 of the Counties Code, as the case may be.

(h) Jurisdiction over an offender may be transferred from the sentencing court to the court of another circuit with the concurrence of both courts. Further transfers or retransfers of jurisdiction are also authorized in the same manner. The court to which jurisdiction has been transferred shall have the same powers as the sentencing court.

(i) The court shall impose upon an offender sentenced to probation after January 1, 1989 or to conditional discharge after January 1, 1992 or to community service under the supervision of a probation or court services department after January 1, 2004, as a condition of such probation or conditional discharge or supervised community service, a fee of \$50 for each month of probation or conditional discharge supervision or supervised community service ordered by the court, unless after determining the inability of the person sentenced to probation or conditional discharge or supervised community service to pay the fee, the court assesses a lesser fee. The court may not impose the fee on a minor who is made a ward of the State under the Juvenile Court Act of 1987 while the minor is in placement. The fee shall be imposed only upon an offender who is actively supervised by the probation and court services department. The fee shall be collected by the clerk of the circuit court. The clerk of the circuit court shall pay all monies collected from this fee to the county treasurer for deposit in the probation and court services fund under Section 15.1 of the Probation and Probation Officers Act.

A circuit court may not impose a probation fee under this subsection (i) in excess of \$25 per month unless: (1) the circuit court has adopted, by administrative order issued by the chief judge, a standard probation fee guide determining an offender's ability to pay, under guidelines developed by the Administrative Office of the Illinois Courts; and (2) the circuit court has authorized, by administrative order issued by the chief judge, the creation of a Crime Victim's Services Fund, to be administered by the Chief Judge or his or her designee, for services to crime victims and their families. Of the amount collected as a probation fee, up to \$5 of that fee collected per month may be used to provide services to crime victims and their families.

This amendatory Act of the 93rd General Assembly deletes the \$10 increase in the fee under this subsection that was imposed by Public Act 93-616. This deletion is intended to control over any other Act of the 93rd General Assembly that retains or incorporates that fee increase.

(i-5) In addition to the fees imposed under subsection (i) of this Section, in the case of an offender convicted of a felony sex offense (as defined in the Sex Offender Management Board Act) or an offense that the court or probation department has determined to be sexually motivated (as defined in the Sex Offender Management Board Act), the court or the probation department shall assess additional fees to pay for all costs of treatment, assessment, evaluation for risk and treatment, and monitoring the offender, based on that offender's ability to pay those costs either as they occur or under a payment plan.

(j) All fines and costs imposed under this Section for any violation of Chapters 3, 4, 6, and 11 of the Illinois Vehicle Code, or a similar provision of a local ordinance, and any violation of the Child

Passenger Protection Act, or a similar provision of a local ordinance, shall be collected and disbursed by the circuit clerk as provided under Section 27.5 of the Clerks of Courts Act.

(k) Any offender who is sentenced to probation or conditional discharge for a felony sex offense as defined in the Sex Offender Management Board Act or any offense that the court or probation department has determined to be sexually motivated as defined in the Sex Offender Management Board Act shall be required to refrain from any contact, directly or indirectly, with any persons specified by the court and shall be available for all evaluations and treatment programs required by the court or the probation department.

(Source: P.A. 93-475, eff. 8-8-03; 93-616, eff. 1-1-04; 93-970, eff. 8-20-04; 94-159, eff. 7-11-05; 94-161, eff. 7-11-05; 94-556, eff. 9-11-05; revised 8-19-05.)

(730 ILCS 5/5-8-7) (from Ch. 38, par. 1005-8-7)

Sec. 5-8-7. Calculation of Term of Imprisonment.

(a) A sentence of imprisonment shall commence on the date on which the offender is received by the Department or the institution at which the sentence is to be served.

(b) The offender shall be given credit on the determinate sentence or maximum term and the minimum period of imprisonment for time spent in custody as a result of the offense for which the sentence was imposed, at the rate specified in Section 3-6-3 of this Code. Except when prohibited by subsection (d), the trial court may give credit to the defendant for time spent in home detention, or when the defendant has been confined for psychiatric or substance abuse treatment prior to judgment, if the court finds that the detention or confinement was custodial.

(c) An offender arrested on one charge and prosecuted on another charge for conduct which occurred prior to his arrest shall be given credit on the determinate sentence or maximum term and the minimum term of imprisonment for time spent in custody under the former charge not credited against another sentence.

(d) An offender sentenced to a term of imprisonment for an offense listed in paragraph (2) of subsection (c) of Section 5-5-3 of this Code, or for an offense listed in subdivision (d)(2)(c) in paragraph (3) of subsection (c-1) of Section 11-501 of the Illinois Vehicle Code that was committed while the offender's driving privileges were revoked or suspended as provided in subdivision (d)(1)(G) of that Section, shall not receive credit for time spent in home detention prior to judgment.

(Source: P.A. 93-800, eff. 1-1-05.)

Section 99. Effective date. Section 10 of this Act takes effect on January 1, 2009."

Under the rules, the foregoing **Senate Bill No. 607**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1566

A bill for AN ACT concerning public health.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1566

House Amendment No. 2 to SENATE BILL NO. 1566

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 1 TO SENATE BILL 1566

AMENDMENT NO. 1. Amend Senate Bill 1566 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Genetic and Metabolic Diseases Advisory Committee Act.

Section 5. Genetic and Metabolic Diseases Advisory Committee.

[May 31, 2007]

(a) The Director of Public Health shall create the Genetic and Metabolic Diseases Advisory Committee to advise the Department of Public Health regarding issues relevant to newborn screenings of metabolic diseases.

(b) The purposes of Metabolic Diseases Advisory Committee are all of the following:

- (1) Advise the Department regarding issues relevant to its Genetics Program.
- (2) Advise the Department regarding optimal laboratory methodologies for screening of the targeted conditions.
- (3) Recommend to the Department consultants who are qualified to diagnose a condition detected by screening, provide management of care, and genetic counseling for the family.
- (4) Monitor the incidence of each condition for which newborn screening is done, evaluate the effects of treatment and genetic counseling, and provide advice on disorders to be included in newborn screening panel.
- (5) Advise the Department on educational programs for professionals and the general public.
- (6) Advise the Department on new developments and areas of interest in relation to the Genetics Program.
- (7) Any other matter deemed appropriate by the Committee and the Director.

(c) The Committee shall consist of 20 members appointed by the Director of Public Health. Membership shall include physicians, geneticists, nurses, nutritionists, and other allied health professionals, as well as patients and parents.

Section 10. The State Finance Act is amended by changing Section 8h as follows:  
(30 ILCS 105/8h)

Sec. 8h. Transfers to General Revenue Fund.

(a) Except as otherwise provided in this Section and Section 8n of this Act, and ~~(c), (d), or (e)~~, notwithstanding any other State law to the contrary, the Governor 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. 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 Public Act 93-839 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, to any funds in the Motor Fuel Tax Fund, the Intercity Passenger Rail Fund, the Hospital Provider Fund, the Medicaid Provider Relief Fund, the Teacher Health Insurance Security Fund, the Reviewing Court Alternative Dispute Resolution Fund, the Voters' Guide Fund, the Foreign Language Interpreter Fund, the Lawyers' Assistance Program Fund, the Supreme Court Federal Projects Fund, the Supreme Court Special State Projects Fund, the Supplemental Low-Income Energy Assistance Fund, the Good Samaritan Energy Trust Fund, the Low-Level Radioactive Waste Facility Development and Operation Fund, the Horse Racing Equity Trust Fund, the Metabolic Screening and Treatment Fund, or the Hospital Basic Services Preservation Fund, or to any funds to which subsection (f) of Section 20-40 of the Nursing and Advanced Practice Nursing Act applies. No transfers may be made under this Section from the Pet Population Control 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 Service Emergency Fund, or the Mandatory Arbitration Fund.

In determining the available balance in a fund, the Governor 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.

(a-5) Transfers directed to be made under this Section on or before February 28, 2006 that are still pending on May 19, 2006 (the effective date of Public Act 94-774) ~~this amendatory Act of the 94th~~

[May 31, 2007]

General Assembly shall be redirected as provided in Section 8n of this Act.

(b) This Section does not apply to: (i) the Ticket For The Cure Fund; (ii) any fund established under the Community Senior Services and Resources Act; or (iii) on or after January 1, 2006 (the effective date of Public Act 94-511), the Child Labor and Day and Temporary Labor Enforcement Fund.

(c) This Section does not apply to the Demutualization Trust Fund established under the Uniform Disposition of Unclaimed Property Act.

(d) This Section does not apply to moneys set aside in the Illinois State Podiatric Disciplinary Fund for podiatric scholarships and residency programs under the Podiatric Scholarship and Residency Act.

(e) Subsection (a) does not apply to, and no transfer may be made under this Section from, the Pension Stabilization Fund.

(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; 93-801, eff. 7-22-04; 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff. 1-15-05; 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511, eff. 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05; 94-645, eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff. 11-2-05; 94-691, eff. 11-2-05; 94-726, eff. 1-20-06; 94-773, eff. 5-18-06; 94-774, eff. 5-19-06; 94-804, eff. 5-26-06; 94-839, eff. 6-6-06; revised 6-19-06.)

Section 15. The Phenylketonuria Testing Act is amended by changing Sections 0.01 and 2 as follows: (410 ILCS 240/0.01) (from Ch. 111 1/2, par. 4902.9)

Sec. 0.01. Short title. This Act may be cited as the Metabolic Disorder Phenylketonuria Testing Act. (Source: P.A. 86-1324.)

(410 ILCS 240/2) (from Ch. 111 1/2, par. 4904)

Sec. 2. The Department of Public Health shall administer the provisions of this Act and shall:

(a) Institute and carry on an intensive educational program among physicians, hospitals, public health nurses and the public concerning the diseases phenylketonuria, hypothyroidism, galactosemia and other metabolic diseases. This educational program shall include information about the nature of the diseases and examinations for the detection of the diseases in early infancy in order that measures may be taken to prevent the mental retardation resulting from the diseases.

(a-5) Beginning July 1, 2002, provide all newborns with expanded screening tests for the presence of genetic, endocrine, or other metabolic disorders, including phenylketonuria, galactosemia, hypothyroidism, congenital adrenal hyperplasia, biotinidase deficiency, and sickling disorders, as well as other amino acid disorders, organic acid disorders, fatty acid oxidation disorders, and other abnormalities detectable through the use of a tandem mass spectrometer. If by July 1, 2002, the Department is unable to provide expanded screening using the State Laboratory, it shall temporarily provide such screening through an accredited laboratory selected by the Department until the Department has the capacity to provide screening through the State Laboratory. If expanded screening is provided on a temporary basis through an accredited laboratory, the Department shall substitute the fee charged by the accredited laboratory, plus a 5% surcharge for documentation and handling, for the fee authorized in subsection (e) of this Section.

(a-6) In accordance with the timetable specified in this subsection, provide all newborns with expanded screening tests for the presence of certain Lysosomal Storage Disorders known as Krabbe, Pompe, Gaucher, Fabry, and Niemann-Pick. The testing shall begin within 6 months following the occurrence of all of the following:

(i) the registration with the federal Food and Drug Administration of the necessary reagents;  
(ii) the availability of the necessary reagents from the Centers for Disease Control and Prevention;  
(iii) the availability of quality assurance testing methodology for these processes; and  
(iv) the acquisition and installment by the Department of the equipment necessary to implement the expanded screening tests.

It is the goal of this amendatory Act of the 95th General Assembly that the expanded screening for the specified Lysosomal Storage Disorders begins within 3 years after the effective date of this Act. The Department is authorized to implement an additional fee for the screening prior to beginning the testing in order to accumulate the resources for start-up and other costs associated with implementation of the screening and thereafter to support the costs associated with screening and follow-up programs for the specified Lysosomal Storage Disorders.

(b) Maintain a registry of cases including information of importance for the purpose of follow-up services to prevent mental retardation.

(c) Supply the necessary metabolic treatment formulas ~~product~~ where practicable for diagnosed cases of amino acid metabolism disorders, including phenylketonuria, organic acid and fatty acid oxidation disorders for as long as medically indicated, when the product is not available through other State agencies.

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(d) Arrange for or provide public health nursing, nutrition and social services and clinical consultation as indicated.

(e) Require that all specimens collected pursuant to this Act or the rules and regulations promulgated hereunder be submitted for testing to the nearest Department of Public Health laboratory designated to perform such tests. The Department may develop a reasonable fee structure and may levy fees according to such structure to cover the cost of providing this testing service. Fees collected from the provision of this testing service shall be placed in a special fund in the State Treasury, hereafter known as the Metabolic Screening and Treatment Fund. Other State and federal funds for expenses related to metabolic screening, follow-up and treatment programs may also be placed in such Fund. Moneys shall be appropriated from such Fund to the Department of Public Health solely for the purposes of providing metabolic screening, follow-up and treatment programs. Nothing in this Act shall be construed to prohibit any licensed medical facility from collecting additional specimens for testing for metabolic or neonatal diseases or any other diseases or conditions, as it deems fit. Any person violating the provisions of this subsection (e) is guilty of a petty offense.

(Source: P.A. 92-701, eff. 7-19-02.)

Section 99. Effective date. This Act takes effect upon becoming law."

#### AMENDMENT NO. 2 TO SENATE BILL 1566

AMENDMENT NO. 2. Amend Senate Bill 1566, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 2, line 19, after "parents.", by inserting the following: "Ex-officio members may be appointed, but shall not have voting privileges."; and

on page 6, by replacing line 11 with the following:

"~~Newborn Metabolic Screening Phenylketonuria Testing Act.~~"; and

on page 8, line 24, after "acid", by inserting "disorders".

Under the rules, the foregoing **Senate Bill No. 1566**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1579

A bill for AN ACT concerning regulation.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1579

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 1 TO SENATE BILL 1579

AMENDMENT NO. 1. Amend Senate Bill 1579 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Health Facilities Planning Act is amended by changing Section 3 and adding Section 5.1a as follows:

(20 ILCS 3960/3) (from Ch. 111 1/2, par. 1153)

(Section scheduled to be repealed on May 31, 2007)

Sec. 3. Definitions. As used in this Act:

"Health care facilities" means and includes the following facilities and organizations:

1. An ambulatory surgical treatment center required to be licensed pursuant to the Ambulatory Surgical Treatment Center Act;
2. An institution, place, building, or agency required to be licensed pursuant to the Hospital Licensing Act;

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3. Skilled and intermediate long term care facilities licensed under the Nursing Home Care Act;

~~3. Skilled and intermediate long term care facilities licensed under the Nursing Home Care Act;~~

4. Hospitals, nursing homes, ambulatory surgical treatment centers, or kidney disease treatment centers maintained by the State or any department or agency thereof;

5. Kidney disease treatment centers, including a free-standing hemodialysis unit required to be licensed under the End Stage Renal Disease Facility Act; and

6. An institution, place, building, or room used for the performance of outpatient surgical procedures that is leased, owned, or operated by or on behalf of an out-of-state facility.

No federally owned facility shall be subject to the provisions of this Act, nor facilities used solely for healing by prayer or spiritual means.

No facility licensed under the Supportive Residences Licensing Act or the Assisted Living and Shared Housing Act shall be subject to the provisions of this Act.

A facility designated as a supportive living facility that is in good standing with the program established under Section 5-5.01a of the Illinois Public Aid Code shall not be subject to the provisions of this Act.

This Act does not apply to facilities granted waivers under Section 3-102.2 of the Nursing Home Care Act. However, if a demonstration project under that Act applies for a certificate of need to convert to a nursing facility, it shall meet the licensure and certificate of need requirements in effect as of the date of application.

This Act does not apply to a dialysis facility that provides only dialysis training, support, and related services to individuals with end stage renal disease who have elected to receive home dialysis. This Act does not apply to a dialysis unit located in a licensed nursing home that offers or provides dialysis-related services to residents with end stage renal disease who have elected to receive home dialysis within the nursing home. The Board, however, may require these dialysis facilities and licensed nursing homes to report statistical information on a quarterly basis to the Board to be used by the Board to conduct analyses on the need for proposed kidney disease treatment centers.

This Act shall not apply to the closure of an entity or a portion of an entity licensed under the Nursing Home Care Act that elects to convert, in whole or in part, to an assisted living or shared housing establishment licensed under the Assisted Living and Shared Housing Act.

With the exception of those health care facilities specifically included in this Section, nothing in this Act shall be intended to include facilities operated as a part of the practice of a physician or other licensed health care professional, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional group. Further, this Act shall not apply to physicians or other licensed health care professional's practices where such practices are carried out in a portion of a health care facility under contract with such health care facility by a physician or by other licensed health care professionals, whether practicing in his individual capacity or within the legal structure of any partnership, medical or professional corporation, or unincorporated medical or professional groups. This Act shall apply to construction or modification and to establishment by such health care facility of such contracted portion which is subject to facility licensing requirements, irrespective of the party responsible for such action or attendant financial obligation.

"Person" means any one or more natural persons, legal entities, governmental bodies other than federal, or any combination thereof.

"Consumer" means any person other than a person (a) whose major occupation currently involves or whose official capacity within the last 12 months has involved the providing, administering or financing of any type of health care facility, (b) who is engaged in health research or the teaching of health, (c) who has a material financial interest in any activity which involves the providing, administering or financing of any type of health care facility, or (d) who is or ever has been a member of the immediate family of the person defined by (a), (b), or (c).

"State Board" means the Health Facilities Planning Board.

"Construction or modification" means the establishment, erection, building, alteration, reconstruction, modernization, improvement, extension, discontinuation, change of ownership, of or by a health care facility, or the purchase or acquisition by or through a health care facility of equipment or service for diagnostic or therapeutic purposes or for facility administration or operation, or any capital expenditure made by or on behalf of a health care facility which exceeds the capital expenditure minimum; however, any capital expenditure made by or on behalf of a health care facility for (i) the construction or modification of a facility licensed under the Assisted Living and Shared Housing Act or (ii) a conversion project undertaken in accordance with Section 30 of the Older Adult Services Act shall be excluded from

any obligations under this Act.

"Establish" means the construction of a health care facility or the replacement of an existing facility on another site.

"Major medical equipment" means medical equipment which is used for the provision of medical and other health services and which costs in excess of the capital expenditure minimum, except that such term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under Title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of Section 1861(s) of such Act. In determining whether medical equipment has a value in excess of the capital expenditure minimum, the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment shall be included.

"Capital Expenditure" means an expenditure: (A) made by or on behalf of a health care facility (as such a facility is defined in this Act); and (B) which under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance, or is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part; and which exceeds the capital expenditure minimum.

For the purpose of this paragraph, the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made shall be included in determining if such expenditure exceeds the capital expenditures minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under this Act shall be considered capital expenditures, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure for purposes of this Act if a transfer of the equipment or facilities at fair market value would be subject to review.

"Capital expenditure minimum" means \$6,000,000, which shall be annually adjusted to reflect the increase in construction costs due to inflation, for major medical equipment and for all other capital expenditures; provided, however, that when a capital expenditure is for the construction or modification of a health and fitness center, "capital expenditure minimum" means the capital expenditure minimum for all other capital expenditures in effect on March 1, 2000, which shall be annually adjusted to reflect the increase in construction costs due to inflation.

"Non-clinical service area" means an area (i) for the benefit of the patients, visitors, staff, or employees of a health care facility and (ii) not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; news stands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers.

"Areawide" means a major area of the State delineated on a geographic, demographic, and functional basis for health planning and for health service and having within it one or more local areas for health planning and health service. The term "region", as contrasted with the term "subregion", and the word "area" may be used synonymously with the term "areawide".

"Local" means a subarea of a delineated major area that on a geographic, demographic, and functional basis may be considered to be part of such major area. The term "subregion" may be used synonymously with the term "local".

"Areawide health planning organization" or "Comprehensive health planning organization" means the health systems agency designated by the Secretary, Department of Health and Human Services or any successor agency.

"Local health planning organization" means those local health planning organizations that are designated as such by the areawide health planning organization of the appropriate area.

"Physician" means a person licensed to practice in accordance with the Medical Practice Act of 1987, as amended.

"Licensed health care professional" means a person licensed to practice a health profession under pertinent licensing statutes of the State of Illinois.

"Director" means the Director of the Illinois Department of Public Health.

"Agency" means the Illinois Department of Public Health.

"Comprehensive health planning" means health planning concerned with the total population and all health and associated problems that affect the well-being of people and that encompasses health services, health manpower, and health facilities; and the coordination among these and with those social, economic, and environmental factors that affect health.

"Alternative health care model" means a facility or program authorized under the Alternative Health Care Delivery Act.

"Out-of-state facility" means a person that is both (i) licensed as a hospital or as an ambulatory surgery center under the laws of another state or that qualifies as a hospital or an ambulatory surgery center under regulations adopted pursuant to the Social Security Act and (ii) not licensed under the Ambulatory Surgical Treatment Center Act, the Hospital Licensing Act, or the Nursing Home Care Act. Affiliates of out-of-state facilities shall be considered out-of-state facilities. Affiliates of Illinois licensed health care facilities 100% owned by an Illinois licensed health care facility, its parent, or Illinois physicians licensed to practice medicine in all its branches shall not be considered out-of-state facilities. Nothing in this definition shall be construed to include an office or any part of an office of a physician licensed to practice medicine in all its branches in Illinois that is not required to be licensed under the Ambulatory Surgical Treatment Center Act.

"Change of ownership of a health care facility" means a change in the person who has ownership or control of a health care facility's physical plant and capital assets. A change in ownership is indicated by the following transactions: sale, transfer, acquisition, lease, change of sponsorship, or other means of transferring control.

"Related person" means any person that: (i) is at least 50% owned, directly or indirectly, by either the health care facility or a person owning, directly or indirectly, at least 50% of the health care facility; or (ii) owns, directly or indirectly, at least 50% of the health care facility.

"Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer.

"Freestanding emergency center" means a facility subject to licensure under Section 32.5 of the Emergency Medical Services (EMS) Systems Act.

(Source: P.A. 93-41, eff. 6-27-03; 93-766, eff. 7-20-04; 93-935, eff. 1-1-05; 93-1031, eff. 8-27-04; 94-342, eff. 7-26-05; revised 4-3-07.)

(20 ILCS 3960/5.1a new)

Sec. 5.1a. No person shall construct, modify, or establish a freestanding emergency center in Illinois, or acquire major medical equipment or make capital expenditures in relation to such a facility in excess of the capital expenditure minimum, as defined by this Act, without first obtaining a permit from the State Board in accordance with criteria, standards, and procedures adopted by the State Board for freestanding emergency centers that ensure the availability of and community access to essential emergency medical services.

Section 10. The Emergency Medical Services (EMS) Systems Act is amended by changing Sections 3.20 and 32.5 as follows:

(210 ILCS 50/3.20)

Sec. 3.20. Emergency Medical Services (EMS) Systems.

(a) "Emergency Medical Services (EMS) System" means an organization of hospitals, vehicle service providers and personnel approved by the Department in a specific geographic area, which coordinates and provides pre-hospital and inter-hospital emergency care and non-emergency medical transports at a BLS, ILS and/or ALS level pursuant to a System program plan submitted to and approved by the Department, and pursuant to the EMS Region Plan adopted for the EMS Region in which the System is located.

(b) One hospital in each System program plan must be designated as the Resource Hospital. All other hospitals which are located within the geographic boundaries of a System and which have standby, basic or comprehensive level emergency departments must function in that EMS System as either an Associate Hospital or Participating Hospital and follow all System policies specified in the System Program Plan, including but not limited to the replacement of drugs and equipment used by providers who have delivered patients to their emergency departments. All hospitals and vehicle service providers participating in an EMS System must specify their level of participation in the System Program Plan.

(c) The Department shall have the authority and responsibility to:

(1) Approve BLS, ILS and ALS level EMS Systems which meet minimum standards and criteria established in rules adopted by the Department pursuant to this Act, including the submission of a Program Plan for Department approval. Beginning September 1, 1997, the Department shall

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approve the development of a new EMS System only when a local or regional need for establishing such System has been identified. This shall not be construed as a needs assessment for health planning or other purposes outside of this Act. Following Department approval, EMS Systems must be fully operational within one year from the date of approval.

(2) Monitor EMS Systems, based on minimum standards for continuing operation as prescribed in rules adopted by the Department pursuant to this Act, which shall include requirements for submitting Program Plan amendments to the Department for approval.

(3) Renew EMS System approvals every 4 years, after an inspection, based on compliance with the standards for continuing operation prescribed in rules adopted by the Department pursuant to this Act.

(4) Suspend, revoke, or refuse to renew approval of any EMS System, after providing an opportunity for a hearing, when findings show that it does not meet the minimum standards for continuing operation as prescribed by the Department, or is found to be in violation of its previously approved Program Plan.

(5) Require each EMS System to adopt written protocols for the bypassing of or diversion to any hospital, trauma center or regional trauma center, which provide that a person shall not be transported to a facility other than the nearest hospital, regional trauma center or trauma center unless the medical benefits to the patient reasonably expected from the provision of appropriate medical treatment at a more distant facility outweigh the increased risks to the patient from transport to the more distant facility, or the transport is in accordance with the System's protocols for patient choice or refusal.

(6) Require that the EMS Medical Director of an ILS or ALS level EMS System be a physician licensed to practice medicine in all of its branches in Illinois, and certified by the American Board of Emergency Medicine or the American Board of Osteopathic Emergency Medicine, and that the EMS Medical Director of a BLS level EMS System be a physician licensed to practice medicine in all of its branches in Illinois, with regular and frequent involvement in pre-hospital emergency medical services. In addition, all EMS Medical Directors shall:

(A) Have experience on an EMS vehicle at the highest level available within the System, or make provision to gain such experience within 12 months prior to the date responsibility for the System is assumed or within 90 days after assuming the position;

(B) Be thoroughly knowledgeable of all skills included in the scope of practices of all levels of EMS personnel within the System;

(C) Have or make provision to gain experience instructing students at a level similar to that of the levels of EMS personnel within the System; and

(D) For ILS and ALS EMS Medical Directors, successfully complete a Department-approved EMS Medical Director's Course.

(7) Prescribe statewide EMS data elements to be collected and documented by providers in all EMS Systems for all emergency and non-emergency medical services, with a one-year phase-in for commencing collection of such data elements.

(8) Define, through rules adopted pursuant to this Act, the terms "Resource Hospital", "Associate Hospital", "Participating Hospital", "Basic Emergency Department", "Standby Emergency Department", "Comprehensive Emergency Department", "EMS Medical Director", "EMS Administrative Director", and "EMS System Coordinator".

(A) Upon the effective date of this amendatory Act of 1995, all existing Project Medical Directors shall be considered EMS Medical Directors, and all persons serving in such capacities on the effective date of this amendatory Act of 1995 shall be exempt from the requirements of paragraph (7) of this subsection;

(B) Upon the effective date of this amendatory Act of 1995, all existing EMS System Project Directors shall be considered EMS Administrative Directors.

(9) Investigate the circumstances that caused a hospital in an EMS system to go on bypass status to determine whether that hospital's decision to go on bypass status was reasonable. The Department may impose sanctions, as set forth in Section 3.140 of the Act, upon a Department determination that the hospital unreasonably went on bypass status in violation of the Act.

(10) Evaluate the capacity and performance of any freestanding emergency center established under Section 32.5 of this Act in meeting emergency medical service needs of the public, including compliance with applicable emergency medical standards and assurance of the availability of and immediate access to the highest quality of medical care possible.

(Source: P.A. 91-357, eff. 7-29-99.)

(210 ILCS 50/32.5)

## Sec. 32.5. Freestanding Emergency Center.

(a) ~~Until June 30, 2009, the~~ Department shall issue an annual Freestanding Emergency Center (FEC) license to any facility that:

(1) is located: (A) ~~(i)(A)~~ in a municipality with a population of 75,000 or fewer inhabitants; (B) within ~~20 to 45~~ miles of the hospital that owns or controls the FEC; and (C) within ~~20 to 40~~ miles of the Resource Hospital affiliated with the FEC as part of the EMS System; ~~or (ii) (A) in a municipality that has a hospital that has been providing emergency services but is expected to close by the end of 1997 and (B) in a county with a population of more than 350,000 but less than 525,000 inhabitants;~~

(2) is wholly owned or controlled by an Associate or Resource Hospital, but is not a part of the hospital's physical plant;

(3) meets the standards for licensed FECs, adopted by rule of the Department, including, but not limited to:

(A) facility design, specification, operation, and maintenance standards;

(B) equipment standards; and

(C) the number and qualifications of emergency medical personnel and other staff, which must include at least one board certified emergency physician present at the FEC 24 hours per day.

(4) limits its participation in the EMS System strictly to receiving a limited number of BLS runs by emergency medical vehicles according to protocols developed by the Resource Hospital within the FEC's designated EMS System and approved by the Project Medical Director and the Department;

(5) provides comprehensive emergency treatment services, as defined in the rules adopted by the Department pursuant to the Hospital Licensing Act, 24 hours per day, on an outpatient basis;

(6) provides an ambulance and maintains on site ambulance services staffed with paramedics 24 hours per day;

(7) maintains helicopter landing capabilities approved by appropriate State and federal authorities;

(8) complies with all State and federal patient rights provisions, including, but not limited to, the Emergency Medical Treatment Act and the federal Emergency Medical Treatment and Active Labor Act;

(9) maintains a communications system that is fully integrated with its Resource Hospital within the FEC's designated EMS System;

(10) reports to the Department any patient transfers from the FEC to a hospital within 48 hours of the transfer plus any other data determined to be relevant by the Department;

(11) submits to the Department, on a quarterly basis, the FEC's morbidity and mortality rates for patients treated at the FEC and other data determined to be relevant by the Department;

(12) does not describe itself or hold itself out to the general public as a full service hospital or hospital emergency department in its advertising or marketing activities;

(13) complies with any other rules adopted by the Department under this Act that relate to FECs;

(14) passes the Department's site inspection for compliance with the FEC requirements of this Act;

(15) submits a copy of ~~the a certificate of need or other~~ permit issued by the Illinois Health Facilities Planning Board

~~indicating that the facility has complied with the Illinois Health Facilities Planning Act with respect to the health services to be provided at the facility that will house the proposed FEC complies with State health planning laws; provided, however, that the Illinois Health Facilities Planning Board shall waive this certificate of need or permit requirement for any proposed FEC that, as of the effective date of this amendatory Act of 1996, meets the criteria for providing comprehensive emergency treatment services, as defined by the rules promulgated under the Hospital Licensing Act, but is not a licensed hospital;~~

(16) submits an application for designation as an FEC in a manner and form prescribed by the Department by rule; ~~and~~

(17) pays the annual license fee as determined by the Department by rule; ~~and~~

~~(18) participated in the demonstration program.~~

(b) The Department shall:

(1) annually inspect facilities of initial FEC applicants and licensed FECs, and issue annual licenses to or annually relicense FECs that satisfy the Department's licensure requirements as

set forth in subsection (a);

(2) suspend, revoke, refuse to issue, or refuse to renew the license of any FEC, after notice and an opportunity for a hearing, when the Department finds that the FEC has failed to comply with the standards and requirements of the Act or rules adopted by the Department under the Act;

(3) issue an Emergency Suspension Order for any FEC when the Director or his or her designee has determined that the continued operation of the FEC poses an immediate and serious danger to the public health, safety, and welfare. An opportunity for a hearing shall be promptly initiated after an Emergency Suspension Order has been issued; and

(4) adopt rules as needed to implement this Section.

(Source: P.A. 93-372, eff. 1-1-04.)

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 1579**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1617

A bill for AN ACT concerning conservation.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1617

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1617**

AMENDMENT NO. 1. Amend Senate Bill 1617 as follows:

on page 2, immediately below line 15, by inserting the following:

"(e) The Department of Agriculture may enter into agreements with a unit of local government under which the unit of local government is authorized to assist the Department in carrying out its duties in a quarantined area, including inspection and eradication of any dangerous insect or dangerous plant disease, and including the transportation, processing, and disposal of diseased material. The Department is authorized to provide compensation or financial assistance to the unit of local government for its costs."; and

on page 2, line 16, by replacing "(e)" with "(f)".

Under the rules, the foregoing **Senate Bill No. 1617**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1619

A bill for AN ACT concerning finance.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1619

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

[May 31, 2007]

**AMENDMENT NO. 1 TO SENATE BILL 1619**

AMENDMENT NO. 1. Amend Senate Bill 1619 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Procurement Code is amended by changing Section 1-10 as follows:

(30 ILCS 500/1-10)

Sec. 1-10. Application.

(a) This Code applies only to procurements for which contractors were first solicited on or after July 1, 1998. This Code shall not be construed to affect or impair any contract, or any provision of a contract, entered into based on a solicitation prior to the implementation date of this Code as described in Article 99, including but not limited to any covenant entered into with respect to any revenue bonds or similar instruments. All procurements for which contracts are solicited between the effective date of Articles 50 and 99 and July 1, 1998 shall be substantially in accordance with this Code and its intent.

(b) This Code shall apply regardless of the source of the funds with which the contracts are paid, including federal assistance moneys. This Code shall not apply to:

(1) Contracts between the State and its political subdivisions or other governments, or between State governmental bodies except as specifically provided in this Code.

(2) Grants, except for the filing requirements of Section 20-80.

(3) Purchase of care.

(4) Hiring of an individual as employee and not as an independent contractor, whether pursuant to an employment code or policy or by contract directly with that individual.

(5) Collective bargaining contracts.

(6) Purchase of real estate, except that notice of this type of contract with a value of more than \$25,000 must be published in the Procurement Bulletin within 7 days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.

(7) Contracts necessary to prepare for anticipated litigation, enforcement actions, or investigations, provided that the chief legal counsel to the Governor shall give his or her prior approval when the procuring agency is one subject to the jurisdiction of the Governor, and provided that the chief legal counsel of any other procuring entity subject to this Code shall give his or her prior approval when the procuring entity is not one subject to the jurisdiction of the Governor.

(8) Contracts for services to Northern Illinois University by a person, acting as an independent contractor, who is qualified by education, experience, and technical ability and is selected by negotiation for the purpose of providing non-credit educational service activities or products by means of specialized programs offered by the university.

(9) Procurement expenditures by the Illinois Conservation Foundation when only private funds are used.

(Source: P.A. 91-627, eff. 8-19-99; 91-904, eff. 7-6-00; 92-797, eff. 8-15-02.)

Section 99. Effective date. This Act takes effect July 1, 2007."

Under the rules, the foregoing **Senate Bill No. 1619**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1621

A bill for AN ACT concerning finance.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1621

House Amendment No. 2 to SENATE BILL NO. 1621

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

[May 31, 2007]

**AMENDMENT NO. 1 TO SENATE BILL 1621**

AMENDMENT NO. 1. Amend Senate Bill 1621 by inserting the following immediately above the enacting clause:

"WHEREAS, A resolution of the United Nations Security Council imposes sanctions on Iran for its failure to suspend its uranium-enrichment activities; and

WHEREAS, The United Nations Security Council voted unanimously for an additional embargo on Iranian arms exports, which is a freeze on assets abroad of an expanded list of individuals and companies involved in Iran's nuclear and ballistic missile programs and calls for nations and institutions to bar new grants or loans to Iran except for humanitarian and developmental purposes; and

WHEREAS, Iran's financial ability to pay its debts to foreign entities involved in the petroleum-energy sector amounting to more than \$20 million is put at risk by the Iran and Libya Sanctions Act embargo and sanctions; and

WHEREAS, Foreign entities have invested in Iran's petroleum-energy sector despite United States and United Nations sanctions against Iran; and

WHEREAS, All United States and foreign entities that have invested more than \$20 million in Iran's energy sector since August 5, 1996, are subject to sanctions under United States law pursuant to the Iran and Libya Sanctions Act of 1996; and

WHEREAS, The United States renewed the Iran and Libya Sanctions Act of 1996 in 2001 and 2006; and

WHEREAS, While divestiture should be considered with the intent to improve investment performance and, by the rules of prudence, fiduciaries must take into account all relevant substantive factors in arriving at an investment decision; and

WHEREAS, Divestiture from markets that are vulnerable to embargo, loan restrictions, and sanctions from the United States and the international community, including the United Nations Security Council, is in accordance with the rules of prudence; and

WHEREAS, The State of Illinois is deeply concerned about investments in publicly traded companies that have business activities in and ties to Iran's petroleum-energy sector as a financial risk to the shareholders; and

WHEREAS, By investing in publicly traded companies having ties to Iran's petroleum-energy sector, retirement systems are putting the funds they oversee at substantial financial risk; and

WHEREAS, to protect Illinois' assets, it is in the best interest of the State to enact a statutory prohibition regarding investments in or with Iran's petroleum-energy sector; therefore"; and

by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Procurement Code is amended by adding Section 50-36 as follows:  
(30 ILCS 500/50-36 new)

Sec. 50-36. Disclosure of business in Iran.

(a) As used in this Section:

"Business operations" means engaging in commerce in any form in Iran, including, but not limited to, acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

"Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of those entities or business associations, that exists for the purpose of making profit.

[May 31, 2007]

"Mineral-extraction activities" include exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides (ore), including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc, as well as facilitating such activities, including, providing supplies or services in support of such activities.

"Oil-related activities" include, but are not limited to, owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil-field infrastructure; and facilitating such activities, including providing supplies or services in support of such activities, except that the mere retail sale of gasoline and related consumer products is not considered an oil-related activity.

"Petroleum resources" means petroleum, petroleum by-products, or natural gas.

"Substantial action" means adopting, publicizing, and implementing a formal plan to cease scrutinized business operations within one year and to refrain from any such new business operations.

(b) Each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20, shall include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran, or companies involved in consortiums or projects commissioned by the Government of Iran and:

(1) more than 10% of the company's revenues or assets linked to Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues or assets linked to Iran involve contracts with or provision of oil-related or mineral-extraction products or services to the Government of Iran or a project or consortium created exclusively by that government; and the company has failed to take substantial action; or

(2) the company has, with actual knowledge, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12-month period, that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

(c) A bid, offer, or proposal that does not include the disclosure required by subsection (b) shall not be considered responsive. A chief procurement officer may consider the disclosure when evaluating the bid, offer, or proposal or awarding the contract.

(d) Each chief procurement officer shall provide the State Comptroller with the name of each entity disclosed under subsection (b) as doing business or having done business in Iran. The State Comptroller shall post that information on his or her official website.

Section 10. The Illinois Pension Code is amended by adding Section 1-110.10 as follows:

(40 ILCS 5/1-110.10 new)

Sec. 1-110.10. Transactions prohibited by retirement systems; Iran.

(a) As used in this Section:

"Active business operations" means all business operations that are not inactive business operations.

"Business operations" means engaging in commerce in any form in Iran, including, but not limited to, acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

"Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of those entities or business associations, that exists for the purpose of making profit.

"Direct holdings" in a company means all securities of that company that are held directly by the retirement system or in an account or fund in which the retirement system owns all shares or interests.

"Inactive business operations" means the mere continued holding or renewal of rights to property previously operated for the purpose of generating revenues but not presently deployed for that purpose.

"Indirect holdings" in a company means all securities of that company which are held in an account or fund, such as a mutual fund, managed by one or more persons not employed by the retirement system, in which the retirement system owns shares or interests together with other investors not subject to the provisions of this Section.

"Mineral-extraction activities" include exploring, extracting, processing, transporting, or wholesale

selling or trading of elemental minerals or associated metal alloys or oxides (ore), including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc, as well as facilitating such activities, including, providing supplies or services in support of such activities.

"Oil-related activities" include, but are not limited to, owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil-field infrastructure; and facilitating such activities, including providing supplies or services in support of such activities, except that the mere retail sale of gasoline and related consumer products is not considered an oil-related activity.

"Petroleum resources" means petroleum, petroleum by-products, or natural gas.

Private market fund" means any private equity fund, private equity fund of funds, venture capital fund, hedge fund, hedge fund of funds, real estate fund, or other investment vehicle that is not publicly traded.

"Retirement system" means the State Employees' Retirement System of Illinois, the Judges Retirement System of Illinois, the General Assembly Retirement System, the State Universities Retirement System, and the Teachers' Retirement System of the State of Illinois.

"Scrutinized company" means the company has business operations that involve contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran, or companies involved in consortiums or projects commissioned by the Government of Iran and:

(1) more than 10% of the company's revenues or assets linked to Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues or assets linked to Iran involve contracts with or provision of oil-related or mineral-extraction products or services to the Government of Iran or a project or consortium created exclusively by that government; and the company has failed to take substantial action; or

(2) the company has, with actual knowledge, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12-month period, that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

"Substantial action" means adopting, publicizing, and implementing a formal plan to cease scrutinized business operations within one year and to refrain from any such new business operations.

(b) Within 90 days after the effective date of this Section, a retirement system shall make its best efforts to identify all scrutinized companies in which the retirement system has direct or indirect holdings or could possibly have such holdings in the future.

These efforts shall include the following:

(1) reviewing and relying, as appropriate in the retirement system's judgment, on publicly available information regarding companies having business operations in Iran, including information provided by nonprofit organizations, research firms, international organizations, and government entities;

(2) contacting asset managers contracted by the retirement system that invest in companies having business operations in Iran; and

(3) Contacting other institutional investors that have divested from or engaged with companies that have business operations in Iran.

The retirement system may retain an independent research firm to identify scrutinized companies in which the retirement system has direct or indirect holdings. By the first meeting of the retirement system following the 90-day period described in this subsection (b), the retirement system shall assemble all scrutinized companies identified into a scrutinized companies list.

The retirement system shall update the scrutinized companies list quarterly based on evolving information from, among other sources, those listed in this subsection (b).

(c) The retirement system shall adhere to the following procedures for companies on the scrutinized companies list:

(1) The retirement system shall immediately determine the companies on the scrutinized companies list in which the retirement system owns direct or indirect holdings.

(2) For each company identified in item (1) of this subsection (c) that has only inactive business operations, the retirement system shall send a written notice informing the company of this Section and encouraging it to continue to refrain from initiating active business operations in Iran until it is able to avoid scrutinized business operations. The retirement system shall continue such correspondence semiannually.

(3) For each company newly identified in item (1) of this subsection (c) that has active business operations, the retirement system shall send a written notice informing the company of its scrutinized company status and that it may become subject to divestment by the retirement system. The notice must

inform the company of the opportunity to clarify its Iran-related activities and encourage the company, within 90 days, to cease its scrutinized business operations or convert such operations to inactive business operations in order to avoid qualifying for divestment by the retirement system.

(4) If, within 90 days after the retirement system's first engagement with a company pursuant to this subsection (c), that company ceases scrutinized business operations, the company shall be removed from the scrutinized companies list and the provisions of this Section shall cease to apply to it unless it resumes scrutinized business operations. If, within 90 days after the retirement system's first engagement, the company converts its scrutinized active business operations to inactive business operations, the company is subject to all provisions relating thereto.

(d) If, after 90 days following the retirement system's first engagement with a company pursuant to subsection (c), the company continues to have scrutinized active business operations, and only while such company continues to have scrutinized active business operations, the retirement system shall sell, redeem, divest, or withdraw all publicly traded securities of the company, except as provided in paragraph (f), from the retirement system's assets under management within 12 months after the company's most recent appearance on the scrutinized companies list.

If a company that ceased scrutinized active business operations following engagement pursuant to subsection (c) resumes such operations, this subsection (d) immediately applies, and the retirement system shall send a written notice to the company. The company shall also be immediately reintroduced onto the scrutinized companies list.

(e) The retirement system may not acquire securities of companies on the scrutinized companies list that have active business operations, except as provided in subsection(f).

(f) A company that the United States Government affirmatively declares to be excluded from its present or any future federal sanctions regime relating to Iran is not subject to divestment or the investment prohibition pursuant to subsections (d) and (e).

(g) Notwithstanding the provisions of this Section, paragraphs (d) and (e) do not apply to indirect holdings in a private market fund. However, the retirement system shall submit letters to the managers of those investment funds containing companies that have scrutinized active business operations requesting that they consider removing the companies from the fund or create a similar actively managed fund having indirect holdings devoid of the companies. If the manager creates a similar fund, the retirement system shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards.

(h) The retirement system shall file a report with the Public Pension Division of the Department of Financial and Professional Regulation that includes the scrutinized companies list within 30 days after the list is created. This report shall be made available to the public.

The retirement system shall file an annual report with the Public Pension Division, which shall be made available to the public, that includes all of the following:

(1) A summary of correspondence with companies engaged by the retirement system under items (2) and (3) of subsection (c).

(2) All investments sold, redeemed, divested, or withdrawn in compliance with subsection (d).

(3) All prohibited investments under subsection (e).

(4) A summary of correspondence with private market funds notified under subsection (g).

(i) This Section expires upon the occurrence of any of the following:

(1) The United States revokes all sanctions imposed against the Government of Iran.

(2) The Congress or President of the United States declares that the Government of Iran has ceased to acquire weapons of mass destruction and to support international terrorism.

(3) The Congress or President of the United States, through legislation or executive order, declares that mandatory divestment of the type provided for in this Section interferes with the conduct of United States foreign policy.

(j) With respect to actions taken in compliance with this Act, including all good faith determinations regarding companies as required by this Act, the retirement system is exempt from any conflicting statutory or common law obligations, including any such obligations with respect to choice of asset managers, investment funds, or investments for the retirement system's securities portfolios.

(k) Notwithstanding any other provision of this Section to the contrary, the retirement system may cease divesting from certain scrutinized companies pursuant to subsection (d) or reinvest in certain scrutinized companies from which it divested pursuant to subsection (d) if clear and convincing evidence shows that the value of all assets under management by the retirement system becomes equal to or less than 99.50%, or 50 basis points, of the hypothetical value of all assets under management by the retirement system assuming no divestment for any company had occurred under subsection (d). Cessation of divestment, reinvestment, or any subsequent ongoing investment authorized by this Section



is limited to the minimum steps necessary to avoid the contingency set forth in this subsection (k). For any cessation of divestment, reinvestment, or subsequent ongoing investment authorized by this Section, the retirement system shall provide a written report to the Public Pension Division in advance of initial reinvestment, updated semiannually thereafter as applicable, setting forth the reasons and justification, supported by clear and convincing evidence, for its decisions to cease divestment, reinvest, or remain invested in companies having scrutinized active business operations. This Section does not apply to reinvestment in companies on the grounds that they have ceased to have scrutinized active business operations.

(l) If any provision of this Section or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this Section are severable.

Section 99. Effective date. This Act takes effect upon becoming law."

#### **AMENDMENT NO. 2 TO SENATE BILL 1621**

AMENDMENT NO. 2. Amend Senate Bill 1621, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 4, lines 15 through 17, by deleting "as well as facilitating such activities, including, providing supplies or services in support of such activities"; and

on page 4, line 21, after "oil", by inserting "and"; and

on page 4, by replacing lines 22 through 24 with the following:  
"pipeline, refinery, or other oil-field infrastructure. The mere"; and

on page 5, lines 19 and 20, by replacing "or assets linked to" with "produced in or assets located in"; and

on page 5, line 22, by replacing "or assets linked to" with "produced in or assets located in"; and

on page 6, line 2, by deleting "with actual knowledge"; and

on page 8, on lines 8 through 10, by deleting "as well as facilitating such activities, including, providing supplies or services in support of such activities"; and

on page 8, line 14, after "oil", by inserting "and"; and

on page 8, by replacing lines 15 through 17 with the following:  
"pipeline, refinery, or other oil-field infrastructure. The mere"; and

on page 9, immediately below line 4, by inserting the following:

"Scrutinized business operations" means business operations that have caused a company to become a scrutinized company.; and

on page 9, lines 12 and 13, by replacing "or assets linked to" with "produced in or assets located in"; and

on page 9, line 15, by replacing "or assets linked to" with "produced in or assets located in"; and

on page 9, line 21, by deleting "with actual knowledge"; and

on page 10, by replacing lines 9 through 13 with the following:  
"system has direct or indirect holdings.

These efforts shall include the following, as appropriate in the retirement system's judgment:

(1) reviewing and relying on publicly available"; and

on page 11, line 6, by replacing "quarterly" with "annually"; and

on page 11, line 10, by deleting "immediately"; and

on page 15, line 8, by replacing "such" with "fiduciary duties under this Article and any"; and

on page 15, lines 13 and 14, by deleting "certain" each time it appears; and

on page 15, by replacing lines 16 through 20 with the following:

"evidence shows that the value of investments in scrutinized companies with active scrutinized business operations becomes equal to or less than 0.5% of the market value of all assets under management by the retirement system. Cessation of"; and

on page 16, lines 15 and 16, by replacing "upon becoming law" with "on January 1, 2008".

Under the rules, the foregoing **Senate Bill No. 1621**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1625

A bill for AN ACT concerning liquor.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1625

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1625**

AMENDMENT NO. 1. Amend Senate Bill 1625 on page 1, line 9, after "alcoholic beverage", by inserting "or flavored malt beverage".

Under the rules, the foregoing **Senate Bill No. 1625**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1627

A bill for AN ACT concerning criminal law.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1627

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1627**

AMENDMENT NO. 1. Amend Senate Bill 1627 on page 14 by replacing lines 4 through 6 with the following:

~~"(2) "Lawsuit" means a petition for post conviction relief under Article 122 of the Code of Criminal Procedure of 1963, a motion pursuant to Section 116-3 of the Code of"~~

Under the rules, the foregoing **Senate Bill No. 1627**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

[May 31, 2007]

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1653

A bill for AN ACT concerning public employee benefits.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1653

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1653**

AMENDMENT NO. 1. Amend Senate Bill 1653 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 13-215, 13-216, 13-309, 13-502, 13-601, and 13-706 as follows:

(40 ILCS 5/13-215) (from Ch. 108 1/2, par. 13-215)

Sec. 13-215. "Retirement annuity": A benefit payable as an annuity for service as an employee. The annuity shall be payable in equal monthly installments for life, except as otherwise provided in this Article, beginning in the one month after the effective date of the annuity ~~as fixed by the Board~~, which shall not be prior to the date of withdrawal nor more than one year prior to the date of the employee's application for the annuity. A pro rata amount of the annuity shall be paid for part of a month when the annuity begins after the first day of the month or ends before the last day of the month.

Notwithstanding the above, all retirement annuity payments first payable on or after January 1, 2008, shall begin the first of the month following the effective date of retirement.

Effective January 1, 2008, benefits are payable for the full month if the annuitant was alive on the first day of the month.

(Source: P.A. 87-794.)

(40 ILCS 5/13-216) (from Ch. 108 1/2, par. 13-216)

Sec. 13-216. "Surviving spouse's annuity": The amount payable as a surviving spouse annuity commencing on the date of the employee's or retiree's death. The annuity shall be payable in equal monthly installments for life, except as otherwise provided in this Article, in the month after the effective date of the annuity beginning one month after the effective date of the annuity. A pro rata amount of the annuity shall be paid for part of a month when the annuity begins after the first day of the month or ends before the last day of the month.

Notwithstanding the above, all surviving spouse annuity payments first payable on or after January 1, 2008, shall begin the first of the month following the employee's or annuitant's date of death.

Effective January 1, 2008, benefits are payable for the full month if the annuitant was alive on the first day of the month.

(Source: P.A. 87-794.)

(40 ILCS 5/13-309) (from Ch. 108 1/2, par. 13-309)

Sec. 13-309. Duty disability benefit.

(a) Any employee who becomes disabled, which disability is the result of an injury or illness compensable under the Illinois Workers' Compensation Act or the Illinois Workers' Occupational Diseases Act, is entitled to a duty disability benefit during the period of disability for which the employee does not receive any part of salary, or any part of a retirement annuity under this Article; except that in the case of an employee who first enters service on or after June 13, 1997 and becomes disabled before the effective date of this amendatory Act of the 94th General Assembly, a duty disability benefit is not payable for the first 3 days of disability that would otherwise be payable under this Section if the disability does not continue for at least 11 additional days. The changes made to this Section by this amendatory Act of the 94th General Assembly are prospective only and do not entitle an employee to a duty disability benefit for the first 3 days of any disability that occurred before that effective date and did not continue for at least 11 additional days. This benefit shall be 75% of salary at the date disability begins. However, if the disability in any measure resulted from any physical defect or disease which existed at the time such injury was sustained or such illness commenced, the duty disability benefit shall be 50% of salary.

Unless the employer acknowledges that the disability is a result of injury or illness compensable under the Workers' Compensation Act or the Workers' Occupational Diseases Act, the duty disability benefit

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shall not be payable until the issue of compensability under those Acts is finally adjudicated. The period of disability shall be as determined by the Illinois Workers' Compensation Commission or acknowledged by the employer.

An employee in service before June 13, 1997 shall also receive a child's disability benefit during the period of disability of \$10 per month for each unmarried natural or adopted child of the employee under 18 years of age.

The first payment shall be made not later than one month after the benefit is granted, and subsequent payments shall be made at least monthly. The Board shall by rule prescribe for the payment of such benefits on the basis of the amount of salary lost during the period of disability.

(b) The benefit shall be allowed only if the following requirements are met by the employee:

- (1) Application is made to the Board within 90 days from the date disability begins;
- (2) A medical report is submitted by at least one licensed and practicing physician as part of the employee's application; and
- (3) The employee is examined by at least one licensed and practicing physician

appointed by the Board and found to be in a disabled physical condition, and shall be re-examined at least annually thereafter during the continuance of disability. The employee need not be re-examined by a licensed and practicing physician if the attorney for the district certifies in writing that the employee is entitled to receive compensation under the Workers' Compensation Act or the Workers' Occupational Diseases Act.

(c) The benefit shall terminate when:

- (1) The employee returns to work or receives a retirement annuity paid wholly or in part under this Article;
- (2) The disability ceases;
- (3) The employee attains age 65, but if the employee becomes disabled at age 60 or later, benefits may be extended for a period of no more than 5 years after disablement;
- (4) The employee (i) refuses to submit to reasonable examinations by physicians or other health professionals appointed by the Board, (ii) fails or refuses to consent to and sign an authorization allowing the Board to receive copies of or to examine the employee's medical and hospital records, or (iii) fails or refuses to provide complete information regarding any other employment for compensation he or she has received since becoming disabled; or
- (5) The employee willfully and continuously refuses to follow medical advice and treatment to enable the employee to return to work. However this provision does not apply to an employee who relies in good faith on treatment by prayer through spiritual means alone in accordance with the tenets and practice of a recognized church or religious denomination, by a duly accredited practitioner thereof.

In the case of a duty disability recipient who returns to work, the employee must make application to the Retirement Board within 2 years from the date the employee last received duty disability benefits in order to become again entitled to duty disability benefits based on the injury for which a duty disability benefit was theretofore paid.

(Source: P.A. 93-721, eff. 1-1-05; 94-621, eff. 8-18-05.)

(40 ILCS 5/13-502) (from Ch. 108 1/2, par. 13-502)

Sec. 13-502. Employee contributions; deductions from salary.

(a) Retirement annuity and child's annuity. There shall be deducted from each payment of salary an amount equal to ~~7%~~ ~~7 1/2%~~ 2% of salary as the employee's contribution for the retirement annuity, including ~~annual increases therefor~~ and child's annuity, and 0.5% of salary as the employee's contribution for ~~annual increases to the retirement annuity.~~

(b) Surviving spouse's annuity. There shall be deducted from each payment of salary an amount equal to 1 1/2% of salary as the employee's contribution for the surviving spouse's annuity and annual increases therefor.

(c) Pickup of employee contributions. The Employer may pick up employee contributions required under subsections (a) and (b) of this Section. If contributions are picked up they shall be treated as Employer contributions in determining tax treatment under the United States Internal Revenue Code, and shall not be included as gross income of the employee until such time as they are distributed. The Employer shall pay these employee contributions from the same source of funds used in paying salary to the employee. The Employer may pick up these contributions by a reduction in the cash salary of the employee or by an offset against a future salary increase or by a combination of a reduction in salary and offset against a future salary increase. If employee contributions are picked up they shall be treated for all purposes of this Article 13, including Sections 13-503 and 13-601, in the same manner and to the same extent as employee contributions made prior to the date picked up.

(d) Subject to the requirements of federal law, the Employer shall pick up optional contributions that the employee has elected to pay to the Fund under Section 13-304.1, and the contributions so picked up shall be treated as employer contributions for the purposes of determining federal tax treatment. The Employer shall pick up the contributions by a reduction in the cash salary of the employee and shall pay the contributions from the same fund that is used to pay earnings to the employee. The Employer shall, however, continue to withhold federal and State income taxes based upon contributions made under Section 13-304.1 until the Internal Revenue Service or the federal courts rule that pursuant to Section 414(h) of the U.S. Internal Revenue Code of 1986, as amended, these contributions shall not be included as gross income of the employee until such time as they are distributed or made available.

(e) Each employee is deemed to consent and agree to the deductions from compensation provided for in this Article.

(f) Subject to the requirements of federal law, the Employer shall pick up contributions that a commissioner has elected to pay to the Fund under Section 13-314, and the contributions so picked up shall be treated as Employer contributions for the purposes of determining federal tax treatment. The Employer shall pick up the contributions by a reduction in the cash salary of the commissioner and shall pay the contributions from the same fund as is used to pay earnings to the commissioner. The Employer shall, however, continue to withhold federal and State income taxes based upon contributions made under Section 13-314 until the U.S. Internal Revenue Service or the federal courts rule that pursuant to Section 414(h) of the Internal Revenue Code of 1986, as amended, these contributions shall not be included as gross income of the employee until such time as they are distributed or made available.

(Source: P.A. 94-621, eff. 8-18-05.)

(40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)

Sec. 13-601. Refunds.

(a) Withdrawal from service. Upon withdrawal from service, an employee under age 55 (age 50 if the employee first entered service before June 13, 1997), or an employee age 55 (age 50 if the employee first entered service before June 13, 1997) or over but less than 60 having less than 20 years of service, or an employee age 60 or over having less than 5 years of service shall be entitled, upon application, to a refund of total contributions from salary deductions or amounts otherwise paid under this Article by the employee. The refund shall not include interest credited to the contributions. The Board may, in its discretion, withhold payment of a refund for a period not to exceed one year from the date of filing an application for refund.

(b) Surviving spouse's annuity contributions. A refund of all amounts deducted from salary or otherwise contributed by an employee for the surviving spouse's annuity shall be paid upon retirement to any employee who on the date of retirement is either not married or is married but whose spouse is not eligible for a surviving spouse's annuity paid wholly or in part under this Article. The refund shall include interest on each contribution at the rate of 3% per annum compounded annually from the date of the contribution to the date of the refund.

(c) Payment of Refunds After Death. Whenever any refund is payable after the death of the annuitant as provided for in this Article, the refund shall be paid as follows: to the employee's surviving spouse, but if there is no surviving spouse then in accordance with the employee's written designation of beneficiary filed with the Board on the prescribed form before the employee's death. If there is no such designation of beneficiary, then to the employee's surviving children in equal parts to each. If there are no such children, the refund shall be paid to the heirs of the employee according to the law of descent and distribution of the State of Illinois. When paid to children, estate or beneficiary. Whenever the total accumulations, to the account of an employee from employee contributions, including interest to the employee's date of withdrawal, have not been paid to the employee and surviving spouse as a retirement or spouse's annuity before the death of the survivor of the employee and spouse, a refund shall be paid as follows: an amount equal to the excess of such amounts over the amounts paid on such annuities without interest on either such amount, shall be paid to the children of the employee, in equal parts to each, unless the employee has directed in writing, signed by him before an officer authorized to administer oaths, and filed with the Board before the employee's death, that any such amount shall be refunded and paid to any one or more of such children; and if there are not children, such other beneficiary or beneficiaries as might be designated by the employee. If there are no such children or designation of beneficiary, the refund shall be paid to the personal representative of the employee's estate.

If a personal representative of the estate has not been appointed within 90 days from the date on which a refund became payable, the refund may be applied, in the discretion of the Board, toward the payment of the employee's or the surviving spouse's burial expenses. Any remaining balance shall be paid to the heirs of the employee according to the law of descent and distribution of the State of Illinois.

Whenever the total accumulations to the account of an employee from employee contributions other

than the contribution for the cost of living increase, including interest to the employee's date of withdrawal, have not been paid to the employee and surviving spouse as a retirement or spouse's annuity before the death of the employee and spouse, a refund shall be paid as follows: an amount equal to the excess of such amounts over the amounts paid on such annuities without interest on either such amount.

If a reversionary annuity becomes payable under Section 13-303, the refund provided in this section shall not be paid until the death of the reversionary annuitant and the refund otherwise payable under this section shall be then further reduced by the amount of the reversionary annuity paid.

(d) In lieu of annuity. Notwithstanding the provisions set forth in subsection (a) of this section, whenever an employee's or surviving spouse's annuity will be less than \$200 per month, the employee or surviving spouse, as the case may be, may elect to receive a refund of accumulated employee contributions; provided, however, that if the election is made by a surviving spouse the refund shall be reduced by any amounts theretofore paid to the employee in the form of an annuity.

(e) Forfeiture of rights. An employee or surviving spouse who receives a refund forfeits the right to receive an annuity or any other benefit payable under this Article except that if the refund is to a surviving spouse, any child or children of the employee shall not be deprived of the right to receive a child's annuity as provided in Section 13-308 of this Article, and the payment of a child's annuity shall not reduce the amount refundable to the surviving spouse.

(Source: P.A. 94-621, eff. 8-18-05.)

(40 ILCS 5/13-706) (from Ch. 108 1/2, par. 13-706)

Sec. 13-706. Board powers and duties. The Board shall have the powers and duties set forth in this Section, in addition to such other powers and duties as may be provided in this Article and in this Code:

(a) To supervise collections. To see that all amounts specified in this Article to be applied to the Fund, from any source, are collected and applied.

(b) To notify of deductions. To notify the Clerk of the Water Reclamation District of the deductions to be made from the salaries of employees.

(c) To accept gifts. To accept by gift, grant, bequest or otherwise any money or property of any kind and use the same for the purposes of the Fund.

(d) To invest the reserves. To invest the reserves of the Fund in accordance with the provisions set forth in Section 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114, and 1-115 of this Code. Investments made in accordance with Section 1-113 of Article 1 of this Code shall be deemed prudent. The Board is also authorized to transfer securities to the Illinois State Board of Investment for the purpose of participation in any commingled investment fund as provided in Article 22A of this Code.

(e) To authorize payments. To consider and pass upon all applications for annuities and benefits; to authorize or suspend the payment of any annuity or benefit; to inquire into the validity and legality of any grant of annuity or benefit paid from or payable out of the Fund; to increase, reduce, or suspend any such annuity or benefit whenever the annuity or benefit, or any part thereof, was secured or granted, or the amount thereof fixed, as the result of misrepresentation, fraud, or error. No such annuity or benefit shall be permanently reduced or suspended until the affected annuitant or beneficiary is first notified of the proposed action and given an opportunity to be heard. No trustee of the Board shall vote upon that trustee's own personal claim for annuity, benefit or refund, or participate in the deliberations of the Board as to the validity of any such claim. The Board shall have exclusive original jurisdiction in all matters of claims for annuities, benefits and refunds.

(f) To submit an annual report. To submit a report in July of each year to the Board of Commissioners of the Water Reclamation District as of the close of business on December 31st of the preceding year. The report shall include the following:

(1) A balance sheet, showing the financial and actuarial condition of the Fund as of the end of the calendar year;

(2) A statement of receipts and disbursements during such year;

(3) A statement showing changes in the asset, liability, reserve and surplus accounts during such year;

(4) A detailed statement of investments as of the end of the year; and

(5) Any additional information as is deemed necessary for proper interpretation of the condition of the Fund.

(g) To subpoena witnesses. To compel witnesses to attend and testify before it upon any matter concerning the Fund and allow witness fees not in excess of \$6 for attendance upon any one day. The President and other members of the Board may administer oaths to witnesses.

(h) To appoint employees and consultants. To appoint such actuarial, medical, legal, investigational, clerical or financial employees and consultants as are necessary, and fix their

compensation.

(i) To make rules. To make rules and regulations necessary for the administration of the affairs of the Fund.

(j) To waive guardianship. To waive the requirement of legal guardianship of any minor unmarried beneficiary of the Fund living with a parent or grandparent, and legal guardianship of any beneficiary under legal disability whose husband, wife, or parent is managing such beneficiary's affairs, whenever the Board deems such waiver to be in the best interest of the beneficiary.

(k) To collect amounts due. To collect any amounts due to the Fund from any participant or beneficiary prior to payment of any annuity, benefit or refund.

(l) To invoke rule of offset. To offset against any amount payable to an employee or to any other person such sums as may be due to the Fund or may have been paid by the Fund due to misrepresentation, fraud or error.

(m) To assess and collect interest on amounts due to the Fund using the annual rate as shall from time to time be determined by the Board, compounded annually from the date of notification to the date of payment.

(Source: P.A. 94-621, eff. 8-18-05.)

Section 90. The State Mandates Act is amended by adding Section 8.31 as follows:  
(30 ILCS 805/8.31 new)

Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 95th General Assembly.

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 1653**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1664

A bill for AN ACT concerning health.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1664

House Amendment No. 2 to SENATE BILL NO. 1664

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1664**

AMENDMENT NO. 1. Amend Senate Bill 1664 by replacing lines 4 through 23 on page 1, all of pages 2 through 4, and lines 1 through 7 on page 5 with the following:

"Section 5. The Community Services Act is amended by changing Sections 3 and 4 as follows:".

**AMENDMENT NO. 2 TO SENATE BILL 1664**

AMENDMENT NO. 2. Amend Senate Bill 1664 on page 12, by replacing lines 11 through 20 with the following:

"community or State-operated services. The Governor shall create a commission by July 1, 2007, or as soon thereafter as possible, to review funding methodologies, identify gaps in funding, identify revenue, and prioritize use of that revenue for community developmental disability services, mental health services, alcohol and substance abuse services, rehabilitation services, and early intervention services. The first meeting of the commission shall be held within the first month after the creation and appointment of the commission, and a final report summarizing the commission's recommendations must be issued within 12 months after the first meeting, and no later than September 1, 2008, to the

[May 31, 2007]

Governor and the General Assembly. The commission shall have the following 13 voting members:

(A) one member of the House of Representatives, appointed by the Speaker of the House of Representatives;

(B) one member of the House of Representatives, appointed by the House Minority Leader;

(C) one member of the Senate, appointed by the President of the Senate;

(D) one member of the Senate, appointed by the Senate Minority leader;

(E) one person with a developmental disability, or a family member or guardian of such a person, appointed by the Governor;

(F) one person with a mental illness, or a family member or guardian of such a person, appointed by the Governor;

(G) two persons from unions that represent employees of community providers that serve people with developmental disabilities, mental illness, and alcohol and substance abuse disorders, appointed by the Governor; and

(H) five persons from statewide associations that represent community providers that provide residential, day training, and other developmental disability services, mental health services, alcohol and substance abuse services, rehabilitation services, or early intervention services, or any combination of those, appointed by the Governor.

The commission shall also have the following ex-officio, nonvoting members:

(I) the Director of the Governor's Office of Management and Budget or his or her designee;

(J) the Chief Financial Officer of the Department of Human Services or his or her designee; and

(K) the Administrator of the Department of Healthcare and Family Services Division of Finance or his or her designee.

The funding methodologies must reflect economic factors inherent in providing services and supports, recognize individual".

Under the rules, the foregoing **Senate Bill No. 1664**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

#### **JOINT ACTION MOTIONS FILED**

The following Joint Action Motions to the Senate Bill listed below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendments 1 and 2 to Senate Bill 13  
 Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 607  
 Motion to Concur in House Amendment 1 to Senate Bill 684  
 Motion to Concur in House Amendment 1 to Senate Bill 1245  
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 1566  
 Motion to Concur in House Amendment 1 to Senate Bill 1579  
 Motion to Concur in House Amendment 1 to Senate Bill 1617  
 Motion to Concur in House Amendment 1 to Senate Bill 1619  
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 1621  
 Motion to Concur in House Amendment 1 to Senate Bill 1625  
 Motion to Concur in House Amendment 1 to Senate Bill 1627  
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 1664

#### **READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME**

On motion of Senator Clayborne, **House Bill No. 1888**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

Yeas 57; Nays None.

The following voted in the affirmative:

[May 31, 2007]



Althoff	Frerichs	Luechtefeld	Rutherford
Bomke	Garrett	Maloney	Sandoval
Bond	Haine	Martinez	Schoenberg
Brady	Halvorson	Meeks	Sieben
Burzynski	Harmon	Millner	Silverstein
Clayborne	Hendon	Munoz	Sullivan
Collins	Hultgren	Murphy	Syverson
Cronin	Hunter	Noland	Trotter
Cullerton	Jacobs	Pankau	Viverito
Dahl	Jones, J.	Peterson	Watson
DeLeo	Koehler	Radogno	Wilhelmi
Delgado	Kotowski	Raoul	Mr. President
Demuzio	Lauzen	Righter	
Dillard	Lightford	Risinger	
Forby	Link	Ronen	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof.

#### CONSIDERATION OF HOUSE BILL ON CONSIDERATION POSTPONED

On motion of Senator Garrett, **House Bill No. 3425**, having been read by title a third time on May 18, 2007, and pending roll call further consideration postponed, was taken up again on third reading.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

Yeas 33; Nays 23; Present 1.

The following voted in the affirmative:

Althoff	Garrett	Maloney	Ronen
Bond	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Silverstein
Collins	Hendon	Munoz	Trotter
Cronin	Holmes	Murphy	Viverito
Crotty	Hunter	Noland	Mr. President
Cullerton	Kotowski	Peterson	
DeLeo	Lightford	Radogno	
Delgado	Link	Raoul	

The following voted in the negative:

Bomke	Frerichs	Luechtefeld	Sieben
Brady	Haine	Millner	Sullivan
Burzynski	Hultgren	Pankau	Syverson
Dahl	Jones, J.	Righter	Watson
Demuzio	Koehler	Risinger	Wilhelmi
Forby	Lauzen	Rutherford	

The following voted present:

Jacobs

This roll call verified.

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

[May 31, 2007]

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

### REPORT FROM RULES COMMITTEE

Senator Halvorson, Chairperson of the Committee on Rules, during its May 31, 2007 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Executive: **Senate Floor Amendment No. 1 to House Bill 824.**

Judiciary Civil Law: **Senate Floor Amendment No. 7 to House Bill 830.**

Judiciary Criminal Law: **Senate Floor Amendments numbered 2 and 3 to House Bill 1979.**

Local Government: **Senate Floor Amendment No. 3 to House Bill 1752; Senate Floor Amendment No. 1 to House Bill 1876.**

Senator Halvorson, Chairperson of the Committee on Rules, during its May 31, 2007 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Human Services: **Motion to Concur in House Amendment 1 to Senate Bill 1245**  
**Motion to Concur in House Amendment 1 to Senate Bill 1368**

Insurance: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 935**

Judiciary Civil Law: **Motion to Concur in House Amendment 1 to Senate Bill 472**

Judiciary Criminal Law: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 705**  
**Motion to Concur in House Amendment 1 to Senate Bill 1346**  
**Motion to Concur with House Amendments 1 and 2 to Senate Bill 1348**  
**Motion to Concur in House Amendment 1 to Senate Bill 1379**

Local Government: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 1201**  
**Motion to Concur in House Amendment 1 to Senate Bill 1244**

Pensions and Investments: **Motion to Concur in House Amendment 1 to Senate Bill 65**  
**Motion to Concur in House Amendment 1 to Senate Bill 1380**

Public Health: **Motion to Concur in House Amendment 1 to Senate Bill 1350**

Revenue: **Motion to Concur in House Amendment 1 to Senate Bill 1360**

Senator Halvorson, Chairperson of the Committee on Rules, reported that the following Legislative Measure has been approved for consideration:

**Senate Floor Amendment No. 4 to House Bill 25**

The foregoing floor amendment was placed on the Secretary's Desk.

### COMMITTEE MEETING ANNOUNCEMENTS

[May 31, 2007]

Senator Cullerton, Co-Chairperson of the Committee on Judiciary Civil Law, announced that the Judiciary Civil Law Committee will meet today in Room 212, at 6:15 o'clock p.m.

Senator Garrett, Chairperson of the Committee on Public Health, announced that the Public Health Committee will meet today in Room 400, at 6:15 o'clock p.m.

Senator Crotty, Chairperson of the Committee on Local Government, announced that the Local Government Committee will meet today in Room 409, at 6:15 o'clock p.m.

Senator Wilhelmi, Chairperson of the Committee on Judiciary Criminal Law, announced that the Judiciary Criminal Law Committee will meet today in Room 212, at 6:30 o'clock p.m.

Senator Raoul, Chairperson of the Committee on Pensions and Investments, announced that the Pensions and Investments Committee will meet today in Room 400, at 6:45 o'clock p.m.

Senator Meeks, Chairperson of the Committee on Human Services, announced that the Human Services Committee will meet today in Room 400, at 7:00 o'clock p.m.

Senator Silverstein, Chairperson of the Committee on Executive, announced that the Executive Committee will meet today in Room 212, at 7:15 o'clock p.m.

Senator Harmon, Chairperson of the Committee on Revenue, announced that the Revenue Committee will meet today in Room 400, at 7:15 o'clock p.m.

Senator Schoenberg, Chairperson of the Committee on Appropriations II, announced that the Appropriations II Committee will meet today in Room 212, at 7:30 o'clock p.m.

Senator Haine, Chairperson of the Committee on Insurance, announced that the Insurance Committee will meet today in Room 400, at 7:30 o'clock a.m.

At the hour of 5:15 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

#### **AFTER RECESS**

At the hour of 9:02 o'clock p.m., the Senate reconvened.  
Senator DeLeo, presiding.

#### **MESSAGES FROM THE HOUSE**

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 153

A bill for AN ACT concerning public employee benefits.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 153

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### **AMENDMENT NO. 1 TO SENATE BILL 153**

AMENDMENT NO. 1. Amend Senate Bill 153 by replacing everything after the enacting clause with the following:

[May 31, 2007]

"Section 1. Short title. This Act may be cited as the Public School Teachers' Pension and Retirement Fund of Chicago Continuing Appropriation Act.

Section 5. Continuing appropriation. There is appropriated from the Common School Fund to the Public School Teachers' Pension and Retirement Fund of Chicago on a continuing monthly basis beginning July 1, 2007, the greater of the amount of one-twelfth of \$65,044,700 or the amount of the vouchers for required State contributions lawfully submitted by the Retirement Fund for that month under Section 18-7 the School Code.

Section 10. Monthly distribution. Beginning in fiscal year 2008, the amount appropriated to the Public School Teachers' Pension and Retirement Fund of Chicago under Section 5 of this Act shall be distributed to the Retirement Fund on the 15th day of each month.

Section 90. The Illinois Pension Code is amended by changing Sections 16-127 and 16-128 and by adding Section 16-203.1 as follows:

(40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

Sec. 16-127. Computation of creditable service.

(a) Each member shall receive regular credit for all service as a teacher from the date membership begins, for which satisfactory evidence is supplied and all contributions have been paid.

(b) The following periods of service shall earn optional credit and each member shall receive credit for all such service for which satisfactory evidence is supplied and all contributions have been paid as of the date specified:

(1) Prior service as a teacher.

(2) Service in a capacity essentially similar or equivalent to that of a teacher, in the public common schools in school districts in this State not included within the provisions of this System, or of any other State, territory, dependency or possession of the United States, or in schools operated by or under the auspices of the United States, or under the auspices of any agency or department of any other State, and service during any period of professional speech correction or special education experience for a public agency within this State or any other State, territory, dependency or possession of the United States, and service prior to February 1, 1951 as a recreation worker for the Illinois Department of Public Safety, for a period not exceeding the lesser of 2/5 of the total creditable service of the member or 10 years. The maximum service of 10 years which is allowable under this paragraph shall be reduced by the service credit which is validated by other retirement systems under paragraph (i) of Section 15-113 and paragraph 1 of Section 17-133. Credit granted under this paragraph may not be used in determination of a retirement annuity or disability benefits unless the member has at least 5 years of creditable service earned subsequent to this employment with one or more of the following systems: Teachers' Retirement System of the State of Illinois, State Universities Retirement System, and the Public School Teachers' Pension and Retirement Fund of Chicago. Whenever such service credit exceeds the maximum allowed for all purposes of this Article, the first service rendered in point of time shall be considered. The changes to this subdivision (b)(2) made by Public Act 86-272 shall apply not only to persons who on or after its effective date (August 23, 1989) are in service as a teacher under the System, but also to persons whose status as such a teacher terminated prior to such effective date, whether or not such person is an annuitant on that date.

(3) Any periods immediately following teaching service, under this System or under Article 17, (or immediately following service prior to February 1, 1951 as a recreation worker for the Illinois Department of Public Safety) spent in active service with the military forces of the United States; periods spent in educational programs that prepare for return to teaching sponsored by the federal government following such active military service; if a teacher returns to teaching service within one calendar year after discharge or after the completion of the educational program, a further period, not exceeding one calendar year, between time spent in military service or in such educational programs and the return to employment as a teacher under this System; and a period of up to 2 years of active military service not immediately following employment as a teacher.

The changes to this Section and Section 16-128 relating to military service made by P.A. 87-794 shall apply not only to persons who on or after its effective date are in service as a teacher under the System, but also to persons whose status as a teacher terminated prior to that date, whether or not the person is an annuitant on that date. In the case of an annuitant who applies for credit allowable under this Section for a period of military service that did not immediately follow employment, and who has made the required contributions for such credit, the annuity shall be

recalculated to include the additional service credit, with the increase taking effect on the date the System received written notification of the annuitant's intent to purchase the credit, if payment of all the required contributions is made within 60 days of such notice, or else on the first annuity payment date following the date of payment of the required contributions. In calculating the automatic annual increase for an annuity that has been recalculated under this Section, the increase attributable to the additional service allowable under P.A. 87-794 shall be included in the calculation of automatic annual increases accruing after the effective date of the recalculation.

Credit for military service shall be determined as follows: if entry occurs during the months of July, August, or September and the member was a teacher at the end of the immediately preceding school term, credit shall be granted from July 1 of the year in which he or she entered service; if entry occurs during the school term and the teacher was in teaching service at the beginning of the school term, credit shall be granted from July 1 of such year. In all other cases where credit for military service is allowed, credit shall be granted from the date of entry into the service.

The total period of military service for which credit is granted shall not exceed 5 years for any member unless the service: (A) is validated before July 1, 1964, and (B) does not extend beyond July 1, 1963. Credit for military service shall be granted under this Section only if not more than 5 years of the military service for which credit is granted under this Section is used by the member to qualify for a military retirement allotment from any branch of the armed forces of the United States. The changes to this subdivision (b)(3) made by Public Act 86-272 shall apply not only to persons who on or after its effective date (August 23, 1989) are in service as a teacher under the System, but also to persons whose status as such a teacher terminated prior to such effective date, whether or not such person is an annuitant on that date.

(4) Any periods served as a member of the General Assembly.

(5)(i) Any periods for which a teacher, as defined in Section 16-106, is granted a leave of absence, provided he or she returns to teaching service creditable under this System or the State Universities Retirement System following the leave; (ii) periods during which a teacher is involuntarily laid off from teaching, provided he or she returns to teaching following the lay-off; (iii) periods prior to July 1, 1983 during which a teacher ceased covered employment due to pregnancy, provided that the teacher returned to teaching service creditable under this System or the State Universities Retirement System following the pregnancy and submits evidence satisfactory to the Board documenting that the employment ceased due to pregnancy; and (iv) periods prior to July 1, 1983 during which a teacher ceased covered employment for the purpose of adopting an infant under 3 years of age or caring for a newly adopted infant under 3 years of age, provided that the teacher returned to teaching service creditable under this System or the State Universities Retirement System following the adoption and submits evidence satisfactory to the Board documenting that the employment ceased for the purpose of adopting an infant under 3 years of age or caring for a newly adopted infant under 3 years of age. However, total credit under this paragraph (5) may not exceed 3 years.

Any qualified member or annuitant may apply for credit under item (iii) or (iv) of this paragraph (5) without regard to whether service was terminated before the effective date of this amendatory Act of 1997. In the case of an annuitant who establishes credit under item (iii) or (iv), the annuity shall be recalculated to include the additional service credit. The increase in annuity shall take effect on the date the System receives written notification of the annuitant's intent to purchase the credit, if the required evidence is submitted and the required contribution paid within 60 days of that notification, otherwise on the first annuity payment date following the System's receipt of the required evidence and contribution. The increase in an annuity recalculated under this provision shall be included in the calculation of automatic annual increases in the annuity accruing after the effective date of the recalculation.

Optional credit may be purchased under this subsection (b)(5) for periods during which a teacher has been granted a leave of absence pursuant to Section 24-13 of the School Code. A teacher whose service under this Article terminated prior to the effective date of P.A. 86-1488 shall be eligible to purchase such optional credit. If a teacher who purchases this optional credit is already receiving a retirement annuity under this Article, the annuity shall be recalculated as if the annuitant had applied for the leave of absence credit at the time of retirement. The difference between the entitled annuity and the actual annuity shall be credited to the purchase of the optional credit. The remainder of the purchase cost of the optional credit shall be paid on or before April 1, 1992.

The change in this paragraph made by Public Act 86-273 shall be applicable to teachers who retire after June 1, 1989, as well as to teachers who are in service on that date.

(5.1) A leave of absence during which a teacher ceases covered employment as defined in

paragraph (2) of subsection (b) due to pregnancy, returns to teaching service as stated in paragraph (2) of subsection (b) following the pregnancy, and submits evidence satisfactory to the Board documenting that the leave of absence was due to pregnancy. However, total credit under paragraph (5) and this paragraph (5.1) may not exceed 3 years.

(6) Any days of unused and uncompensated accumulated sick leave earned by a teacher.

The service credit granted under this paragraph shall be the ratio of the number of unused and uncompensated accumulated sick leave days to 170 days, subject to a maximum of 2 years of service credit. Prior to the member's retirement, each former employer shall certify to the System the number of unused and uncompensated accumulated sick leave days credited to the member at the time of termination of service. The period of unused sick leave shall not be considered in determining the effective date of retirement. A member is not required to make contributions in order to obtain service credit for unused sick leave.

Credit for sick leave shall, at retirement, be granted by the System for any retiring regional or assistant regional superintendent of schools at the rate of 6 days per year of creditable service or portion thereof established while serving as such superintendent or assistant superintendent.

(7) Periods prior to February 1, 1987 served as an employee of the Illinois Mathematics and Science Academy for which credit has not been terminated under Section 15-113.9 of this Code.

(8) Service as a substitute teacher for work performed prior to July 1, 1990.

(9) Service as a part-time teacher for work performed prior to July 1, 1990.

(10) Up to 2 years of employment with Southern Illinois University - Carbondale from September 1, 1959 to August 31, 1961, or with Governors State University from September 1, 1972 to August 31, 1974, for which the teacher has no credit under Article 15. To receive credit under this item (10), a teacher must apply in writing to the Board and pay the required contributions before May 1, 1993 and have at least 12 years of service credit under this Article.

(b-1) A member may establish optional credit for up to 2 years of service as a teacher or administrator employed by a private school recognized by the Illinois State Board of Education, provided that the teacher (i) was certified under the law governing the certification of teachers at the time the service was rendered, (ii) applies in writing on or after June 1, 2002 and on or before June 1, 2005, (iii) supplies satisfactory evidence of the employment, (iv) completes at least 10 years of contributing service as a teacher as defined in Section 16-106, and (v) pays the contribution required in subsection (d-5) of Section 16-128. The member may apply for credit under this subsection and pay the required contribution before completing the 10 years of contributing service required under item (iv), but the credit may not be used until the item (iv) contributing service requirement has been met.

(c) The service credits specified in this Section shall be granted only if: (1) such service credits are not used for credit in any other statutory tax-supported public employee retirement system other than the federal Social Security program; and (2) the member makes the required contributions as specified in Section 16-128. Except as provided in subsection (b-1) of this Section, the service credit shall be effective as of the date the required contributions are completed.

Any service credits granted under this Section shall terminate upon cessation of membership for any cause.

Credit may not be granted under this Section covering any period for which an age retirement or disability retirement allowance has been paid.

(Source: P.A. 92-867, eff. 1-3-03.)

(40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

Sec. 16-128. Creditable service - required contributions.

(a) In order to receive the creditable service specified under subsection (b) of Section 16-127, a member is required to make the following contributions: (i) an amount equal to the contributions which would have been required had such service been rendered as a member under this System; (ii) for a leave of absence due to pregnancy during creditable service established under subdivision (b) (5.1) of Section 16-127 and (iii) for military service not immediately following employment and for service established under subdivision (b)(10) of Section 16-127, an amount determined by the Board to be equal to the employer's normal cost of the benefits accrued for such service; and (iii) interest from the date the contributions would have been due (or, in the case of a person establishing credit for military service under subdivision (b)(3) of Section 16-127, the date of first membership in the System, if that date is later) to the date of payment, at the following rate of interest, compounded annually: for periods prior to July 1, 1965, regular interest; from July 1, 1965 to June 30, 1977, 4% per year; on and after July 1, 1977, regular interest.

(b) In order to receive creditable service under paragraph (2) of subsection (b) of Section 16-127 for those who were not members on June 30, 1963, the minimum required contribution shall be \$420 per

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year of service together with interest at 4% per year compounded annually from July 1, preceding the date of membership until June 30, 1977 and at regular interest compounded annually thereafter to the date of payment.

(c) In determining the contribution required in order to receive creditable service under paragraph (3) of subsection (b) of Section 16-127, the salary rate for the remainder of the school term in which a member enters military service shall be assumed to be equal to the member's salary rate at the time of entering military service. However, for military service not immediately following employment, the salary rate on the last date as a participating teacher prior to such military service, or on the first date as a participating teacher after such military service, whichever is greater, shall be assumed to be equal to the member's salary rate at the time of entering military service. For each school term thereafter, the member's salary rate shall be assumed to be 5% higher than the salary rate in the previous school term.

(d) In determining the contribution required in order to receive creditable service under paragraph (5) and (5.1) of subsection (b) of Section 16-127, a member's salary rate during the period for which credit is being established shall be assumed to be equal to the member's last salary rate immediately preceding that period.

(d-5) For each year of service credit to be established under subsection (b-1) of Section 16-127, a member is required to contribute to the System (i) 16.5% of the annual salary rate during the first year of full-time employment as a teacher under this Article following the private school service, plus (ii) interest thereon from the date of first full-time employment as a teacher under this Article following the private school service to the date of payment, compounded annually, at the rate of 8.5% per year for periods before the effective date of this amendatory Act of the 92nd General Assembly, and for subsequent periods at a rate equal to the System's actuarially assumed rate of return on investments.

(d-10) For service credit established under paragraph (6) of subsection (b) of Section 16-127 for days granted by an employer in excess of the member's normal annual sick leave allotment, the employer is required to pay the normal cost of benefits based upon such service credit. This subsection (d-10) does not apply to sick leave granted to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005 (the effective date of Public Act 94-4). The employer contributions required under this subsection (d-10) shall be paid in the form of a lump sum within 30 days after receipt of the bill after the teacher begins receiving benefits under this Article.

(e) Except for contributions under subsection (d-10), the contributions required under this Section may be made from the date the statement for such creditable service is issued until retirement date. All such required contributions must be made before any retirement annuity is granted.

(Source: P.A. 94-4, eff. 6-1-05; 94-1057, eff. 7-31-06.)

(40 ILCS 5/16-203.1 new)

Sec. 16-203.1. New benefit increases. The General Assembly finds and declares that the amendment to Section 16-127 made by this amendatory Act of the 95th General Assembly that allows a teacher to establish credit for a leave of absence due to a pregnancy constitutes a new benefit increase within the meaning of Section 16-203. This new benefit increase will expire 5 years after the effective date of this amendatory Act. The additional funding required under Section 16-203 for this new benefit increase shall be provided by the contributions from the employee required under Section 16-128.

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 153**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 234

A bill for AN ACT concerning health.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 234

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

[May 31, 2007]

**AMENDMENT NO. 1 TO SENATE BILL 234**

AMENDMENT NO. 1. Amend Senate Bill 234 on page 2, line 15, by replacing "or (2)" with "(2), or (3) or (2)".

Under the rules, the foregoing **Senate Bill No. 234**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 678

A bill for AN ACT concerning telecommunications.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 4 to SENATE BILL NO. 678

House Amendment No. 5 to SENATE BILL NO. 678

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 4 TO SENATE BILL 678**

AMENDMENT NO. 4. Amend Senate Bill 678 by replacing everything after the enacting clause with the following:

**"ARTICLE 5.**

Section 5-1. Short title. This Article may be cited as the Broadband Access on Passenger Rail Law.

Section 5-5. Definitions. As used in this Article:

"Department" means the Department of Transportation.

"Passenger rail systems" includes all passenger rail systems maintained by the National Passenger Railroad Corporation in Illinois and those passenger rail systems under the jurisdiction of the Commuter Rail Board as established in Section 3B.08 of the Regional Transportation Authority Act.

Section 5-10. Broadband Access on Passenger Rail Plan. The Department shall deliver to the Governor and General Assembly a plan for ensuring high speed data transmission services on all passenger rail systems in Illinois at fair and reasonable prices no later than December 31, 2007. The plan shall include recommendations for acquiring necessary rights of way, installation of necessary infrastructure, operation of high speed data transmission services, and funding sources.

**ARTICLE 10.**

Section 10-1. Short title. This Article may be cited as the High Speed Internet Services and Information Technology Law.

Section 10-5. Findings. With respect to high speed Internet services and information technology, the General Assembly finds the following:

(1) The deployment and adoption of high speed Internet services and information technology has resulted in enhanced economic development and public safety for the State's communities, improved health care and educational opportunities, and a better quality of life for the State's residents.

(2) Continued progress in the deployment and adoption of high speed Internet services and information technology is vital to ensuring that this State remains competitive and continues to create business and job growth.

(3) The State must encourage and support the partnership of the public and private sectors in the continued growth of high speed Internet and Information technology for the State's

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residents and businesses.

(4) Local governmental entities play a role in assessing the needs of their communities with respect to high speed Internet services and information technology.

Section 10-10. Definitions. In this Article:

"Nonprofit organization" means an organization that (i) is a nonprofit organization as described in Section 501(c)(3) of the federal Internal Revenue Code of 1986 and exempt from tax under Section 501(a) of that Code; (ii) has no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual; and (iii) is organized under, subject to, and has all the powers and duties of a not-for-profit corporation under the General Not For Profit Corporation Act of 1986.

Section 10-15. Connect IL.

(a) Notwithstanding any other statute, the Lieutenant Governor, with the advice of the Broadband Deployment Council, shall authorize the creation of a nonprofit corporation called Connect IL to implement a comprehensive, statewide high speed Internet deployment strategy and demand creation initiative with the purpose of:

- (1) ensuring that all State residents and businesses have access to affordable and reliable high speed Internet service;
- (2) achieving improved technology literacy, increased computer ownership, and home high speed Internet use among State residents and businesses;
- (3) establishing and empowering local technology planning teams in each county to plan for improved technology use across multiple community sectors; and
- (4) establishing and sustaining an environment ripe for high speed Internet access and technology investment statewide.

(b) Connect IL's governing board shall be appointed by the Lieutenant Governor, with the advice of the Broadband Deployment Council, and shall not exceed 11 members, with a maximum of 6 representing the private sector and a maximum of 5 representing the government and nonprofit sectors. Four of the private sector members shall be from the largest incumbent local exchange carriers, one shall be from the cable television industry, and one shall be from the Internet Service Provider (ISP) industry. Members representing the public sector shall include one member from a public Illinois university, one member that represents Community Technology Centers, one member from the Department of Commerce and Economic Opportunity, one member from the Lieutenant Governor's office, and one member from the Department of Central Management. The board shall select its chairperson to serve a 2-year term.

(c) In lieu of, or in addition to creating a nonprofit, the Lieutenant Governor, with the Broadband Deployment Council's advice, shall enlist an existing nonprofit organization that has an established competency and proven record of working with public and private sectors to accomplish wide-scale deployment and adoption of broadband and information technology.

Section 10-20. Duties of Connect IL.

(a) The high speed Internet deployment strategy and demand creation initiative to be performed by the nonprofit organization shall include, but not be limited to, the following actions:

- (1) Create a geographic statewide inventory of high speed Internet service and other relevant broadband and information technology services. The inventory shall:
  - (A) identify geographic gaps in high speed Internet service through a method of GIS mapping of service availability and GIS analysis at the census block level; and
  - (B) provide a baseline assessment of statewide high speed Internet deployment in terms of percentage of Illinois households with high speed Internet availability.
- (2) Track and identify, through customer interviews and surveys and other publicly available sources, statewide residential and business adoption of high speed Internet, computers, and related information technology and any barriers to adoption.
- (3) Build and facilitate in each county or designated region a local technology planning team with members representing a cross section of the community, including, but not limited to, representatives of business, K-12 education, health care, libraries, higher education, community-based organizations, local government, tourism, parks and recreation, and agriculture. Each team shall benchmark technology use across relevant community sectors, set goals for improved technology use within each sector, and develop a plan for achieving its goals, with specific recommendations for online application development and demand creation.

(4) Collaborate with high speed Internet providers and technology companies to encourage deployment and use, especially in underserved areas, by aggregating local demand, mapping analysis, and creating market intelligence to improve the business case for providers to deploy.

(5) Establish a program to increase computer ownership and Internet access for disenfranchised populations across the State.

(b) The nonprofit organization may apply for federal grants consistent with the objectives of this Article.

(c) The Lieutenant Governor shall use the funds in the High Speed Internet Services and Information Technology Fund to provide grants to the nonprofit organization created or enlisted under this Article.

(d) The nonprofit organization shall have the power to obtain or to raise funds other than the grants receive from the Lieutenant Governor under this Article.

(e) The nonprofit organization and its Board of Directors shall exist separately and independently from the Office of the Lieutenant Governor and any other governmental entity, but shall cooperate with the Office of the Lieutenant Governor, the Broadband Deployment Council, and other public or private entities it deems appropriate in carrying out its duties.

(f) Notwithstanding anything in this Article or any other Act to the contrary, any information that is designated confidential or proprietary by an entity providing the information to the nonprofit organization or any other entity to accomplish the objectives of this Article shall be deemed confidential, proprietary, and a trade secret and treated by the nonprofit organization, Connect IL's governing board, or anyone else possessing the information as such and shall not be disclosed.

Section 10-25. Scope of authority. Nothing in this Article shall be construed as giving the Lieutenant Governor, the Broadband Deployment Council, the nonprofit organization, or other entities any additional authority, regulatory or otherwise, over providers of telecommunications, broadband, and information technology.

Section 10-30. High Speed Internet Services and Information Technology Fund.

(a) There is created in the State treasury a special fund to be known as the High Speed Internet Services and Information Technology Fund, to be used, subject to appropriation, by the Lieutenant Governor for purposes of providing grants to the nonprofit organization enlisted under this Article.

(b) On the effective date of this Article, all moneys in the Digital Divide Elimination Infrastructure Fund shall be transferred to the High Speed Internet Services and Information Technology Fund. Nothing contained in this subsection (b) shall affect the validity of grants issued under this Article before June 30, 2007.

Section 10-35. Local broadband projects. Any municipality or county may undertake local broadband projects and the provision of services in connection therewith; may lease infrastructure that it owns or controls; may aggregate customers or demand for broadband services; may apply for and receive funds or technical assistance to undertake such projects to address the level of broadband access available to its businesses and residents. To the extent that it seeks to serve as a retail provider of telecommunications services, the municipality or county shall be required to obtain appropriate certification from the Illinois Commerce Commission as a telecommunications carrier.

Section 10-80. The State Finance Act is amended by adding Section 5.675 as follows:

(30 ILCS 105/5.675 new)

Sec. 5.675. The High Speed Internet Services and Information Technology Fund.

Section 10-90. The Public Utilities Act is amended by changing Sections 13-505.4, 13-701, and 13-1200 as follows:

(220 ILCS 5/13-505.4) (from Ch. 111 2/3, par. 13-505.4)

(Section scheduled to be repealed on July 1, 2007)

Sec. 13-505.4. Provision of noncompetitive services.

(a) A telecommunications carrier that offers or provides a noncompetitive service, service element, feature, or functionality on a separate, stand-alone basis to any customer shall provide that service, service element, feature, or functionality pursuant to tariff to all persons, including all telecommunications carriers and competitors, in accordance with the provisions of this Article.

(b) A telecommunications carrier that offers or provides a noncompetitive service, service element, feature, or functionality to any customer as part of an offering of competitive services pursuant to tariff or contract shall publicly disclose the offering or provisioning of the noncompetitive service, service

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element, feature, or functionality by filing with the Commission information that generally describes the offering or provisioning and that shows the rates, terms, and conditions of the noncompetitive service, service element, feature, or functionality. The information shall be filed with the Commission concurrently with the filing of the tariff or not more than 10 days following the customer's acceptance of the offering in a contract.

(c) A telecommunications carrier that is not subject to regulation under an alternative regulation plan pursuant to Section 13-506.1 of this Act may reduce the rate or charge for a noncompetitive service, service element, feature, or functionality offered to customers on a separate, stand-alone basis or as part of a bundled service offering by filing with the Commission a tariff that shows the reduced rate or charge and all applicable terms and conditions of the noncompetitive service, service element, feature, or functionality or bundled offering. The reduction of rates or charges shall be permitted upon the filing of the proposed rate, charge, classification, tariff, or bundled offering. The total price of a bundled offering shall not attribute any portion of the charge to services subject to the jurisdiction of the Commission and shall not be binding on the Commission in any proceeding under Article IX of this Act to set the revenue requirement or to set just and reasonable rates for services subject to the jurisdiction of the Commission. Prices for bundles shall not be subject to Section 13-505.1 of this Act. For purposes of this subsection (c), a bundle is a group of services offered together for a fixed price where at least one of the services is an interLATA service as that term is defined in 47 U.S.C. 153(21), a cable service or a video service, a community antenna television service, a satellite broadcast service, a public mobile service as defined in Section 13-214 of this Act, or an advanced telecommunications service as "advanced telecommunications services" is defined in Section 13-517 of this Act.

(Source: P.A. 87-856.)

(220 ILCS 5/13-701) (from Ch. 111 2/3, par. 13-701)

(Section scheduled to be repealed on July 1, 2007)

Sec. 13-701. (a) Notwithstanding any other provision of this Act to the contrary, the Commission has no power to supervise or control any telephone cooperative as respects assessment schedules or local service rates made or charged by such a cooperative on a nondiscriminatory basis. In addition, the Commission has no power to inquire into, or require the submission of, the terms, conditions or agreements by or under which telephone cooperatives are financed. A telephone cooperative shall file with the Commission either a copy of the annual financial report required by the Rural Electrification Administration, or the annual financial report required of other public utilities.

Sections 13-712 and 13-713 of this Act do not apply to telephone cooperatives.

(Source: P.A. 84-1063.)

(220 ILCS 5/13-1200)

(Section scheduled to be repealed on July 1, 2007)

Sec. 13-1200. Repealer. This Article is repealed July 1, ~~2009~~ 2007.

(Source: P.A. 94-76, eff. 6-24-05.)

## ARTICLE 15.

Section 15-5. The Public Utilities Act is amended by adding the heading of Article XXI and Sections 21-100, 21-101, 21-101.1, 21-201, 21-301, 21-401, 21-601, 21-701, 21-801, 21-901, 21-1001, 21-1101, 21-1201, 21-1301, 21-1401, 21-1501, and 21-1601 as follows:

(220 ILCS 5/Art. XXI heading new)

### ARTICLE XXI. CABLE AND VIDEO COMPETITION

(220 ILCS 5/21-100 new)

Sec. 21-100. Short title. This Article may be cited as the Cable and Video Competition Law of 2007.

(220 ILCS 5/21-101 new)

Sec. 21-101. Findings. With respect to cable and video competition, the General Assembly finds that:

(a) The economy in the State of Illinois will be enhanced by investment in new communications, cable services and video services infrastructure, including broadband facilities, fiber optic, and Internet protocol technologies.

(b) Cable services and video services bring important daily benefits to Illinois consumers by providing news, education, and entertainment.

(c) Competitive cable service and video service providers are capable of providing new video programming services and competition to Illinois consumers and of decreasing the prices for video programming services paid by Illinois consumers.

(d) Although there has been some competitive entry into the facilities-based video programming

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market since current franchising requirements in this State were enacted, further entry by facilities-based providers could benefit consumers, provided cable and video services are equitably available to all Illinois consumers at reasonable prices.

(e) The provision of competitive cable services and video services is a matter of statewide concern that extends beyond the boundaries of individual local units of government. Notwithstanding the foregoing, public rights-of-way are limited resources over which the municipality has a custodial duty to ensure that they are used, repaired and maintained in a manner that best serves the public interest.

(f) The State authorization process and uniform standards and procedures in this Article are intended to enable rapid and widespread entry by competitive providers which will bring to Illinois consumers the benefits of video competition including providing consumers with more choice, lower prices, higher speed and more advanced Internet access, more diverse and varied news, public information, education, and entertainment programming, and will bring to this State and its local units of government the benefits of new infrastructure investment, job growth, and innovation in broadband and Internet protocol technologies and deployment.

(g) Providing an incumbent cable or video service provider with the option to secure a State-issued authorization through the termination of existing cable franchises between incumbent cable and video service providers and any local franchising authority, is part of the new regulatory framework established by this Article. This Article is intended to best ensure equal treatment and parity among providers and technologies.

(220 ILCS 5/21-101.1 new)

Sec. 21-101.1. Applicability. The provisions of this Amendatory Act of the 95th Illinois General Assembly shall apply only to a holder of a cable service or video service authorization issued by the Commission pursuant to this Article XXI of the Public Utilities Act, and shall not apply to any person or entity that provides cable television services under a cable television franchise issued by any municipality or county pursuant to Section 11-42-11 of the Illinois Municipal Code (65 ILCS 5/11-42-11) or Section 5-1095 of the Counties Code (55 ILCS-1095), unless specifically provided for herein. A local unit of government that has an existing agreement for the provision of video services with a company or entity that uses its telecommunications facilities to provide video service as of May 30, 2007 may continue to operate under that agreement or may, at its discretion, terminate the existing agreement and require the video provider to obtain a State-issued authorization under this Article.

(220 ILCS 5/21-201 new)

Sec. 21-201. Definitions. As used in this Article:

(a) "Access" means that the cable or video provider is capable of providing cable services or video services at the household address using any technology, other than direct-to-home satellite service, which provides two-way broadband Internet capability and video programming, content, and functionality, regardless of whether any customer has ordered service or whether the owner or landlord or other responsible person has granted access to the household. If more than one technology is used, the technologies shall provide similar two-way broadband Internet accessibility and similar video programming.

(b) "Basic cable or video service" means any cable or video service offering or tier which includes the retransmission of local television broadcast signals.

(c) "Broadband service" means a high speed service connection to the public Internet capable of supporting, in at least one direction, a speed in excess of 200 kilobits per second (kbps) to the network demarcation point at the subscriber's premises.

(d) "Cable operator" means that term as defined in 47 U.S.C. 522(5).

(e) "Cable service" means that term as defined in 47 U.S.C. 522(6).

(f) "Cable system" means that term as defined in 47 U.S.C. 522(7).

(g) "Commission" means the Illinois Commerce Commission.

(h) "Competitive cable service or video service provider" means a person or entity that is providing or seeks to provide cable service or video service in an area where there is at least one incumbent cable operator.

(i) "Designated Market Area" means a designated market area, as determined by Nielsen Media Research and published in the 1999-2000 Nielsen Station Index Directory and Nielsen Station Index United States Television Household Estimates or any successor publication. For any designated market area that crosses State lines, only households in the portion of the designated market area that is located within the holder's telecommunications service area in the State where access to video service will be offered shall be considered.

(j) "Footprint" means the geographic area designated by the cable service or video service provider as the geographic area in which it will offer cable services or video services during the period of its

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State-issued authorization. Each footprint shall be identified in terms of either (i) exchanges, as that term is defined in Section 13-206 of the Public Utilities Act; (ii) a collection of United States Census Bureau Block numbers (13 digit); (iii) if the area is smaller than the areas identified in either (i) or (ii), by geographic information system digital boundaries meeting or exceeding national map accuracy standards; or (iv) local units of government.

(k) "Holder" means a person or entity that has received authorization to offer or provide cable or video service from the Commission pursuant to Section 21-401 of this Article.

(l) "Household" means a house, an apartment, a mobile home, a group of rooms, or a single room that is intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall. This definition is consistent with the United States Census Bureau, as that definition may be amended thereafter.

(m) "Incumbent cable operator" means a person or entity that provided cable services or video services in a particular area under a franchise agreement with a local unit of government pursuant to Section 11-42-11 of the Illinois Municipal Code (65 ILCS 5/11-42-11) or Section 5-1095 of the Counties Code (55 ILCS 5/5-1095) on January 1, 2007.

(n) "Local franchising authority" means the local unit of government that has or requires a franchise with a cable operator, a provider of cable services or a provider of video services to construct or operate a cable or video system or to offer cable services or video services under Section 11-42-11 of the Illinois Municipal Code (65 ILCS 5/11-42-11) or Section 5-1095 of the Counties Code (55 ILCS 5/5-1095).

(o) "Local unit of government" means a city, village, incorporated town, or a county.

(p) "Low-income household" means those residential households located within the holder's existing telephone service area where the average annual household income is less than \$35,000 based on the United States Census Bureau estimates adjusted annually to reflect rates of change and distribution.

(q) "Public rights-of-way" means the areas on, below, or above a public roadway, highway, street, public sidewalk, alley, waterway, or utility easements dedicated for compatible uses.

(r) "Service" means the provision of "cable service" or "video service" to subscribers and the interaction of subscribers with the person or entity that has received authorization to offer or provide cable or video service from the Commission pursuant to Section 21-401 of this Article.

(s) "Service provider fee" means the amount paid under Section 21-801 of this Article by the holder to a municipality, or in the case of an unincorporated service area to a county, for service areas within its territorial jurisdiction, but under no circumstances shall the service provider fee be paid to more than one local unit of government for the same portion of the holder's service area.

(t) "Telecommunications service area" means the area designated by the Commission as the area in which a telecommunications company was obligated to provide non-competitive local telephone service as of February 8, 1996 as incorporated into Section 13-202.5 of Article XIII of the Public Utilities Act.

(u) "Video programming" means that term as defined in 47 U.S.C. 522(20).

(v) "Video service" means video programming and subscriber interaction, if any, that is required for the selection or use of such video programming services, and which is provided through wireline facilities located at least in part in the public rights-of-way without regard to delivery technology, including Internet protocol technology. This definition does not include any video programming provided by a commercial mobile service provider defined in 47 U.S.C. 332(d) or any video programming provided solely as part of, and via, service that enables users to access content, information, electronic mail, or other services offered over the public Internet.

(220 ILCS 5/21-301 new)

Sec. 21-301. Eligibility.

(a) A person or entity seeking to provide cable service or video service in this State after the effective date of this amendatory act of the 95th General Assembly shall either (1) obtain a State-issued authorization pursuant to Section 401 of the Cable and Video Competition Act (220 ILCS 5/21-401); (2) obtain authorization pursuant to Section 11-42-11 of the Illinois Municipal Code (65 ILCS 5/11-42-11); or (3) obtain authorization pursuant to Section 5-1095 of the Counties Code (55 ILCS 5/5-1095).

(b) An incumbent cable operator shall be eligible to apply for a State-issued authorization as provided in subsection (c). Upon expiration of its current franchise agreement, an incumbent cable operator may obtain State authorization from the Commission pursuant to this Article or may pursue a franchise renewal with the appropriate local franchise authority under state and federal law. An incumbent cable operator and any successor-in-interest that receives a State-issued authorization shall be obligated to provide access to cable services or video services within any local unit of government at the same levels required by the local franchising authorities for the local unit of government on the effective date of this amendatory act of the 95th General Assembly.

(c)(1) An incumbent cable operator may elect to terminate its agreement with the local franchising authority and obtain a State-issued authorization by providing written notice to the Commission and the affected local franchising authority and any entity authorized by that franchising authority to manage public, education, and government access at least 180 days prior to its filing an application for a State-issued authorization. The existing agreement shall be terminated on the date that the Commission issues the State-issued authorization.

(2) An incumbent cable operator that elects to terminate an existing agreement with a local franchising authority under this Section is responsible for remitting to the affected local franchising authority and any entity designated by that local franchising authority to manage public, education, and government access before the 46th day after the date the agreement is terminated any accrued but unpaid fees due under the terminated agreement. If that incumbent cable operator has credit remaining from prepaid franchise fees, such amount of the remaining credit may be deducted from any future fees the incumbent cable operator must pay to the local franchising authority pursuant to Section 21-801(b) of this Article.

(3) An incumbent cable operator that elects to terminate an existing agreement with a local franchising authority under this Section shall pay the affected local franchising authority and any entity designated by that franchising authority to manage public, education, and government access, at the time that they would have been due, all monetary payments for public, education, or government access that would have been due during the remaining term of the agreement had it not been terminated as provided in this paragraph. All payments made by an incumbent cable operator pursuant to the previous sentence of this paragraph may be credited against the fees that that operator owes under Section 21-801(d)(1) of this Article.

(d) For purposes of this Article, the Commission shall be the franchising authority for cable service or video service providers that apply for and obtain a State-issued authorization under this Article with regard to the footprint covered by such authorization. Notwithstanding any other provision of this Article, holders using telecommunications facilities to provide cable service or video service are not obligated to provide that service outside the holder's telecommunications service area.

(e) Any person or entity that applies for and obtains a State-issued authorization under this Article shall not be subject to Section 11-42-11 of the Illinois Municipal Code (65 ILCS 5/11-42-11) or Section 5-1095 of the Counties Code (55 ILCS 5/5-1095), except as provided in this Article. Except as provided under this Article, neither the Commission nor any local unit of government may require a person or entity that has applied for and obtained a State-issued authorization to obtain a separate franchise or pay any franchise fee on cable service or video service.

(220 ILCS 5/21-401 new)

Sec. 21-401. Applications.

(a) (1) A person or entity seeking to provide cable service or video service pursuant to this Article shall not use the public rights-of-way for the installation or construction of facilities for the provision of cable service or video service or offer cable service or video service until it has obtained a State-issued authorization to offer or provide cable or video service under Section 401 of this Article, except as provided for in subsection (a)(2). All cable or video providers offering or providing service in this State shall have authorization pursuant to either (i) the Cable and Video Competition Law of 2007 (220 ILCS 5/21-100 et seq.); (ii) Section 11-42-11 of the Illinois Municipal Code (65 ILCS 5/11-42-11); or (iii) Section 5-1095 of the Counties Code (55 ILCS 5/5-1095).

(2) Nothing in this Section shall prohibit a local unit of government from granting a permit to a person or entity for the use of the public rights-of-way to install or construct facilities to provide cable service or video service, at its sole discretion. No unit of local government shall be liable for denial or delay of a permit prior to the issuance of a State-issued authorization.

(b) The application to the Commission for state-issued authorization shall contain a completed affidavit submitted by the applicant and signed by an officer or general partner of the applicant affirming all of the following:

(1) That the applicant has filed or will timely file with the Federal Communications Commission all forms required by that agency in advance of offering cable service or video service in this State;

(2) That the applicant agrees to comply with all applicable federal and State statutes and regulations;

(3) That the applicant agrees to comply with all applicable local unit of government regulations;

(4) An exact description of the cable service or video service area where the cable service or video service will be offered during the term of the State-issued authorization. The service area shall be identified in terms of either (i) exchanges, as that term is defined in Section 13-206 of the Public Utilities Act; (ii) a collection of United States Census Bureau Block numbers (13 digit); (iii) if the area is smaller than the areas identified in either (i) or (ii), by geographic information system digital boundaries meeting

or exceeding national map accuracy standards; or (iv) local unit of government. The description shall include the number of low-income households within the service area or footprint. If an applicant is an incumbent cable operator, the incumbent cable operator and any successor-in-interest shall be obligated to provide access to cable services or video services within any local units of government at the same levels required by the local franchising authorities for the local unit of government on the effective date of this amendatory act of the 95th General Assembly and its application shall provide a description of an area no smaller than the service areas contained in its franchise(s) within the jurisdiction of the local unit of government in which it seeks to offer cable or video service;

(5) The location and telephone number of the applicant's principal place of business within this State and the names of the applicant's principal executive officers who are responsible for communications concerning the application and the services to be offered pursuant to the application, the applicant's legal name and any name or names under which the applicant does or will provide cable services or video services in this State;

(6) A certification that the applicant has concurrently delivered a copy of the application to all local units of government that include all or any part of the service area identified in subsection (b)(4) within such local unit of government's jurisdictional boundaries;

(7) The expected date that cable service or video service will be initially offered in the area identified in subsection (b)(4). In the event that a holder does not offer cable service or video services within three months after the expected date, it shall amend its application and update the expected date service will be offered and explain the delay in offering cable service or video services;

(8) The application shall include adequate assurance that the applicant possesses the financial, managerial, legal, and technical qualifications necessary to construct and operate the proposed system, and to promptly repair any damage to the public right-of-way caused by the applicant, and to pay the cost of removal of its facilities. To accomplish these requirements, the applicant may, at the time the applicant seeks to use the public rights-of-way in that jurisdiction, be required by the State of Illinois and/or later be required by the local unit of government to post a bond, produce a certificate of insurance, or otherwise demonstrate its financial responsibility; and

(9) The application shall include the applicant's general standards related to customer service required by 220 ILCS 5/70-501, which shall include, but not be limited to, installation, disconnection, service and repair obligations; appointment hours, employee ID requirements; customer service telephone numbers and hours; procedures for billing, charges, deposits, refunds, and credits; procedures for termination of service; notice of deletion of programming service, changes related to transmission of programming or changes or increases in rates; use and availability of parental control or lock-out devices; complaint procedures and procedures for bill dispute resolution, and a description of the rights and remedies available to consumers if the holder does not materially meet their customer service standards; and special services for customers with visual, hearing or mobility disabilities.

(c)(1) The applicant may designate information that it submits in its application or subsequent reports as confidential or proprietary, provided that the applicant states the reasons the confidential designation is necessary. The Commission shall provide adequate protection for such information pursuant to Section 5/4-404 of the Public Utilities Act. If the Commission, a local unit of government, or any other party seeks public disclosure of information designated as confidential, the Commission shall consider the confidential designation in a proceeding under the Administrative Procedures Act, and the burden of proof to demonstrate that the designated information is confidential shall be upon the applicant. Designated information shall remain confidential pending the Commission's determination of whether the information is entitled to confidential treatment. Information designated as confidential shall be provided to local units of government for purposes of assessing compliance with this Article as permitted under a Protective Order issued by the Commission pursuant to the Commission's rules and to the Attorney General pursuant to Section 6.5 of the Attorney General Act, 15 ILCS 205/6.5. Information designated as confidential under this section or determined to be confidential upon Commission review shall only be disclosed pursuant to a valid and enforceable subpoena or court order or as required by the Freedom of Information Act. Nothing herein shall delay the application approval timeframes set forth in this Article.

(2) Information regarding the location of video services that have been or are being offered to the public and aggregate information included in the reports required by this Article shall not be designated or treated as confidential.

(d)(1) The Commission shall post all applications it receives under this Article on its web site within five (5) business days.

(2) The Commission shall notify an applicant for a cable service or video service authorization whether the applicant's application and affidavit are complete on or before the 15th business day after the

applicant submits the application. If the application and affidavit are not complete, the Commission shall state in its notice all of the reasons the application or affidavit are incomplete, and the applicant shall resubmit a complete application. The Commission shall have 30 days after submission by the applicant of a complete application and affidavit to issue the service authorization. If the Commission does not notify the applicant regarding the completeness of the application and affidavit or issue the service authorization within the time periods required under this subsection, the application and affidavit shall be considered complete and the service authorization issued upon the expiration of the 30th day.

(e) The authorization issued by the Commission will expire on the date listed in Section 21-1601 and shall contain or include all of the following:

(1) A grant of authority to provide cable service or video service in the service area footprint as requested in the application, subject to the laws of the State and the ordinances, rules and regulations of the local units of government.

(2) A grant of authority to use, occupy, and construct facilities in the public rights-of-way for the delivery of cable service or video service in the service area footprint, subject to the laws, ordinances, rules or regulations of this State and local units of governments.

(3) A statement that the grant of authority is subject to lawful operation of the cable service or video service by the applicant, its affiliated entities or its successors-in-interest.

(4) The Commission shall notify a local unit of government within three (3) business days of the grant of any authorization within a service area footprint if that authorization includes any part of the local unit of government's jurisdictional boundaries.

(f) The authorization issued pursuant to Section 401 of this Article by the Commission may be transferred to any successor-in-interest to the applicant to which it is initially granted without further Commission action if the successor-in-interest (i) submits an application and the information required by Section 21-401(b) for the successor-in-interest and (ii) is not in violation of this Article or of any federal, State, or local law, ordinance, rule or regulation. A successor-in-interest shall file its application and notice of transfer with the Commission and the relevant local units of government no less than fifteen (15) business days prior to the completion of the transfer. The Commission is not required or authorized to act upon the notice of transfer; however, the transfer is not effective until the Commission approves the successor-in-interest's application. A local unit of government or the Attorney General may seek to bar a transfer of ownership by filing suit in a court of competent jurisdiction predicated on the existence of a material and continuing breach of this Article by the holder, a pattern of noncompliance with customer service standards by the potential successor-in-interest, or the insolvency of the potential successor-in-interest. If a transfer is made when there are violations of this Article or of any federal, State, or local law, ordinance, rule or regulation, the successor-in-interest shall be subject to three times the penalties provided for in this Article.

(g) The authorization issued pursuant to Section 21-401 of this Article by the Commission may be terminated, or its cable service or video service area footprint may be modified, by the cable service provider or video service provider by submitting notice to the Commission and to the relevant local unit of government containing a description of the change on the same terms as the initial description pursuant to Section 21-401(b)(4). The Commission is not required or authorized to act upon that notice. It shall be a violation of this Article for a holder to discriminate against potential residential subscribers because of the race or income of the residents in the local area in which the group resides by terminating or modifying its cable service or video service area footprint. It shall be a violation of this Article for a holder to terminate or modify its cable service or video service area footprint if it leaves an area with no cable service or video service from any provider.

(h) The Commission's authority to administer this Article is limited to the powers and duties explicitly provided under this Article. Its authority under this Article does not include or limit the powers and duties that the Commission has under the other Articles of the Public Utilities Act, the Illinois Administrative Procedure Act (5 ILCS 100/) or any other law or regulation to conduct proceedings other than as provided in subsection (c) above, or to promulgate rules or regulations. The Commission shall not have the authority to limit or expand the obligations and requirements provided in this Section, or to regulate or control a person or entity to the extent that person or entity is providing cable service or video service except as provided in this Article.

(220 ILCS 5/21-601 new)

Sec. 21-601. Public, education, and government access. For the purposes of this Section, "programming" means content produced or provided by any person, group, governmental agency, or noncommercial public or private agency or organization.

(a) Not later than 90 days after a request by the local unit of government or its designee that has received notice under Section 21-801(a) of this Article, the holder shall (i) designate the same amount of



capacity on its network to provide for public, education, and government access use, as the incumbent cable operator is required to designate under its franchise terms in effect with a local unit of government on January 1, 2007; and (ii) retransmit to its subscribers the same number of public, education, and government access channels as the incumbent cable operator was retransmitting to subscribers on January 1, 2007.

(b) If the local unit of government produces or maintains the public education or government programming in a manner or form that is compatible with the holder's network, it shall transmit such programming to the holder in that form provided that form will permit the holder to satisfy the requirements of Section 21-601 (c). If the local unit of government does not produce or maintain such programming in that manner or form, then the holder shall be responsible for any changes in the form of the transmission necessary to make public, education, and government programming compatible with the technology or protocol used by the holder to deliver services. The holder shall receive programming from the local unit of government (or the local unit of government's public, education, and government programming providers) and transmit that public, education, and government programming directly to the holder's subscribers within the local unit of government's jurisdiction at no cost to the local unit of government or the public, education, and government programming providers. If the holder is required to change the form of the transmission, the local unit of government or its designee shall provide reasonable access to the holder to allow the holder to transmit the public, education, and government programming in an economical manner subject to the requirements of Section 21-601(c).

(c) The holder shall provide to subscribers public, education and government access channel capacity at equivalent visual and audio quality and equivalent functionality, from the viewing perspective of the subscriber, to that of commercial channels carried on the holder's basic cable or video service offerings or tiers without the need for any equipment other than the equipment necessary to receive the holder's basic cable or video service offerings or tiers.

(d) The holder and an incumbent cable operator shall negotiate in good faith to interconnect their networks, if needed, for the purpose of providing public, education, and government programming. Interconnection may be accomplished by direct cable, microwave link, satellite, or other reasonable method of connection. The holder and the incumbent cable operator shall provide interconnection of the public, education, and government channels on reasonable terms and conditions and may not withhold the interconnection. If a holder and an incumbent cable operator cannot reach a mutually acceptable interconnection agreement, the local unit of government may require the incumbent cable operator to allow the holder to interconnect its network with the incumbent cable operator's network at a technically feasible point on their networks. If no technically feasible point for interconnection is available, the holder and an incumbent cable operator shall each make an interconnection available to the public, education, and government channel originators at their local origination points and shall provide the facilities necessary for the interconnection. The cost of any interconnection shall be borne by the holder unless otherwise agreed to by the parties. The interconnection required by this subsection shall be completed within the 90 day deadline set forth in subsection (a).

(e) The public, education, and government channels shall be for the exclusive use of the local unit of government or its designee to provide public, education, and government programming. The public, education, and government channels shall be used only for noncommercial purposes. However, advertising, underwriting, or sponsorship recognition may be carried on the channels for the purpose of funding public, education, and government access related activities.

(f) Public, education and government channels shall all be carried on the holder's basic cable or video service offerings or tiers. To the extent feasible, the public, education and government channels shall not be separated numerically from other channels carried on the holder's basic cable or video service offerings or tiers, and the channel numbers for the public, education and government channels shall be the same channel numbers used by the incumbent cable operator unless prohibited by federal law. After the initial designation of public, education and government channel numbers, the channel numbers shall not be changed without the agreement of the local unit of government or the entity to which the local unit of government has assigned responsibility for managing public, education and government access channels unless the change is required by federal law. Each channel shall be capable of carrying a National Television System Committee (NTSC) television signal.

(g) The holder shall provide a listing of public, education and government channels on channel cards and menus provided to subscribers in a manner equivalent to other channels if the holder uses such cards and menus. Further, the holder shall provide a listing of public, education, and government programming on its electronic program guide if such a guide is utilized by the holder. It is the public, education and government entity's responsibility to provide the holder or its designated agent, as determined by the holder, with program schedules and information in a timely manner.

(h) If less than three public, education, and government channels are provided within the local unit of government as of January 1, 2007, a local unit of government whose jurisdiction lies within the authorized service area of the holder may initially request the holder to designate sufficient capacity for up to three public, education, and government channels. A local unit of government or its designee that seeks to add additional capacity shall give the holder a written notification specifying the number of additional channels to be used, specifying the number of channels in actual use, and verifying that the additional channels requested will be put into actual use.

(i) The holder shall, within 90 days of a request by the local unit of government or its designated public, education, or government access entity, provide sufficient capacity for an additional channel for public, education, and government access when the programming on a given access channel exceeds 40 hours per week as measured on a quarterly basis. The additional channel shall not be used for any purpose other than for carrying additional public, education, or government access programming.

(j) The public, education, and government access programmer is solely responsible for the content that it provides over designated public, education, or government channels. A holder shall not exercise any editorial control over any programming on any channel designed for public, education, or government use or on any other channel required by law or a binding agreement with the local unit of government.

(k) A holder shall not be subject to any civil or criminal liability for any program carried on any channel designated for public, education, or government use.

(l) A court of competent jurisdiction shall have exclusive jurisdiction to enforce any requirement under this Section or resolve any dispute regarding the requirements set forth in this Section, and no provider of cable service or video service may be barred from providing service or be required to terminate service as a result of that dispute or enforcement action.

(220 ILCS 5/21-701 new)

Sec. 21-701. Emergency alert system. The holder shall comply with all applicable requirements of the Federal Communications Commission involving the distribution and notification of federal, state, and local emergency messages over the emergency alert system applicable to cable operators. The holder will provide a requesting local unit of government with sufficient information regarding how to submit, via telephone or web listing, a local emergency alert for distribution over its cable or video network. To the extent that a local unit of government requires incumbent cable operators to provide emergency alert system messages or services in excess of the requirements of this Section, the holder shall comply with any such additional requirements within the jurisdiction of the local franchising authority. The holder may provide a local emergency alert to an area larger than the boundaries of the local unit of government issuing the emergency alert.

(220 ILCS 5/21-801 new)

Sec. 21-801. Applicable fees payable to the local unit of government.

(a) Prior to offering cable service or video service in a local unit of government's jurisdiction, a holder shall notify the local unit of government. The notice shall be given to the local unit of government at least 10 days before the holder begins to offer cable service or video service within the boundaries of that local unit of government.

(b) In any local unit of government in which a holder offers cable service or video service on a commercial basis, the holder shall be liable for and pay the service provider fee to the local unit of government. The local unit of government shall adopt an ordinance imposing such a fee. The holder's liability for the fee shall commence on the first day of the calendar month that is at least 30 days after the holder receives such ordinance. The ordinance shall be sent by mail, postage prepaid, to the address listed on the holder's application provided to the local unit of government pursuant to Section 21-401(b)(6). The fee authorized by this section shall be 5% of gross revenues or the same as the fee paid to the local unit of government by any incumbent cable operator providing cable service. The payment of the service provider fee shall be due on a quarterly basis, 45 days after the close of the calendar quarter. If mailed, the fee is considered paid on the date it is postmarked. Except as provided in this Article, the local unit of government may not demand any additional fees or charges from the holder and may not demand the use of any other calculation method other than allowed under this Article.

(c) For purposes of this Article, "gross revenues" means all consideration of any kind or nature, including, without limitation, cash, credits, property, and in-kind contributions received by the holder for the operation of a cable or video system to provide cable service or video service within the holder's cable service or video service area within the local unit of government's jurisdiction.

(1) Gross revenues shall include the following:

(i) Recurring charges for cable service or video service.

(ii) Event-based charges for cable service or video service, including, but not limited to, pay-per-view and video-on-demand charges.

(iii) Rental of set top boxes and other cable service or video service equipment.

(iv) Service charges related to the provision of cable service or video service, including but not limited to activation, installation, and repair charges.

(v) Administrative charges related to the provision of cable service or video service, including but not limited to service order and service termination charges.

(vi) Late payment fees or charges, insufficient funds check charges, and other charges assessed to recover the costs of collecting delinquent payments.

(vii) A pro rata portion of all revenue derived by the holder or its affiliates pursuant to compensation arrangements for advertising or for promotion or exhibition of any products or services derived from the operation of the holder's network to provide cable service or video service within the local unit of government's jurisdiction. The allocation shall be based on the number of subscribers in the local unit of government divided by the total number of subscribers in relation to the relevant regional or national compensation arrangement.

(viii) Compensation received by the holder that is derived from the operation of the holder's network to provide cable service or video service with respect to commissions that are received by the holder as compensation for promotion or exhibition of any products or services on the holder's network, such as a "home shopping" or similar channel, subject to subsection (b)(ix).

(ix) In the case of a cable service or video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the holder's revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the holder can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.

(x) The service provider fee permitted by Section 21-801(b) of this Article.

(2) Gross revenues do not include any of the following:

(i) Revenues not actually received, even if billed, such as bad debt, subject to Section 21-801(c)(1)(vi).

(ii) Refunds, discounts, or other price adjustments that reduce the amount of gross revenues received by the holder of the State-issued authorization to the extent the refund, rebate, credit, or discount is attributable to cable service or video service.

(iii) Regardless of whether the services are bundled, packaged, or functionally integrated with cable service or video service, any revenues received from services not classified as cable service or video service, including, without limitation, revenue received from telecommunications services, information services, or the provision of directory or Internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing or any other revenues attributed by the holder to noncable service or nonvideo service in accordance with the holder's books and records and records kept in the regular course of business and any applicable laws, rules, regulations, standards, or orders.

(iv) The sale of cable service or video services for resale in which the purchaser is required to collect the service provider fee from the purchaser's subscribers to the extent the purchaser certifies in writing that it will resell the service within the local unit of government's jurisdiction and pay the fee permitted by Section 21-801(b) with respect to the service.

(v) Any tax or fee of general applicability imposed upon the subscribers or the transaction by a city, state, federal, or any other governmental entity and collected by the holder of the State-issued authorization and required to be remitted to the taxing entity, including sales and use taxes.

(vi) Security deposits collected from subscribers.

(vii) Amounts paid by subscribers to "home shopping" or similar vendors for merchandise sold through any home shopping channel offered as part of the cable service or video service.

(3) Revenue of an affiliate of a holder shall be included in the calculation of gross revenues to the extent the treatment of the revenue as revenue of the affiliate rather than the holder has the effect of evading the payment of the fee permitted by Section 21-801(b) of this Article which would otherwise be paid by the cable service or video service.

(d)(1) The holder shall pay to the local unit of government or the entity designated by that local unit of government to manage public, education and government access, upon request as support for public, education, and government access, a fee equal to no less than (i) 1% of gross revenues; or (ii) if greater, the percentage of gross revenues that incumbent cable operators pay to the local unit of government or its designee for public, education, and government access support in the local unit of government's jurisdiction. For purposes of subparagraph (d)(1)(ii) above, the percentage of gross revenues that all incumbent cable operators pay shall be equal to the annual sum of the payments that incumbent cable operators in the service area are obligated to pay by franchises and agreements or by contracts with the local government designee for public, education and government access in effect on January 1, 2007.

including the total of any lump sum payments required to be made over the term of each franchise or agreement divided by the number of years of the applicable term, divided by the annual sum of such incumbent cable operator(s)'s gross revenues during the immediately prior calendar year. The sum of payments includes any payments that an incumbent cable operator is required to pay pursuant to Section 21-301(c)(3) of this Article.

(2) A local unit of government may require all holders of a State-issued authorization and all cable operators franchised by that local unit of government on the effective date hereof in the franchise area to provide to the local unit of government, or to the entity designated by that local unit of government to manage public, education and government access, information sufficient to calculate the public, education and government access equivalent fee and any credits under subsection (d)(1).

(3) The fee shall be due on a quarterly basis and paid 45 days after the close of the calendar quarter. Each payment shall include a statement explaining the basis for the calculation of the fee. If mailed, the fee is considered paid on the date it is postmarked. The liability of the holder for payment of the fee under this subsection shall commence on the same date as the payment of the service provider fee pursuant to subsection (b) of this Section.

(e) The holder may identify and collect the amount of the service provider fee as a separate line item on the regular bill of each subscriber.

(f) The holder may identify and collect the amount of the public, education, and government programming support fee as a separate line item on the regular bill of each subscriber.

(g) All determinations and computations under this Section shall be made pursuant to the definition of gross revenues set forth in this Section, and shall be made pursuant to generally accepted accounting principles.

(h) Nothing contained in this Article shall be construed to exempt a holder from any tax that is or may later be imposed by the local unit of government, including any tax that is or may later be required to be paid by or through the holder with respect to cable service or video service. A State-issued authorization shall not affect any requirement of the holder with respect to payment of the local unit of government's simplified municipal telecommunications tax or any other tax as it applies to any telephone service provided by the holder. A State-issued authorization shall not affect any requirement of the holder with respect to payment of the local unit of government's 911 or E911 fees, taxes or charges.

(220 ILCS 5/21-901 new)

Sec. 21-901. Audits.

(a) Upon receiving notice under Section 21-401(e)(4) that a holder has received State-issued authorization under this Article, a local unit of government shall notify the holder of the requirements it imposes on other cable service or video service providers in its jurisdiction to submit to an audit of its books and records. The holder shall comply with the same requirements the local unit of government imposes on other cable service or video service providers in its jurisdiction to audit the holder's books and records and to recompute any amounts determined to be payable under the requirements of the local unit of government. If all local franchises between the local unit of government and a cable operator terminate, the audit requirements shall be those adopted by the local government pursuant to the Local Government Taxpayers' Bill of Rights, 50 ILCS 45. No acceptance of amounts remitted should be construed as an accord that the amounts are correct.

(b) Any additional amount due after an audit shall be paid within 30 days after the local unit of government's submission of an invoice for the sum.

(220 ILCS 5/21-1001 new)

Sec. 21-1001. Local unit of government authority.

(a) The holder of a State-issued authorization shall comply with all the applicable construction and technical standards and right-of-way occupancy standards set forth in a local unit of government's code of ordinances relating to the use of public rights-of-way, pole attachments, permit obligations, indemnification, performance bonds, penalties or liquidated damages. The applicable requirements for a holder that is using its existing telecommunications network or constructing a telecommunications network shall be the same requirements that the local unit of government imposes on telecommunications providers in its jurisdiction. The applicable requirements for a holder that is using or constructing a cable system shall be the same requirements the local unit of government imposes on other cable operators in its jurisdiction.

(b) A local unit of government shall allow the holder to install, construct, operate, maintain, and remove a cable service, video service, or telecommunications network within a public right-of-way and shall provide the holder with open, comparable, nondiscriminatory, and competitively neutral access to the public right-of-way on the same terms applicable to other cable service or video service providers or cable operators in its jurisdiction. Notwithstanding any other provisions of law, if a local unit of

government is permitted by law to require the holder of a State authorization to seek a permit to install, construct, operate, maintain or remove its cable service, video service, or telecommunications network within a public right-of-way, those permits shall be deemed granted within 45 days after being submitted, if not otherwise acted upon by the local unit of government, provided the holder complies with the requirements applicable to the holder in its jurisdiction.

(c) A local unit of government may impose reasonable terms, but it may not discriminate against the holder with respect to any of the following:

(1) The authorization or placement of a cable service, video service, or telecommunications network or equipment in public rights-of-way.

(2) Access to a building.

(3) A local unit of government utility pole attachment.

(d) If a local unit of government imposes a permit fee on incumbent cable operators, it may impose a permit fee on the holder only to the extent it imposes such a fee on incumbent cable operators. In all other cases, these fees may not exceed the actual, direct costs incurred by the local unit of government for issuing the relevant permit. In no event may a fee under this Section be levied if the holder already has paid a permit fee of any kind in connection with the same activity that would otherwise be covered by the permit fee under this Section provided no additional equipment, work, function or other burden is added to the existing activity for which the permit was issued.

(e) Nothing in this Article shall affect the rights that any holder has under Section 4 of the Telephone Line Right of Way Act (220 ILCS 65/4).

(f) In addition to the other requirements in this Section, if the holder installs, upgrades, constructs, operates, maintains, and removes facilities or equipment within a public right-of-way to provide cable service or video service, it shall comply with the following:

(1) The holder must locate its equipment in the right-of-way as to cause only minimum interference with the use of streets, alleys and other public ways and places, and to cause only minimum impact upon, and interference with the rights and reasonable convenience of property owners who adjoin any of the said streets, alleys or other public ways. No fixtures shall be placed in any public ways in such a manner to interfere with the usual travel on such public ways. Nor shall such fixtures or equipment limit the visibility of vehicular and/or pedestrian traffic.

(2) The holder shall comply with a local unit of government's reasonable requests to place equipment on public property where possible, and promptly comply with local unit of government direction with respect to the location and screening of equipment and facilities. In constructing or upgrading its cable or video network in the right-of-way, the holder shall use the smallest suitable equipment enclosures and power pedestals and cabinets then in use by the holder for the application.

(3) The holder's construction practices shall be in accordance with all applicable sections of the Occupational Safety and Health Act of 1970, as amended, as well as all applicable state laws, including the Illinois Administrative Code, and local codes where applicable, as adopted by the local unit of government. All installation of electronic equipment shall be of a permanent nature, durable and, where applicable, installed in accordance with the provisions of the National Electrical Safety Code of the National Bureau of Standards and National Electrical Code of the National Board of Fire Underwriters.

(4) The holder shall not interfere with the local unit of government's performance of public works. Nothing in the State-issued authorization shall be in preference or hindrance to the right of the local unit of government to perform or carry on any public works or public improvements of any kind. The holder expressly agrees that it shall, at its own expense, protect, support, temporarily disconnect, relocate in the same street or other public place, or remove from such street or other public place, any of the network, system, facilities or equipment when required to do so by the local unit of government, because of necessary public health, safety and welfare improvements. In the event a holder and other users, including incumbent cable operators or utilities, of a public right-of-way are required to relocate and compensation is paid to the users of such public right-of-way, such parties shall be treated equally with respect to such compensation.

(5) The holder shall comply with all local units of government inspection requirements. The making of post-construction, subsequent and/or periodic inspections or the failure to do so shall not operate to relieve the holder of any responsibility, obligation or liability.

(6) The holder shall maintain insurance or provide evidence of self insurance as required by an applicable ordinance of the local unit of government.

(7) The holder shall reimburse all reasonable make-ready expenses, including aerial and underground installation expenses requested by the holder to the local unit of government within thirty (30) days of billing to the holder provided that such charges shall be at the same rates as charges to others for the same or similar services.

(8) The holder shall indemnify and hold harmless the local unit of government and all boards, officers, employees and representatives thereof from all claims, demands, causes of action, liability, judgments, costs and expenses or losses for injury or death to persons or damage to property owned by, and Worker's Compensation claims against any parties indemnified herein, arising out of, caused by, or as a result of the holder's construction, lines, cable, erection, maintenance, use or presence of, or removal of any poles, wires, conduit, appurtenances thereto, or equipment or attachments thereto. The holder, however, shall not indemnify the local unit of government for any liabilities, damages, cost and expense resulting from the willful misconduct or negligence of the local unit of government, its officers, employees and agents. The obligations imposed pursuant to this section by a local unit of government shall be competitively neutral.

(9) The holder, upon request, shall provide the local unit of government with information describing the location of the cable service or video service facilities and equipment located in the unit of local government's rights-of-way pursuant to its State-issued authorization. If designated by the holder as confidential, such information provided pursuant to this subsection shall be exempt from inspection and copying under the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq., pursuant to the exemption provided for under 5 ILCS 140/7(1) (mm) and any other present or future exemptions applicable to such information and shall not be disclosed by the unit of local government to any third party without the written consent of the holder.

(220 ILCS 5/21-1101 new)

Sec. 21-1101. Requirements to provide video services.

(a) The holder of a State-issued authorization shall not deny access to cable service or video service to any potential residential subscribers because of the race or income of the residents in the local area in which the potential subscribers reside.

(b) If the holder is using telecommunications facilities to provide cable or video service and has 1,000,000 or less telecommunications access lines in this State, but more than 300,000 telecommunications access lines in this State, the holder shall:

(1) Provide access to its cable or video service to a number of households equal to at least 25% of its telecommunications access lines in this State within 3 years after the date a holder receives a State-issued authorization from the Commission and to a number not less than 35% of these households within 5 years after the date a holder receives a State-issued authorization from the Commission; provided, however, that the holder of a State-issued authorization is not required to meet the 35% requirement in this subsection until 2 years after at least 15% of the households with access to the holder's video service subscribe to the service for 6 consecutive months. The holder's obligation to provide such access in the State shall be distributed, as the holder determines, within three different designated market areas.

(2) Within 3 years after the date a holder receives a State-issued authorization from the Commission at least 30% of the total households with access to the holder's cable or video service shall be low-income.

Within each designated market area identified in subsection (b)(1), the holder's obligation to offer service to low-income households shall be measured by each exchange, as that term is defined in Section 13-206 of the Public Utilities Act, in which the holder chooses to provide cable or video service. The holder is under no obligation to serve or provide access to an entire exchange; however, in addition to the statewide obligation to provide low-income access provided by this section, in each exchange in which the holder chooses to provide cable or video service, the holder shall provide access to a percentage of low-income households that is at least equal to the percentage of the total low-income households within that exchange.

(3) The number of telecommunication access lines in this section shall be based on the number of access lines that exist as of the effective date of this amendatory act of the 95th General Assembly.

(c) If the holder of a State-issued authorization is using telecommunications facilities to provide cable or video service and has more than 1,000,000 telecommunications access lines in this State, the holder shall:

(1)(A) Provide access to its cable or video service to a number of households equal to at least 35% of the households in the holder's telecommunications service area in the State within 3 years after the date a holder receives a State-issued authorization from the Commission and to a number not less than 50% of these households within 5 years after the date a holder receives a State-issued authorization from the Commission; provided, however, that the holder of a State-issued authorization is not required to meet the 50% requirement in this subsection until 2 years after at least 15% of the households with access to the holder's video service subscribe to the service for 6 consecutive months.

The holder's obligation to provide such access in the State shall be distributed, as the holder

determines, within three designated market areas, one in each of the northeastern, central and southwestern portions of the holder's telecommunications service area in the State. The designated market area for the northeastern portion shall consist of two separate and distinct reporting areas: i) a city with more than 1,000,000 inhabitants, and ii) all other local units of government on a combined basis within such designated market area in which it offers video service.

(B) If any state, in which a holder subject to this subsection (c) or one of its affiliates provides or seeks to provide cable or video service, adopts a law permitting state-issued authorization or statewide franchises to provide cable or video service that requires a cable or video provider to offer service to more than 35% of the households in the cable or video provider's service area in that State within 3 years, holders subject to this subsection (c) shall provide service in this State to the same percentage of households within 3 years of adoption of such law in that State.

Furthermore, if any state, in which a holder subject to this subsection (c) or one of its affiliates provides or seeks to provide cable or video service, adopts a law requiring a holder of a state-issued authorization or statewide franchises to offer cable or video service to more than 35% of its households if less than 15% of the households with access to the holder's video service subscribe to the service for 6 consecutive months, then as a precondition to further build-out, holders subject to this subsection (c) shall be subject to the same percentage of service subscription in meeting its obligation to provide service to 50% of the households in this State.

(2) Within 3 years after the date a holder receives a State-issued authorization from the Commission at least 30% of the total households with access to the holder's cable or video service shall be low-income.

Within each designated market area listed in subsection (c)(1), the holder's obligation to offer service to low-income households shall be measured by each exchange, as that term is defined in Section 13-206 of the Public Utilities Act in which the holder chooses to provide cable or video service. The holder is under no obligation to serve or provide access to an entire exchange; however, in addition to the statewide obligation to provide low-income access provided by this section, in each exchange in which the holder chooses to provide cable or video service, the holder shall provide access to a percentage of low-income households that is at least equal to the percentage of the total low-income households within that exchange.

(d)(1) All other holders shall only provide access to one or more exchanges, as that term is defined in Section 13-206 of the Public Utilities Act, or to local units of government and shall provide access to their cable or video service to a number of households equal to 35% of the households in the exchange or local unit of government within 3 years after the date a holder receives a State-issued authorization from the Commission and to a number not less than 50% of these households within 5 years after the date a holder receives a State-issued authorization from the Commission, provided, however, that if the holder is an incumbent cable operator or any successor-in-interest company, it shall be obligated to provide access to cable or video services within the jurisdiction of a local unit of government at the same levels required by the local franchising authorities for that local unit of government on the effective date of this amendatory act of the 95th General Assembly.

(2) Within 3 years after the date a holder receives a State-issued authorization from the Commission, at least 30% of the total households with access to the holder's cable or video service shall be low-income.

Within each designated exchange, as that term is defined in Section 13-206 of the Public Utilities Act, or local unit of government listed in subsection (d)(1), the holder's obligation to offer service to low-income households shall be measured by each exchange or local unit of government in which the holder chooses to provide cable or video service. Except as provided in subsection (d)(1), the holder is under no obligation to serve or provide access to an entire exchange or local unit of government; however, in addition to the statewide obligation to provide low-income access provided by this section, in each exchange or local unit of government in which the holder chooses to provide cable or video service, the holder shall provide access to a percentage of low-income households that is at least equal to the percentage of the total low-income households within that exchange or local unit of government.

(e) A holder subject to section 21-1101(c) shall provide wireline broadband service, defined as wireline service capable of supporting, in at least one direction, a speed in excess of 200 kilobits per second (kbps), to the network demarcation point at the subscriber's premises, to a number of households equal to 90% of the households in the holder's telecommunications service area by December 31, 2008, or shall pay within 30 days of December 31, 2008 a sum of \$15,000,000 to the Digital Divide Elimination Infrastructure Fund established pursuant to Section 13-301.3 of Article XIII of this Act, or any successor fund established by the General Assembly. In that event the holder is required to make a payment pursuant to this subsection, the holder shall have no further accounting for this payment, which shall be used in any part of the State for the purposes established in the Digital Divide Elimination

Infrastructure Fund or for broadband deployment.

(f) The holder of a State-issued authorization may satisfy the requirements of subsections (b), (c) and (d) of this Section through the use of any technology, which shall not include direct-to-home satellite service, that offers service, functionality, and content, which is demonstrably similar to that provided through the holder's video service system.

(g) In any investigation into or complaint alleging that the holder of a State-issued authorization has failed to meet the requirements of this Section, the following factors may be considered in justification or mitigation or as justification for an extension of time to meet the requirements of subsections (b), (c) and (d) of this Section:

(1) The inability to obtain access to public and private rights-of-way under reasonable terms and conditions.

(2) Barriers to competition arising from existing exclusive service arrangements in developments or buildings.

(3) The inability to access developments or buildings using reasonable technical solutions under commercially reasonable terms and conditions.

(4) Natural disasters.

(5) Other factors beyond the control of the holder.

(h) If the holder relies on the factors identified in subsection (g) in response to an investigation or complaint, the holder shall demonstrate:

(1) what substantial effort the holder of a state-issued authorization has taken to meet the requirements of subsections (a), (b) or (c) of this Section;

(2) which portions of subsection (g) of this Section apply; and

(3) the number of days it has been delayed or the requirements it cannot perform as a consequence of subsection (g) of this Section.

(i) The factors in subsection (g) may be considered by the Attorney General or by a court of competent jurisdiction in determining whether the holder is in violation of this Article.

(j) Every holder of a State-issued authorization, no later than April 1, 2009, and annually no later than April 1 thereafter, shall report to the Commission for each of the service areas as described in subsections (b), (c) and (d) of this Section in which it provides access to its video service in the State, the following information:

(1) Cable Service and Video Service Information:

(A) The number of households in the holder's telecommunications service area within each designated market area as described in subsections (b) and (c) of this Section or exchange or local unit of government as described in subsection (d) of this Section in which it offers video service.

(B) The number of households in the holder's telecommunications service area within each designated market area as described in subsections (b) and (c) of this Section or exchange or local unit of government as described in subsection (d) of this Section that are offered access to video service by the holder.

(C) The number of households in the holder's telecommunications service area in the State.

(D) The number of households in the holder's telecommunications service area in the State that are offered access to video service by the holder.

(2) Low-Income Household Information:

(A) The number of low-income households in the holder's telecommunications service area within each designated market area as described in subsections (b) and (c) of this Section, as further identified in terms of exchanges, or exchange or local unit of government as described in subsection (d) of this Section, in which it offers video service.

(B) The number of low-income households in the holder's telecommunications service area within each designated market area as described in subsections (b) and (c) of this Section, as further identified in terms of exchanges, or exchange or local unit of government as described in subsection (d) of this Section in the State, that are offered access to video service by the holder.

(C) The number of low-income households in the holder's telecommunications service area in the State.

(D) The number of low-income households in the holder's telecommunications service area in the State that are offered access to video service by the holder.

(k) The Commission, within 30 days of receiving the first report from holders under this Section, and annually no later than July 1 thereafter, shall submit to the General Assembly a report that includes, based on year-end data, the information submitted by holders pursuant to subsections (j)(1) and (j)(2) of this Section. The Commission shall make this report available to any member of the public or any local unit of government upon request. All information submitted to the Commission and designated by



holders as confidential and proprietary shall be subject to the disclosure provisions in Section 21-401(c). No individually identifiable customer information shall be subject to public disclosure.

(220 ILCS 5/21-1201 new)

Sec. 21-1201. Multiple-unit dwellings-Interference with Holder Prohibited.

(a) Neither the owner of any multiple-unit residential dwelling nor an agent or representative shall unreasonably interfere with the right of any tenant or lawful resident thereof to receive cable service or video service installation or maintenance from a holder of a State-issued authorization; provided, however, the owner, agent or representative may require just and reasonable compensation from the holder for its access to and use of such property to provide installation, operation, maintenance, or removal of such cable service or video service.

(b) Neither the owner of any multiple-unit residential dwelling nor an agent or representative shall ask, demand or receive any additional payment, service or gratuity in any form from any tenant or lawful resident thereof as a condition for permitting or cooperating with the installation of a cable service or video service to the dwelling unit occupied by a tenant or resident requesting such service.

(c) Neither the owner of any multiple-unit residential dwelling nor an agent or representative shall penalize, charge or surcharge a tenant or resident, or forfeit or threaten to forfeit any right of such tenant or resident, or discriminate in any way against such tenant or resident who requests or receives cable service or video service from a holder.

(d) Nothing in this Section shall prohibit the owner of any multiple-unit residential dwelling nor an agent or representative from requiring that a holder's facilities conform to reasonable conditions necessary to protect safety, functioning, appearance, and value of premises or the convenience and safety of persons or property.

(e) The owner of any multiple-unit residential dwelling or an agent or representative may require a holder to agree to indemnify the owner, or his agents or representatives, for damages or from liability for damages caused by the installation, operation, maintenance or removal of cable service or video service facilities.

(220 ILCS 5/21-1301 new)

Sec. 21-1301. Enforcement, Penalties.

(a) The Attorney General is responsible for administering and ensuring holders' compliance with this Article, provided that nothing in this Article shall deprive local units of government of the right to enforce applicable rights and obligations.

(b) The Attorney General may conduct an investigation regarding possible violations by holders of this Article including, without limitation, the issuance of subpoenas to:

(1) require the holder to file a statement or report or to answer interrogatories in writing as to all information relevant to the alleged violations;

(2) examine, under oath, any person who possesses knowledge or information related to the alleged violations; and

(3) examine any record, book, document, account, or paper related to the alleged violation.

(c) If the Attorney General determines that there is a reason to believe that a holder has violated or is about to violate this Article, the Attorney General may bring an action in a court of competent jurisdiction in the name of the People of the State against the holder to obtain temporary, preliminary, or permanent injunctive relief and civil penalties for any act, policy, or practice by the holder that violates this Article.

(d) If a court orders a holder to make payments to the Attorney General and the payments are to be used for the operations of the Office of the Attorney General or if a holder agrees to make payments to the Attorney General for the operations of the Office of the Attorney General as part of an Assurance of Voluntary Compliance, then the moneys paid under any of the conditions described in this subsection shall be deposited into the Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund. Moneys in the Fund shall be used, subject to appropriation, for the performance of any function pertaining to the exercise of the duties to the Attorney General including, but not limited to, enforcement of any law of this State and conducting public education programs; however, any moneys in the Fund that are required by the court to be used for a particular purpose shall be used for that purpose.

(e) In an action against a holder brought pursuant to this Article, the Attorney General may seek the assessment of one or more of the following civil monetary penalties in any action filed under this Article where the holder violates this Article and does not remedy the violation within 30 days of notice by the Attorney General:

(1) Any holder that violates or fails to comply with any of the provisions of this Article or of its State-issued authorization shall be subject to a civil penalty of up to \$30,000 for each and every offense, or .00825% of the holder's gross revenues, as defined in Section 21-801, whichever is greater. Every

violation of the provisions of this Article by a holder is a separate and distinct offense, provided, however, that if the same act or omission violates more than one provision of this Article, only one penalty or cumulative penalty may be imposed for such act or omission. In case of a continuing violation, each day's continuance thereof shall be a separate and distinct offense, provided, however, that the cumulative penalty for any continuing violation shall not exceed \$500,000 per year, and provided further that these limits shall not apply where the violation was intentional and either (i) created substantial risk to the safety of the cable service or video service provider's employees or customers or the public or (ii) was intended to cause economic benefits to accrue to the violator.

(2) The holder's State-issued authorization may be suspended or revoked if the holder fails to comply with the provisions of this Article after a reasonable time to achieve compliance has passed.

(3) If the holder is in violation of Section 21-1101, in addition to any other remedies provided by law, a fine not to exceed 3% of the holder's total monthly gross revenue as that term is defined in this Article, shall be imposed for each month from the date of violation until the date that compliance is achieved.

(4) Nothing in this Section shall limit or affect the powers of the Attorney General to enforce the provisions of the Cable and Video Customer Protection Law, 220 ILCS 5/70-501 new, or the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505.

(220 ILCS 5/21-1401 new)

Sec. 21-1401. Home rule.

(a) The provisions of this Article are a limitation of home rule powers under subsection (i) of Section 6 of Article VII of the Illinois Constitution.

(b) Nothing in this Article shall be construed to limit or deny a home rule unit's power to tax as set forth in Section 6 of Article VII of the Illinois Constitution.

(220 ILCS 5/21-1501 new)

Sec. 21-1501. Except as otherwise provided in this Article, this Article shall be enforced only by a court of competent jurisdiction.

(220 ILCS 5/21-1601 new)

Sec. 21-1601. Repealer. This Article is repealed October 1, 2013.

Section 15-7. The Illinois Administrative Procedure Act is amended by changing Section 1-5 as follows:

(5 ILCS 100/1-5) (from Ch. 127, par. 1001-5)

Sec. 1-5. Applicability.

(a) This Act applies to every agency as defined in this Act. Beginning January 1, 1978, in case of conflict between the provisions of this Act and the Act creating or conferring power on an agency, this Act shall control. If, however, an agency (or its predecessor in the case of an agency that has been consolidated or reorganized) has existing procedures on July 1, 1977, specifically for contested cases or licensing, those existing provisions control, except that this exception respecting contested cases and licensing does not apply if the Act creating or conferring power on the agency adopts by express reference the provisions of this Act. Where the Act creating or conferring power on an agency establishes administrative procedures not covered by this Act, those procedures shall remain in effect.

(b) The provisions of this Act do not apply to (i) preliminary hearings, investigations, or practices where no final determinations affecting State funding are made by the State Board of Education, (ii) legal opinions issued under Section 2-3.7 of the School Code, (iii) as to State colleges and universities, their disciplinary and grievance proceedings, academic irregularity and capricious grading proceedings, and admission standards and procedures, and (iv) the class specifications for positions and individual position descriptions prepared and maintained under the Personnel Code. Those class specifications shall, however, be made reasonably available to the public for inspection and copying. The provisions of this Act do not apply to hearings under Section 20 of the Uniform Disposition of Unclaimed Property Act.

(c) Section 5-35 of this Act relating to procedures for rulemaking does not apply to the following:

(1) Rules adopted by the Pollution Control Board that, in accordance with Section 7.2

of the Environmental Protection Act, are identical in substance to federal regulations or amendments to those regulations implementing the following: Sections 3001, 3002, 3003, 3004, 3005, and 9003 of the Solid Waste Disposal Act; Section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; Sections 307(b), 307(c), 307(d), 402(b)(8), and 402(b)(9) of the Federal Water Pollution Control Act; and Sections 1412(b), 1414(c), 1417(a), 1421, and 1445(a) of the Safe Drinking Water Act.

(2) Rules adopted by the Pollution Control Board that establish or amend standards for

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the emission of hydrocarbons and carbon monoxide from gasoline powered motor vehicles subject to inspection under Section 13A-105 of the Vehicle Emissions Inspection Law and rules adopted under Section 13B-20 of the Vehicle Emissions Inspection Law of 1995.

(3) Procedural rules adopted by the Pollution Control Board governing requests for exceptions under Section 14.2 of the Environmental Protection Act.

(4) The Pollution Control Board's grant, pursuant to an adjudicatory determination, of an adjusted standard for persons who can justify an adjustment consistent with subsection (a) of Section 27 of the Environmental Protection Act.

(5) Rules adopted by the Pollution Control Board that are identical in substance to the regulations adopted by the Office of the State Fire Marshal under clause (ii) of paragraph (b) of subsection (3) of Section 2 of the Gasoline Storage Act.

(d) Pay rates established under Section 8a of the Personnel Code shall be amended or repealed pursuant to the process set forth in Section 5-50 within 30 days after it becomes necessary to do so due to a conflict between the rates and the terms of a collective bargaining agreement covering the compensation of an employee subject to that Code.

(e) Section 10-45 of this Act shall not apply to any hearing, proceeding, or investigation conducted under Section 13-515 of the Public Utilities Act.

(f) Article 10 of this Act does not apply to any hearing, proceeding, or investigation conducted by the State Council for the State of Illinois created under Section 3-3-11.05 of the Unified Code of Corrections or by the Interstate ~~Commission~~ ~~Commission~~ for Adult Offender Supervision created under the Interstate Compact for Adult Offender Supervision.

(g) This Act is subject to the provisions of Article XXI of the Public Utilities Act. To the extent that any provision of this Act conflicts with the provisions of that Article XXI, the provisions of that Article XXI control.

(Source: P.A. 92-571, eff. 6-26-02; revised 7-25-02.)

Section 15-10. The Attorney General Act is amended by changing Section 6.5 as follows:

(15 ILCS 205/6.5)

Sec. 6.5. Consumer Utilities Unit.

(a) The General Assembly finds that the health, welfare, and prosperity of all Illinois citizens, and the public's interest in adequate, safe, reliable, cost-effective electric, natural gas, water, cable, video, and telecommunications services, requires effective public representation by the Attorney General to protect the rights and interests of the public in the provision of all elements of electric, natural gas, water, cable, video, and telecommunications service both during and after the transition to a competitive market, and that to ensure that the benefits of competition in the provision of electric, natural gas, water, cable, video, and telecommunications services to all consumers are attained, there shall be created within the Office of the Attorney General a Consumer Utilities Unit.

(b) As used in this Section: "Electric services" means services sold by an electric service provider. "Electric service provider" shall mean anyone who sells, contracts to sell, or markets electric power, generation, distribution, transmission, or services (including metering and billing) in connection therewith. Electric service providers shall include any electric utility and any alternative retail electric supplier as defined in Section 16-102 of the Public Utilities Act.

(b-5) As used in this Section: "Telecommunications services" means services sold by a telecommunications carrier, as provided for in Section 13-203 of the Public Utilities Act. "Telecommunications carrier" means anyone who sells, contracts to sell, or markets telecommunications services, whether noncompetitive or competitive, including access services, interconnection services, or any services in connection therewith. Telecommunications carriers include any carrier as defined in Section 13-202 of the Public Utilities Act.

(b-10) As used in this Section: "natural gas services" means natural gas services sold by a "gas utility" or by an "alternative gas supplier", as those terms are defined in Section 19-105 of the Public Utilities Act.

(b-15) As used in this Section: "water services" means services sold by any corporation, company, limited liability company, association, joint stock company or association, firm, partnership, or individual, its lessees, trustees, or receivers appointed by any court and that owns, controls, operates, or manages within this State, directly or indirectly, for public use, any plant, equipment, or property used or to be used for or in connection with (i) the production, storage, transmission, sale, delivery, or furnishing of water or (ii) the treatment, storage, transmission, disposal, sale of services, delivery, or furnishing of sewage or sewage services.

(b-20) As used in this Section: "cable service and video service" means services sold by anyone who

sells, contracts to sell or markets cable services or video services pursuant to a State-issued authorization under the Cable and Video Competition Law of 2007.

(c) There is created within the Office of the Attorney General a Consumer Utilities Unit, consisting of Assistant Attorneys General appointed by the Attorney General, who, together with such other staff as is deemed necessary by the Attorney General, shall have the power and duty on behalf of the people of the State to intervene in, initiate, enforce, and defend all legal proceedings on matters relating to the provision, marketing, and sale of electric, natural gas, water, and telecommunications service whenever the Attorney General determines that such action is necessary to promote or protect the rights and interests of all Illinois citizens, classes of customers, and users of electric, natural gas, water, and telecommunications services.

(d) In addition to the investigative and enforcement powers available to the Attorney General, including without limitation those under the Consumer Fraud and Deceptive Business Practices Act, the Illinois Antitrust Act, and any other law of this State, the Attorney General shall be a party as a matter of right to all proceedings, investigations, and related matters involving the provision of electric, natural gas, water, and telecommunications services before the Illinois Commerce Commission, the courts, and other public bodies. Upon request, the Office of the Attorney General shall have access to and the use of all files, records, data, and documents in the possession or control of the Commission. The Office of the Attorney General may use information obtained under this Section, including information that is designated as and that qualifies for confidential treatment, which information the Attorney General's office shall maintain as confidential, to be used for law enforcement purposes only, which information may be shared with other law enforcement officials. Nothing in this Section is intended to take away or limit any of the powers the Attorney General has pursuant to common law or other statutory law.

(Source: P.A. 94-291, eff. 7-21-05.)

Section 15-15. The Counties Code is amended by changing Section 5-1095 and by adding Section 5-1096.5 as follows:

(55 ILCS 5/5-1095) (from Ch. 34, par. 5-1095)

Sec. 5-1095. Community antenna television systems; satellite transmitted television programming.

(a) The County Board may license, tax or franchise the business of operating a community antenna television system or systems within the County and outside of a municipality, as defined in Section 1-1-2 of the Illinois Municipal Code.

When an area is annexed to a municipality, the annexing municipality shall thereby become the franchising authority with respect to that portion of any community antenna television system that, immediately before annexation, had provided cable television services within the annexed area under a franchise granted by the county, and the owner of that community antenna television system shall thereby be authorized to provide cable television services within the annexed area under the terms and provisions of the existing franchise. In that instance, the franchise shall remain in effect until, by its terms, it expires, except that any franchise fees payable under the franchise shall be payable only to the county for a period of 5 years or until, by its terms, the franchise expires, whichever occurs first. After the 5 year period, any franchise fees payable under the franchise shall be paid to the annexing municipality. In any instance in which a duly franchised community antenna television system is providing cable television services within the annexing municipality at the time of annexation, the annexing municipality may permit that franchisee to extend its community antenna television system to the annexed area under terms and conditions that are no more burdensome nor less favorable to that franchisee than those imposed under any community antenna television franchise applicable to the annexed area at the time of annexation. The authorization to extend cable television service to the annexed area and any community antenna television system authorized to provide cable television services within the annexed area at the time of annexation shall not be subject to the provisions of subsection (e) of this Section.

(b) "Community antenna television system" as used in this Section, means any facility which is constructed in whole or in part in, on, under or over any highway or other public place and which is operated to perform for hire the service of receiving and amplifying the signals broadcast by one or more television stations and redistributing such signals by wire, cable or other means to members of the public who subscribe to such service except that such term does not include (i) any system which serves fewer than 50 subscribers or (ii) any system which serves only the residents of one or more apartment dwellings under common ownership, control or management, and commercial establishments located on the premises of such dwellings.

(c) The authority hereby granted does not include the authority to license or franchise telephone companies subject to the jurisdiction of the Illinois Commerce Commission or the Federal

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Communications Commission in connection with furnishing circuits, wires, cables or other facilities to the operator of a community antenna television system.

(c-1) Each franchise entered into by a county and a community antenna television system shall include the customer service and privacy standards and protections contained in the Cable and Video Customers Protection Law. A franchise may not contain different penalties, consumer service and privacy standards and protections. Each franchise entered into by a county and a community antenna television system before the effective date of this amendatory Act of the 95th General Assembly shall be amended by this section to incorporate the penalty provisions, customer service and privacy standards and protections contained in the Cable and Video Customers Protection Law.

The County Board may, in the course of franchising such community antenna television system, grant to such franchisee the authority and the right and permission to use all public streets, rights of way, alleys, ways for public service facilities, parks, playgrounds, school grounds, or other public grounds, in which such county may have an interest, for the construction, installation, operation, maintenance, alteration, addition, extension or improvement of a community antenna television system.

Any charge imposed by a community antenna television system franchised pursuant to this Section for the raising or removal of cables or lines to permit passage on, to or from a street shall not exceed the reasonable costs of work reasonably necessary to safely permit such passage. Pursuant to subsections (h) and (i) of Section 6 of Article VII of the Constitution of the State of Illinois, the General Assembly declares the regulation of charges which may be imposed by community antenna television systems for the raising or removal of cables or lines to permit passage on, to or from streets is a power or function to be exercised exclusively by the State and not to be exercised or performed concurrently with the State by any unit of local government, including any home rule unit.

The County Board may, upon written request by the franchisee of a community antenna television system, exercise its right of eminent domain solely for the purpose of granting an easement right no greater than 8 feet in width, extending no greater than 8 feet from any lot line for the purpose of extending cable across any parcel of property in the manner provided for by the law of eminent domain, provided, however, such franchisee deposits with the county sufficient security to pay all costs incurred by the county in the exercise of its right of eminent domain.

Except as specifically provided otherwise in this Section, this Section is not a limitation on any home rule county.

(d) The General Assembly finds and declares that satellite-transmitted television programming should be available to those who desire to subscribe to such programming and that decoding devices should be obtainable at reasonable prices by those who are unable to obtain satellite-transmitted television programming through duly franchised community antenna television systems.

In any instance in which a person is unable to obtain satellite-transmitted television programming through a duly franchised community antenna television system either because the municipality and county in which such person resides has not granted a franchise to operate and maintain a community antenna television system, or because the duly franchised community antenna television system operator does not make cable television services available to such person, any programming company that delivers satellite-transmitted television programming in scrambled or encrypted form shall ensure that devices for decryption of such programming are made available to such person, through the local community antenna television operator or directly, for purchase or lease at prices reasonably related to the cost of manufacture and distribution of such devices.

(e) The General Assembly finds and declares that, in order to ensure that community antenna television services are provided in an orderly, competitive and economically sound manner, the best interests of the public will be served by the establishment of certain minimum standards and procedures for the granting of additional cable television franchises.

Subject to the provisions of this subsection, the authority granted under subsection (a) hereof shall include the authority to license, franchise and tax more than one cable operator to provide community antenna television services within the territorial limits of a single franchising authority. For purposes of this subsection (e), the term:

(i) "Existing cable television franchise" means a community antenna television franchise granted by a county which is in use at the time such county receives an application or request by another cable operator for a franchise to provide cable antenna television services within all or any portion of the territorial area which is or may be served under the existing cable television franchise.

(ii) "Additional cable television franchise" means a franchise pursuant to which community antenna television services may be provided within the territorial areas, or any portion thereof, which may be served under an existing cable television franchise.

(iii) "Franchising Authority" is defined as that term is defined under Section 602(9) of the Cable Communications Policy Act of 1984, Public Law 98-549.

(iv) "Cable operator" is defined as that term is defined under Section 602(4) of the Cable Communications Policy Act of 1984, Public Law 98-549.

Before granting an additional cable television franchise, the franchising authority shall:

(1) Give written notice to the owner or operator of any other community antenna television system franchised to serve all or any portion of the territorial area to be served by such additional cable television franchise, identifying the applicant for such additional franchise and specifying the date, time and place at which the franchising authority shall conduct public hearings to consider and determine whether such additional cable television franchise should be granted.

(2) Conduct a public hearing to determine the public need for such additional cable television franchise, the capacity of public rights-of-way to accommodate such additional community antenna television services, the potential disruption to existing users of public rights-of-way to be used by such additional franchise applicant to complete construction and to provide cable television services within the proposed franchise area, the long term economic impact of such additional cable television system within the community, and such other factors as the franchising authority shall deem appropriate.

(3) Determine, based upon the foregoing factors, whether it is in the best interest of the county to grant such additional cable television franchise.

(4) If the franchising authority shall determine that it is in the best interest of the county to do so, it may grant the additional cable television franchise. Except as provided in paragraph (5) of this subsection (e), no such additional cable television franchise shall be granted under terms or conditions more favorable or less burdensome to the applicant than those required under the existing cable television franchise, including but not limited to terms and conditions pertaining to the territorial extent of the franchise, system design, technical performance standards, construction schedules, performance bonds, standards for construction and installation of cable television facilities, service to subscribers, public educational and governmental access channels and programming, production assistance, liability and indemnification, and franchise fees.

(5) Unless the existing cable television franchise provides that any additional cable television franchise shall be subject to the same terms or substantially equivalent terms and conditions as those of the existing cable television franchise, the franchising authority may grant an additional cable television franchise under different terms and conditions than those of the existing franchise, in which event the franchising authority shall enter into good faith negotiations with the existing franchisee and shall, within 120 days after the effective date of the additional cable television franchise, modify the existing cable television franchise in a manner and to the extent necessary to ensure that neither the existing cable television franchise nor the additional cable television franchise, each considered in its entirety, provides a competitive advantage over the other, provided that prior to modifying the existing cable television franchise, the franchising authority shall have conducted a public hearing to consider the proposed modification. No modification in the terms and conditions of the existing cable television franchise shall oblige the existing cable television franchisee (1) to make any additional payment to the franchising authority, including the payment of any additional franchise fee, (2) to engage in any additional construction of the existing cable television system or, (3) to modify the specifications or design of the existing cable television system; and the inclusion of the factors identified in items (2) and (3) shall not be considered in determining whether either franchise considered in its entirety, has a competitive advantage over the other except to the extent that the additional franchisee provides additional video or data services or the equipment or facilities necessary to generate and or carry such service. No modification in the terms and conditions of the existing cable television franchise shall be made if the existing cable television franchisee elects to continue to operate under all terms and conditions of the existing franchise.

If within the 120 day period the franchising authority and the existing cable television franchisee are unable to reach agreement on modifications to the existing cable television franchise, then the franchising authority shall modify the existing cable television franchise, effective 45 days thereafter, in a manner, and only to the extent, that the terms and conditions of the existing cable television franchise shall no longer impose any duty or obligation on the existing franchisee which is not also imposed under the additional cable television franchise; however, if by the modification the existing cable television franchisee is relieved of duties or obligations not imposed under the additional cable television franchise, then within the same 45 days and following a public hearing concerning modification of the additional cable television franchise within that 45 day period, the franchising authority shall modify the additional cable television franchise to the extent necessary

to insure that neither the existing cable television franchise nor the additional cable television franchise, each considered in its entirety, shall have a competitive advantage over the other.

No county shall be subject to suit for damages based upon the county's determination to grant or its refusal to grant an additional cable television franchise, provided that a public hearing as herein provided has been held and the franchising authority has determined that it is in the best interest of the county to grant or refuse to grant such additional franchise, as the case may be.

It is declared to be the law of this State, pursuant to paragraphs (h) and (i) of Section 6 of Article VII of the Illinois Constitution, that the establishment of minimum standards and procedures for the granting of additional cable television franchises as provided in this subsection (e) is an exclusive State power and function that may not be exercised concurrently by a home rule unit.

(Source: P.A. 90-14, eff. 7-1-97; 90-285, eff. 7-31-97.)

(55 ILCS 5/5-1096.5 new)

Sec. 5-1096.5. Cable and video competition.

(a) A person or entity seeking to provide cable service or video service in this State after the effective date of this amendatory act of the 95th General Assembly shall either (1) obtain a State-issued authorization pursuant to Section 401 of the Cable and Video Competition Law of 2007 (220 ILCS 5/21-401); (2) obtain authorization pursuant to Section 11-42-11 of the Illinois Municipal Code (65 ILCS 5/11-42-11); or (3) obtain authorization pursuant to Section 5-1095 of the Counties Code (55 ILCS 5/5-1095).

(b) A person or entity seeking to provide cable service or video service in this State after the effective date of this amendatory act of the 95th General Assembly shall not use the public rights-of-way for the installation or construction of facilities for the provision of cable service or video service or offer cable service or video service until it has (i) obtained a State-issued authorization to offer or provide cable or video service under Section 401 of the Cable and Video Competition Law of 2007; (ii) obtained authorization under Section 11-42-11 of the Illinois Municipal Code; (iii) or obtained authorization under Section 5-1095 of the Counties Code. Nothing in this Section shall prohibit a local unit of government from granting a permit to a person or entity for the use of the public rights-of-way to install or construct facilities to provide cable service or video service, at its sole discretion. No unit of local government shall be liable for denial or delay of a permit prior to the issuance of a State-issued authorization.

(c) For the purposes of Section 5-1095(e), a State-issued authorization under Article XXI of the Public Utilities Act shall be considered substantially equivalent in terms and conditions as an existing cable provider.

(d) Nothing in Article XXI of the Public Utilities Act shall constitute a basis for modification of an existing cable franchise or an injunction against or for the recovery of damages from a municipality pursuant to Section 5-1095(e) because of an application for or the issuance of a State-issued authorization under that Article XXI.

Section 15-20. The Illinois Municipal Code is amended by changing Section 11-42-11 and by adding Section 11-42-11.2 as follows:

(65 ILCS 5/11-42-11) (from Ch. 24, par. 11-42-11)

Sec. 11-42-11. Community antenna television systems; satellite transmitted television programming.

(a) The corporate authorities of each municipality may license, franchise and tax the business of operating a community antenna television system as hereinafter defined. In municipalities with less than 2,000,000 inhabitants, the corporate authorities may, under the limited circumstances set forth in this Section, own (or lease as lessee) and operate a community antenna television system; provided that a municipality may not acquire, construct, own, or operate a community antenna television system for the use or benefit of private consumers or users, and may not charge a fee for that consumption or use, unless the proposition to acquire, construct, own, or operate a cable antenna television system has been submitted to and approved by the electors of the municipality in accordance with subsection (f). Before acquiring, constructing, or commencing operation of a community antenna television system, the municipality shall comply with the following:

(1) Give written notice to the owner or operator of any other community antenna

television system franchised to serve all or any portion of the territorial area to be served by the municipality's community antenna television system, specifying the date, time, and place at which the municipality shall conduct public hearings to consider and determine whether the municipality should acquire, construct, or commence operation of a community antenna television system. The public hearings shall be conducted at least 14 days after this notice is given.

(2) Publish a notice of the hearing in 2 or more newspapers published in the county,

city, village, incorporated town, or town, as the case may be. If there is no such newspaper, then notice shall be published in any 2 or more newspapers published in the county and having a general circulation throughout the community. The public hearings shall be conducted at least 14 days after this notice is given.

(3) Conduct a public hearing to determine the means by which construction, maintenance, and operation of the system will be financed, including whether the use of tax revenues or other fees will be required.

(b) The words "community antenna television system" shall mean any facility which is constructed in whole or in part in, on, under or over any highway or other public place and which is operated to perform for hire the service of receiving and amplifying the signals broadcast by one or more television stations and redistributing such signals by wire, cable or other means to members of the public who subscribe to such service; except that such definition shall not include (i) any system which serves fewer than fifty subscribers, or (ii) any system which serves only the residents of one or more apartment dwellings under common ownership, control or management, and commercial establishments located on the premises of such dwellings.

(c) The authority hereby granted does not include authority to license, franchise or tax telephone companies subject to jurisdiction of the Illinois Commerce Commission or the Federal Communications Commission in connection with the furnishing of circuits, wires, cables, and other facilities to the operator of a community antenna television system.

(c-1) Each franchise entered into by a municipality and a community antenna television system shall include the customer service and privacy standards and protections contained in the Cable and Video Customers Protection Law. A franchise may not contain different penalties, consumer service and privacy standards and protections. Each franchise entered into by a municipality and a community antenna television system before the effective date of this amendatory Act of the 95th General Assembly shall be amended by this section to incorporate the penalty provisions, customer service and privacy standards and protections contained in the Cable and Video Customers Protection Law.

The corporate authorities of each municipality may, in the course of franchising such community antenna television system, grant to such franchisee the authority and the right and permission to use all public streets, rights of way, alleys, ways for public service facilities, parks, playgrounds, school grounds, or other public grounds, in which such municipality may have an interest, for the construction, installation, operation, maintenance, alteration, addition, extension or improvement of a community antenna television system.

Any charge imposed by a community antenna television system franchised pursuant to this Section for the raising or removal of cables or lines to permit passage on, to or from a street shall not exceed the reasonable costs of work reasonably necessary to safely permit such passage. Pursuant to subsections (h) and (i) of Section 6 of Article VII of the Constitution of the State of Illinois, the General Assembly declares the regulation of charges which may be imposed by community antenna television systems for the raising or removal of cables or lines to permit passage on, to or from streets is a power or function to be exercised exclusively by the State and not to be exercised or performed concurrently with the State by any unit of local government, including any home rule unit.

The municipality may, upon written request by the franchisee of a community antenna television system, exercise its right of eminent domain solely for the purpose of granting an easement right no greater than 8 feet in width, extending no greater than 8 feet from any lot line for the purpose of extending cable across any parcel of property in the manner provided by the law of eminent domain, provided, however, such franchisee deposits with the municipality sufficient security to pay all costs incurred by the municipality in the exercise of its right of eminent domain.

(d) The General Assembly finds and declares that satellite-transmitted television programming should be available to those who desire to subscribe to such programming and that decoding devices should be obtainable at reasonable prices by those who are unable to obtain satellite-transmitted television programming through duly franchised community antenna television systems.

In any instance in which a person is unable to obtain satellite-transmitted television programming through a duly franchised community antenna television system either because the municipality and county in which such person resides has not granted a franchise to operate and maintain a community antenna television system, or because the duly franchised community antenna television system operator does not make cable television services available to such person, any programming company that delivers satellite-transmitted television programming in scrambled or encrypted form shall ensure that devices for description of such programming are made available to such person, through the local community antenna television operator or directly, for purchase or lease at prices reasonably related to the cost of manufacture and distribution of such devices.



(e) The General Assembly finds and declares that, in order to ensure that community antenna television services are provided in an orderly, competitive and economically sound manner, the best interests of the public will be served by the establishment of certain minimum standards and procedures for the granting of additional cable television franchises.

Subject to the provisions of this subsection, the authority granted under subsection (a) hereof shall include the authority to license, franchise and tax more than one cable operator to provide community antenna television services within the corporate limits of a single franchising authority. For purposes of this subsection (e), the term:

(i) "Existing cable television franchise" means a community antenna television franchise granted by a municipality which is in use at the time such municipality receives an application or request by another cable operator for a franchise to provide cable antenna television services within all or any portion of the territorial area which is or may be served under the existing cable television franchise.

(ii) "Additional cable television franchise" means a franchise pursuant to which community antenna television services may be provided within the territorial areas, or any portion thereof, which may be served under an existing cable television franchise.

(iii) "Franchising Authority" is defined as that term is defined under Section 602(9) of the Cable Communications Policy Act of 1984, Public Law 98-549, but does not include any municipality with a population of 1,000,000 or more.

(iv) "Cable operator" is defined as that term is defined under Section 602(4) of the Cable Communications Policy Act of 1984, Public Law 98-549.

Before granting an additional cable television franchise, the franchising authority shall:

(1) Give written notice to the owner or operator of any other community antenna television system franchised to serve all or any portion of the territorial area to be served by such additional cable television franchise, identifying the applicant for such additional franchise and specifying the date, time and place at which the franchising authority shall conduct public hearings to consider and determine whether such additional cable television franchise should be granted.

(2) Conduct a public hearing to determine the public need for such additional cable television franchise, the capacity of public rights-of-way to accommodate such additional community antenna television services, the potential disruption to existing users of public rights-of-way to be used by such additional franchise applicant to complete construction and to provide cable television services within the proposed franchise area, the long term economic impact of such additional cable television system within the community, and such other factors as the franchising authority shall deem appropriate.

(3) Determine, based upon the foregoing factors, whether it is in the best interest of the municipality to grant such additional cable television franchise.

(4) If the franchising authority shall determine that it is in the best interest of the municipality to do so, it may grant the additional cable television franchise. Except as provided in paragraph (5) of this subsection (e), no such additional cable television franchise shall be granted under terms or conditions more favorable or less burdensome to the applicant than those required under the existing cable television franchise, including but not limited to terms and conditions pertaining to the territorial extent of the franchise, system design, technical performance standards, construction schedules, performance bonds, standards for construction and installation of cable television facilities, service to subscribers, public educational and governmental access channels and programming, production assistance, liability and indemnification, and franchise fees.

(5) Unless the existing cable television franchise provides that any additional cable television franchise shall be subject to the same terms or substantially equivalent terms and conditions as those of the existing cable television franchise, the franchising authority may grant an additional cable television franchise under different terms and conditions than those of the existing franchise, in which event the franchising authority shall enter into good faith negotiations with the existing franchisee and shall, within 120 days after the effective date of the additional cable television franchise, modify the existing cable television franchise in a manner and to the extent necessary to ensure that neither the existing cable television franchise nor the additional cable television franchise, each considered in its entirety, provides a competitive advantage over the other, provided that prior to modifying the existing cable television franchise, the franchising authority shall have conducted a public hearing to consider the proposed modification. No modification in the terms and conditions of the existing cable television franchise shall oblige the existing cable television franchisee (1) to make any additional payment to the franchising authority, including the payment of any additional franchise fee, (2) to engage in any additional construction of the existing cable television system or, (3) to

modify the specifications or design of the existing cable television system; and the inclusion of the factors identified in items (2) and (3) shall not be considered in determining whether either franchise considered in its entirety, has a competitive advantage over the other except to the extent that the additional franchisee provides additional video or data services or the equipment or facilities necessary to generate and or carry such service. No modification in the terms and conditions of the existing cable television franchise shall be made if the existing cable television franchisee elects to continue to operate under all terms and conditions of the existing franchise.

If within the 120 day period the franchising authority and the existing cable television franchisee are unable to reach agreement on modifications to the existing cable television franchise, then the franchising authority shall modify the existing cable television franchise, effective 45 days thereafter, in a manner, and only to the extent, that the terms and conditions of the existing cable television franchise shall no longer impose any duty or obligation on the existing franchisee which is not also imposed under the additional cable television franchise; however, if by the modification the existing cable television franchisee is relieved of duties or obligations not imposed under the additional cable television franchise, then within the same 45 days and following a public hearing concerning modification of the additional cable television franchise within that 45 day period, the franchising authority shall modify the additional cable television franchise to the extent necessary to insure that neither the existing cable television franchise nor the additional cable television franchise, each considered in its entirety, shall have a competitive advantage over the other.

No municipality shall be subject to suit for damages based upon the municipality's determination to grant or its refusal to grant an additional cable television franchise, provided that a public hearing as herein provided has been held and the franchising authority has determined that it is in the best interest of the municipality to grant or refuse to grant such additional franchise, as the case may be.

It is declared to be the law of this State, pursuant to paragraphs (h) and (i) of Section 6 of Article VII of the Illinois Constitution, that the establishment of minimum standards and procedures for the granting of additional cable television franchises by municipalities with a population less than 1,000,000 as provided in this subsection (e) is an exclusive State power and function that may not be exercised concurrently by a home rule unit.

(f) No municipality may acquire, construct, own, or operate a community antenna television system unless the corporate authorities adopt an ordinance. The ordinance must set forth the action proposed; describe the plant, equipment, and property to be acquired or constructed; and specifically describe the manner in which the construction, acquisition, and operation of the system will be financed.

The ordinance may not take effect until the question of acquiring, construction, owning, or operating a community antenna television system has been submitted to the electors of the municipality at a regular election and approved by a majority of the electors voting on the question. The corporate authorities must certify the question to the proper election authority, which must submit the question at an election in accordance with the Election Code.

The question must be submitted in substantially the following form:

Shall the ordinance authorizing the municipality to (insert action authorized by ordinance) take effect?

The votes must be recorded as "Yes" or "No".

If a majority of electors voting on the question vote in the affirmative, the ordinance shall take effect.

Not more than 30 or less than 15 days before the date of the referendum, the municipal clerk must publish the ordinance at least once in one or more newspapers published in the municipality or, if no newspaper is published in the municipality, in one or more newspapers of general circulation within the municipality.

(Source: P.A. 90-285, eff. 7-31-97; 91-648, eff. 1-1-00.)

(65 ILCS 5/11-42-11.2 new)

Sec. 11-42-11.2. Cable and video competition.

(a) A person or entity seeking to provide cable service or video service in this State after the effective date of this amendatory act of the 95th General Assembly shall either (1) obtain a State-issued authorization pursuant to Section 401 of the Cable and Video Competition Law of 2007;(2) obtain authorization pursuant to Section 11-42-11 of the Illinois Municipal Code; or (3) obtain authorization pursuant to Section 5-1095 of the Counties Code. All providers offering or providing cable or video service in this State shall have authorization pursuant to either (i) the Cable and Video Competition Law of 2007; (ii) Section 11-42-11 of the Illinois Municipal Code; (iii) Section 5-1095 of the Counties Code.

(b) A person or entity seeking to provide cable service or video service in this State after the effective date of this amendatory act of the 95th General Assembly shall not use the public rights-of-way for the installation or construction of facilities for the provision of cable service or video service or offer cable

service or video service until it has (i) obtained a State-issued authorization to offer or provide cable or video service under Section 401 of the Cable and Video Competition Law of 2007; (ii) obtained authorization under Section 11-42-11 of the Illinois Municipal Code; (iii) or obtained authorization under Section 5-1095 of the Counties Code. Nothing in this Section shall prohibit a local unit of government from granting a permit to a person or entity for the use of the public rights-of-way to install or construct facilities to provide cable service or video service, at its sole discretion. No unit of local government shall be liable for denial or delay of a permit prior to the issuance of a State-issued authorization.

(c) For the purposes of Section 11-42-11(e), a State-issued authorization under Article XXI of the Public Utilities Act shall be considered substantially equivalent in terms and conditions as an existing cable provider.

(d) Nothing in Article XXI of the Public Utilities Act shall constitute a basis for modification of an existing cable franchise or an injunction against or for the recovery of damages from a municipality pursuant to Section 11-42-11 because of an application for or the issuance of a State-issued authorization under that Article XXI.

Section 15-25. The Public Utilities Act is amended by adding the heading of Article 70 and Sections 13-507.1, 70-501, 70-502, and 70-503 as follows:

(220 ILCS 5/13-507.1 new)

Sec. 13-507.1. In any proceeding permitting, approving, investigating, or establishing rates, charges, classifications, or tariffs for telecommunications services classified as noncompetitive offered or provided by an incumbent local exchange carrier as that term is defined in Section 13-202.1 of the Public Utilities Act, the Commission shall not allow any subsidy of Internet services, cable services, or video services by the rates or charges for local exchange telecommunications services, including local services classified as noncompetitive.

(220 ILCS 5/Art. 70 heading new)

ARTICLE 70. CABLE AND VIDEO CUSTOMER PROTECTION LAW

(220 ILCS 5/70-501 new)

Sec. 70-501. Customer service and privacy protection. All cable or video providers in this State shall comply with the following customer service requirements and privacy protections. The provisions of this Act shall not apply to an incumbent cable operator prior to January 1, 2008. For purposes of this paragraph, an incumbent cable operator means a person or entity that provided cable services in a particular area under a franchise agreement with a local unit of government pursuant to Section 11-42-11 of the Illinois Municipal Code or Section 5-1095 of the Counties Code on January 1, 2007. A master antenna television, satellite master antenna television, direct broadcast satellite, multipoint distribution service, and other provider of video programming shall only be subject to the provisions of this Article to the extent permitted by federal law. The following definitions apply to the terms used in this Article:

"Basic cable or video service" means any service offering or tier which includes the retransmission of local television broadcast signals.

"Cable or video provider" means any person or entity providing cable service or video service pursuant to authorization under (i) the Cable and Video Competition Law of 2007; (ii) Section 11-42-11 of the Illinois Municipal Code; (iii) Section 5-1095 of the Counties Code; or (iv) a master antenna television, satellite master antenna television, direct broadcast satellite, multipoint distribution services, and other providers of video programming, whatever their technology. A cable or video provider shall not include a landlord providing only broadcast video programming to a single-family home or other residential dwelling consisting of four units or less.

"Franchise" has the same meaning as found in 47 U.S.C. 522(9).

"Local unit of government" means a city, village, incorporated town, or a county.

"Normal business hours" means those hours during which most similar businesses in the geographic area of the local unit of government are open to serve customers. In all cases, "normal business hours" must include some evening hours at least one night per week or some weekend hours.

"Normal operating conditions" means those service conditions that are within the control of cable or video providers. Those conditions that are not within the control of cable or video providers include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions that are ordinarily within the control of cable or video providers include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the cable service or video service network.

"Service interruption" means the loss of picture or sound on one or more cable service or video service on one or more cable or video channels.

"Service line drop" means the point of connection between a premises and the cable or video network that enables the premises to receive cable service or video service.

(a) General customer service standards:

(1) Cable or video providers shall establish general standards related to customer service, which shall include, but not be limited to, installation, disconnection, service and repair obligations; appointment hours, and employee ID requirements; customer service telephone numbers and hours; procedures for billing, charges, deposits, refunds, and credits; procedures for termination of service; notice of deletion of programming service, changes related to transmission of programming; changes or increases in rates; the use and availability of parental control or lock-out devices; the use and availability of A/B switch if applicable; complaint procedures and procedures for bill dispute resolution; a description of the rights and remedies available to consumers if the cable or video provider does not materially meet their customer service standards; and special services for customers with visual, hearing or mobility disabilities.

(2) Cable or video providers' rates for each level of service, rules, regulations and policies related to its cable service or video service described in subsection (a)(1) must be made available to the public and displayed clearly and conspicuously on the cable or video provider's site on the Internet. If a promotional price or a price for a specified period of time is offered, the cable or video provider shall display the price at the end of the promotional period or specified period of time clearly and conspicuously with the display of the promotional price or price for a specified period of time. The cable or video provider shall provide this information upon request.

(3) Cable or video providers shall provide notice concerning their general customer service standards to all customers. This notice shall be offered when service is first activated and annually thereafter. The information in the notice shall include all of the information specified in subsection (a)(1), as well as the following: a listing of services offered by the cable or video providers, which shall clearly describe programming for all services and all levels of service; the rates for all services and levels of service; telephone number(s) through which customers may subscribe to, change, or terminate service, request customer service or seek general or billing information; instructions on the use of the cable or video services; and, a description of rights and remedies that the cable or video providers shall make available to their customers if they do not materially meet the general customer service standards described in this Act.

(b) General customer service obligations:

(1) Cable or video providers shall render reasonably efficient service, promptly make repairs, and interrupt service only as necessary and for good cause, during periods of minimum use of the system and for no more than 24 hours.

(2) All service representatives or any other person who contacts customers or potential customers on behalf of the cable or video provider shall have a visible identification card with their name and photograph and shall orally identify themselves upon first contact with the customer. Customer service representatives shall orally identify themselves to callers immediately following the greeting during each telephone contact with the public.

(3) The cable or video providers shall: (i) maintain a customer service facility within the boundaries of a local unit of government staffed by customer service representatives that have the capacity to accept payment, adjust bills, respond to repair, installation, reconnection, disconnection, or other service calls; distribute or receive converter boxes, remote control units, digital stereo units or other equipment related to the provision of cable or video service; or (ii) provide customers with bill payment facilities through retail, financial, or other commercial institutions located within the boundaries of a local unit of government; or (iii) provide an address, toll-free telephone number or electronic address to accept bill payments and correspondence, and provide secure collection boxes for the receipt of bill payments and the return of equipment, provided that if a cable or video provider provides secure collection boxes, it shall provide a printed receipt when items are deposited; or (iv) provide an address, toll-free telephone number or electronic address to accept bill payments and correspondence, and provide a method for customers to return equipment to the cable or video provider at no cost to the customer.

(4) In each contact with a customer, the service representatives or any other person who contacts customers or potential customers on behalf of the cable or video provider, shall state the estimated cost of the service, repair, or installation orally prior to delivery of the service or before any work is performed, and shall provide the customer with an oral statement of the total charges before terminating the telephone call or other contact in which a service is ordered, whether in-person or over the Internet.

and shall provide a written statement of the total charges before leaving the location at which the work was performed. In the event that the cost of service is a promotional price or is for a limited period of time, the cost of service at the end of the promotion or limited period of time shall be disclosed.

(5) Cable or video providers shall provide customers a minimum of 30 days' written notice before increasing rates or eliminating transmission of programming and shall submit the notice to the local unit of government in advance of distribution to customers in advance of distribution to customers, provided that the cable or video provider is not in violation of this provision if the elimination of transmission of programming was outside the control of the provider, in which case the provider shall use reasonable efforts to provide as much as notice as possible and any rate decrease related to the elimination of transmission of programming shall be applied to the date of the change.

(6) Cable or video providers shall provide clear visual and audio reception that meets or exceeds applicable Federal Communications Commission technical standards. If a customer experiences poor video or audio reception due to the equipment of the cable or video provider, the cable or video provider shall promptly repair the problem at its own expense.

(c) Bills, payment and termination:

(1) Cable or video providers shall render monthly bills that are clear, accurate and understandable.

(2) Every residential customer who pays bills directly to the cable or video provider shall have at least 28 days from the date of the bill to pay the listed charges.

(3) Customer payments shall be posted promptly. When the payment is sent by United States Mail, payment is considered paid on the date it is postmarked.

(4) Cable or video providers may not terminate residential service for nonpayment of a bill unless the cable or video provider furnishes notice of the delinquency and impending termination at least 21 days prior to the proposed termination. Notice of proposed termination shall be mailed, postage prepaid, to the customer to whom service is billed. Notice of proposed termination shall not be mailed until the 29th day after the date of the bill for services. Notice of delinquency and impending termination may be part of a billing statement only if the notice is presented in a different color than the bill and is designed to be conspicuous. The cable or video providers may not assess a late fee prior to the 29th day after the date of the bill for service.

(5) Every notice of impending termination shall include all of the following: name and address of customer; amount of delinquency; date on which payment is required to avoid termination; and the telephone number of the cable or video provider's service representative to make payment arrangements and to provide additional information about the charges for failure to return equipment and for reconnection, if any. No customer may be charged a fee for termination or disconnection of service, irrespective of whether the customer initiated termination or disconnection or the cable or video provider initiated termination or disconnection.

(6) Service may only be terminated on days when the customer is able to reach a service representative of the cable or video providers, either in person or by telephone.

(7) Any service terminated by a cable or video provider without good cause shall be restored without any reconnection fee, charge or penalty; good cause for termination includes, but is not limited to, failure to pay a bill by the date specified in the notice of impending termination, payment by check for which there are insufficient funds, theft of service, abuse of equipment or personnel or other similar subscriber actions.

(8) Cable or video providers shall cease charging a customer for any or all services within 1 business day after it receives a request to immediately terminate service or on the day requested by the customer if such a date is at least 5 days from the date requested by the customer. Nothing in this subsection shall prohibit the provider from billing for charges that the customer incurs prior to the date of termination. Cable or video providers shall issue a credit, a refund, or return a deposit within 10 business days after the close of the customer's billing cycle following the request for termination or the return of equipment, if any, whichever is later.

(9) The customers or subscribers of a cable or video provider shall be allowed to disconnect their service at any time within the first 60 days after subscribing to or upgrading the service. Within this 60 day period, cable or video providers shall not charge or impose any fees or penalties on the customer for disconnecting service, including, but not limited to, any installation charge, the imposition of an early termination charge, except the cable or video provider may impose a charge or fee to offset any rebates or credits received by the customer, and may impose monthly service or maintenance charges, including pay-per-view and premium services charges, during such 60 day period.

(10) Cable and video providers shall guarantee customer satisfaction for new or upgraded service and the customer shall receive a pro-rata credit in an amount equal to the pro-rata charge for the

remaining days of service being disconnected or replaced upon the customer's request if the customer is dissatisfied with the service and requests to discontinue the service within the first 60 days after subscribing to the upgraded service.

(d) Response to customer inquiries:

(1) Cable or video providers will maintain a toll-free telephone access line that will be available to customers 24 hours a day, seven days a week, to accept calls regarding installation, termination, service, and complaints. Trained, knowledgeable, qualified service representatives of the cable or video providers will be available to respond to customer telephone inquiries during normal business hours. Customer service representatives shall be able to provide credit, waive fees, schedule appointments and change billing cycles. Any difficulties that cannot be resolved by the customer service representatives shall be referred to a supervisor who shall make best efforts to resolve the issue immediately. If the supervisor does not resolve the issue to the customer's satisfaction, the customer shall be informed of the cable or video provider's complaint procedures and procedures for billing dispute resolution and given a description of the rights and remedies available to customers to enforce the terms of this Article, including the customer's rights to have the complaint reviewed by the local unit of government, to request mediation, and to review in a court of competent jurisdiction.

(2) After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received by telephone or e-mail after normal business hours shall be responded to by a trained service representative on the next business day. The cable or video provider shall respond to a written billing inquiry within 10 days of receipt of the inquiry.

(3) Cable or video providers shall provide customers seeking non-standard installations with a total installation cost estimate and an estimated date of completion. The actual charge to the customer shall not exceed 10% of the estimated cost without the written consent of the customer.

(4) If the cable or video provider receives notice that an unsafe condition exists with respect to its equipment, it shall investigate such condition immediately, and shall take such measures as are necessary to remove or eliminate the unsafe condition. The cable or video provider shall inform the local unit of government promptly, but no later than 2 hours after it receives notification of an unsafe condition that it has not remedied.

(5) Under normal operating conditions, telephone answer time by the cable or video provider's customer representative, including wait time, shall not exceed 30 seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed 30 seconds. These standards shall be met no less than 90% of the time under normal operating conditions, measured on a quarterly basis.

(6) Under normal operating conditions, the cable or video provider's customers will receive a busy signal less than 3% of the time.

(e) Installations, Outages and Service Calls. Under normal operating conditions, each of the following standards related to installations, outages and service calls will be met no less than 95% of the time measured on a quarterly basis:

(1) Standard installations will be performed within 7 business days after an order has been placed. "Standard" installations are those that are located up to 125 feet from the existing distribution system;

(2) Excluding conditions beyond the control of the cable or video providers, the cable or video providers will begin working on "service interruptions" promptly and in no event later than 24 hours after the interruption is reported by the customer or otherwise becomes known to the cable or video providers. Cable or video providers must begin actions to correct other service problems the next business day after notification of the service problem and correct the problem within 48 hours after the interruption is reported by the customer 95% of the time, measured on a quarterly basis;

(3) The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at a maximum, a four hour time block during evening, weekend and normal business hours. The cable or video provider may schedule service calls and other installation activities outside of these hours for the express convenience of the customer; and

(4) Cable or video providers may not cancel an appointment with a customer after 5:00 p.m. on the business day prior to the scheduled appointment. If the cable or video provider's representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the customer, even if the rescheduled appointment is not within normal business hours.

(f) Public benefit obligation:

(1) All cable or video providers offering service pursuant to the Cable and Video Competition

Law of 2007, the Illinois Municipal Code, or the Counties Code, shall provide a free service line drop and free basic service to all current and future public buildings within their footprint, including, but not limited to, all local unit of government buildings, public libraries, and public primary and secondary schools, whether owned or leased by that local unit of government ("eligible buildings"). Such service shall be used in a manner consistent with the government purpose for the eligible building and shall not be resold.

(2) This obligation only applies to those cable or video service providers whose cable service or video service systems pass eligible buildings and its cable or video service is generally available to residential subscribers in the same local unit of government in which the eligible building is located. The burden of providing such service at each eligible building shall be shared by all cable and video providers whose systems pass the eligible buildings in an equitable and competitively neutral manner, and nothing herein shall require duplicative installations by more than one cable or video provider at each eligible building. Cable or video providers operating in a local unit of government shall meet as necessary and determine who will provide service to eligible building under this subsection. If the cable or video providers are unable to reach agreement, they shall meet with the local unit of government which shall determine which cable or video providers will serve each eligible building. The local unit of government shall bear the costs of any inside wiring or video equipment costs not ordinarily provided as part of the cable or video provider's basic offering.

(g) After the cable or video providers have offered service for one (1) year, the cable or video providers shall make an annual report to the Commission, the local unit of government and to the Attorney General that it is meeting the standards specified in this Article, identifying the number of complaints it received over the prior year in the State, and specifying the number of complaints related to each of the following: (1) billing, charges, refunds, credits; (2) installation or termination of service; (3) quality of service and repair; (4) programming; and (5) miscellaneous complaints that do not fall within these categories. Thereafter, the cable or video providers shall also provide, upon request by the local unit of government where service is offered and to the Attorney General, an annual public report that includes performance data described in subsections (d)(5), (d)(6), (e)(1) and (e)(2) of this Section for cable services or video services. The performance data shall be disaggregated for each requesting local unit of government or local exchange, as that term is defined in Section 13-206 of the Public Utilities Act, in which the cable or video providers have customers.

(h) To the extent consistent with federal law, cable or video providers shall offer the lowest-cost basic cable or video service as a stand-alone service to residential customers at reasonable rates. Cable or video providers shall not require the subscription to any service other than the lowest-cost basic service or to any telecommunications or information service, as a condition of access to cable or video service, including programming offered on a per channel or per program basis. Cable or video providers shall not discriminate between subscribers to the lowest-cost basic service, subscribers to other cable services or video services, and other subscribers with regard to the rates charged for cable or video programming offered on a per channel or per program basis.

(i) To the extent consistent with federal law, cable or video providers shall ensure that charges for changes in the subscriber's selection of services or equipment shall be based on the cost of such change and shall not exceed nominal amounts when the system's configuration permits changes in service tier selection to be effected solely by coded entry on a computer terminal or by other similarly simple method.

(j) To the extent consistent with federal law, cable or video providers shall have a rate structure for the provision of cable or video service that is uniform throughout the area within the boundaries of the local unit of government. This subsection is not intended to prohibit bulk discounts to multiple dwelling units or to prohibit reasonable discounts to senior citizens or other economically disadvantaged groups.

(k) To the extent consistent with federal law, cable or video providers shall not charge a subscriber for any service or equipment that the subscriber has not affirmatively requested by name. For purposes of this subsection, a subscriber's failure to refuse a cable or video provider's proposal to provide service or equipment shall not be deemed to be an affirmative request for such service or equipment.

(l) No contract or service offering cable services or video services or any bundle including such services shall be for a term longer than one year. Any contract or service offering with a term of service that contains an early termination fee shall limit the early termination fee to not more than the amount of the discount reflected in the price for cable services or video services for the period during which the consumer benefited from the discount.

(m) Cable or video providers shall not discriminate in the provision of services for the hearing and visually impaired, and shall comply with the accessibility requirements of 47 U.S.C. 613. Cable or video providers shall deliver and pick-up, or provide customers with pre-paid shipping and packaging for the

return of converters and other necessary equipment at the home of customers with disabilities. Cable or video provider shall provide free use of a converter or remote control unit to mobility impaired customers.

(n)(1) To the extent consistent with federal law, cable or video providers shall comply with the provisions of 47 U.S.C. 532(h) and (j). The cable or video providers shall not exercise any editorial control over any video programming provided pursuant to this section, or in any other way consider the content of such programming, except that a cable or video provider may refuse to transmit any leased access program or portion of a leased access program which contains obscenity, indecency, or nudity and may consider such content to the minimum extent necessary to establish a reasonable price for the commercial use of designated channel capacity by an unaffiliated person. This subsection shall permit cable or video providers to enforce prospectively a written and published policy of prohibiting programming that the cable or video provider reasonably believes describes or depicts sexual or excretory activities or organs in a patently offensive manner as measured by contemporary community standards.

(2) Upon customer request, the cable or video provider shall, without charge, fully scramble or otherwise fully block the audio and video programming of each channel carrying such programming so that a person who is not a subscriber does not receive the channel or programming.

(3) In providing sexually explicit adult programming or other programming that is indecent on any channel of its service primarily dedicated to sexually-oriented programming, the cable or video provider shall fully scramble or otherwise fully block the video and audio portion of such channel so that one not a subscriber to such channel or programming does not receive it.

(4) Scramble means to rearrange the content of the signal of the programming so that the programming cannot be viewed or heard in an understandable manner.

(o) Cable or video providers will maintain a listing, specific to the level of street address, of the areas where its cable or video services are available. Customers who inquire about purchasing cable or video service shall be informed about whether the cable or video provider's cable or video services are currently available to them at their specific location.

(p) Privacy protections. Cable or video providers shall not disclose the name, address, telephone number or other personally identifying information of a cable service or video service customer to be used in mailing lists or to be used for other commercial purposes not reasonably related to the conduct of its business unless the cable or video provider has provided to the customer a notice, separately or included in any other customer service notice, that clearly and conspicuously describes the customer's ability to prohibit the disclosure. Cable or video providers shall provide an address and telephone number for a customer to use without toll charge to prevent disclosure of the customer's name and address in mailing lists or for other commercial purposes not reasonably related to the conduct of its business to other businesses or affiliates of the cable or video provider. Cable or video providers shall comply with the consumer privacy requirements of the Communications Consumer Privacy Act, the Restricted Call Registry Act, and 47 U.S.C. 551 that are in effect as of the effective date of this amendatory act of the 95th General Assembly, and as amended thereafter.

(q) Cable or video providers shall implement an informal process for handling inquiries from local unit of government and customers concerning billing issues, service issues, privacy concerns and other consumer complaints. In the event an issue is not resolved through this informal process, a local unit of government or the customer may request nonbinding mediation with the cable or video provider, with each party to bear its own costs of such mediation. Selection of the mediator will be by mutual agreement, and preference will be given to mediation services that do not charge the consumer for their services. In the event the informal process does not produce a satisfactory result to the customer or the local unit of government, enforcement may be pursued as provided in subsection (r)(4).

(r) The Attorney General and the local unit of government may enforce all of the customer service and privacy protection standards of this Section with respect to complaints received from residents within the local unit of government's jurisdiction, but it may not adopt or seek to enforce any additional or different customer service or performance standards under any other authority or provision of law.

(1) The local unit of government may, by ordinance, provide a schedule of penalties for any material breach of this Section by cable or video providers in addition to the penalties provided herein. No monetary penalties shall be assessed for a material breach if it is out of the reasonable control of the cable or video providers or its affiliate. Monetary penalties adopted in an ordinance pursuant to this Section shall apply on a competitively neutral basis to all providers of cable service or video service within the local unit of government's jurisdiction and in no event shall the penalties imposed under this subsection exceed \$750 for each day of the material breach, and shall not exceed \$25,000 for each occurrence of a material breach per customer.

[May 31, 2007]



(2) For purposes of this section, "material breach" means any substantial failure of a cable or video service provider to comply with service quality and other standards specified in any provision of this Act. The Attorney General or the local unit of government shall give the cable or video provider written notice of any alleged material breaches of this Act and allow such provider at least 30 days from receipt of the notice to remedy the specified material breach.

(3) A material breach, for the purposes of assessing penalties, shall be deemed to have occurred for each day that a material breach has not been remedied by the cable service or video service provider after the expiration of the period specified in subsection (r)(2) in each local unit of government's jurisdiction, irrespective of the number of customers affected.

(4) Any customer, the Attorney General, or local unit of government may pursue alleged violations of this Act by the cable or video provider in a court of competent jurisdiction. A cable or video provider may seek judicial review of a decision of a local unit of government imposing penalties in a court of competent jurisdiction. No local unit of government shall be subject to suit for damages or other relief based upon its action in connection with its enforcement or review of any of the terms, conditions, and rights contained in this Act except a court may require the return of any penalty it finds was not properly assessed or imposed.

(s) Cable or video providers shall credit customers for violations in the amounts stated herein. The credits shall be applied on the statement issued to the customer for the next monthly billing cycle following the violation or following the discovery of the violation. Cable or video providers are responsible for providing the credits described herein and the customer is under no obligation to request the credit. If the customer is no longer taking service from the cable or video provider, the credit amount will be refunded to the customer by check within 30 days of the termination of service. A local unit of government may, by ordinance, adopt a schedule of credits payable directly to customers for breach of the customer service standards and obligations contained in this Article, provided the schedule of customer credits applies on a competitively neutral basis to all providers of cable service or video service in the local unit of government's jurisdiction and the credits are not greater than the credits provided in this Section.

(1) Failure to provide notice of customer service standards upon initiation of service: \$25.00.

(2) Failure to install service within 7 days: Waiver of 50% of the installation fee or the monthly fee for the lowest-cost basic service, whichever is greater. Failure to install service within 14 days: Waiver of 100% of the installation fee or the monthly fee for the lowest-cost basic service, whichever is greater.

(3) Failure to remedy service interruptions or poor video or audio service quality within 48 hours: Pro-rata credit of total regular monthly charges equal to the number of days of the service interruption.

(4) Failure to keep an appointment or to notify the customer prior to the close of business on the business day prior to the scheduled appointment: \$25.00.

(5) Violation of privacy protections: \$150.00.

(6) Failure to comply with scrambling requirements: \$50.00 per month.

(7) Violation of customer service and billing standards in Sections (c) and (d): \$25.00 per occurrence.

(8) Violation of the bundling rules in Section (h): \$25.00 per month.

(t) The enforcement powers granted to the Attorney General in Article 21 of the Public Utilities Act shall apply to this Act, except that the Attorney General may not seek penalties for violation of this Act other than in the amounts specified herein. Nothing in this Section shall limit or affect the powers of the Attorney General to enforce the provisions of Article 21 of the Public Utilities Act or the Consumer Fraud and Deceptive Practices Act.

(u) This Act applies to all cable and video providers in the State, including but not limited to those operating under a local franchise as that term is used in 47 U.S.C. 522(9), those operating under authorization pursuant to Section 11-42-11 of the Municipal Code, those operating under authorization pursuant to Section 5-1095 of the Counties Code, and those operating under a state-issued authorization pursuant to Article 21 of the Public Utilities Act.

(220 ILCS 5/70-502 new)

Sec. 70-502. The provisions of this Article are a limitation of home rule powers under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(220 ILCS 5/70-503 new)

Sec. 70-503. The provisions of this Article are severable under Section 1.31 of the Statute on Statutes.

Section 15-30. The State Mandates Act is amended by adding Section 8.31 as follows:

(30 ILCS 805/8.31 new)

Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 95th General Assembly.

## ARTICLE 99.

Section 99-999. Effective date. This Act takes effect upon becoming law."

**AMENDMENT NO. 5 TO SENATE BILL 678**

AMENDMENT NO. 5. Amend Senate Bill 678, AS AMENDED, with reference to page and line numbers of House Amendment No. 4, by deleting line 9 on page 2 through line 8 on page 9.

Under the rules, the foregoing **Senate Bill No. 678**, with House Amendments numbered 4 and 5, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 175

A bill for AN ACT concerning public aid.

SENATE BILL NO. 229

A bill for AN ACT concerning civil law.

SENATE BILL NO. 380

A bill for AN ACT concerning caller identification.

SENATE BILL NO. 382

A bill for AN ACT concerning local government.

SENATE BILL NO. 393

A bill for AN ACT concerning vehicles.

SENATE BILL NO. 731

A bill for AN ACT concerning State government.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 262

A bill for AN ACT concerning gaming.

SENATE BILL NO. 489

A bill for AN ACT concerning vehicles.

SENATE BILL NO. 1164

A bill for AN ACT concerning transportation.

SENATE BILL NO. 1314

A bill for AN ACT concerning employment.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 593

[May 31, 2007]

A bill for AN ACT concerning civil law.  
SENATE BILL NO. 647  
A bill for AN ACT concerning public employee benefits.  
SENATE BILL NO. 735  
A bill for AN ACT concerning local government.  
SENATE BILL NO. 831  
A bill for AN ACT concerning local government.  
SENATE BILL NO. 942  
A bill for AN ACT concerning health.  
Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

### **JOINT ACTION MOTIONS FILED**

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendments 1 and 2 to Senate Bill 241  
Motion to Concur in House Amendments 1 and 3 to Senate Bill 336  
Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 607  
Motion to Concur in House Amendments 1 and 2 to Senate Bill 1544  
Motion to Concur in House Amendment 1 to Senate Bill 1653

### **PRESENTATION OF RESOLUTION**

#### **SENATE RESOLUTION 236**

Offered by Senator Forby and all Senators:  
Mourns the death of Guy H. Humphrey of Royalton.

By unanimous consent, the foregoing resolution was referred to the Resolutions Consent Calendar.

### **REPORTS FROM STANDING COMMITTEES**

Senator Crotty, Chairperson of the Committee on Local Government, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Floor Amendment No. 3 to House Bill 1752  
Senate Floor Amendment No. 1 to House Bill 1876

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Cullerton, Chairperson of the Committee on Judiciary Civil Law, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Floor Amendment No. 7 to House Bill 830

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Wilhelmi, Chairperson of the Committee on Judiciary Criminal Law, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Floor Amendment numbered 2 and 3 to House Bill 1979

[May 31, 2007]

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Garrett, Chairperson of the Committee on Public Health, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 1350

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator Crotty, Chairperson of the Committee on Local Government, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendments 1 and 2 to Senate Bill 1201; Motion to Concur in House Amendment 1 to Senate Bill 1244

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Cullerton and Senator Dillard, Chairperson of the Committee on Judiciary Civil Law, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 472

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator Wilhelmi, Chairperson of the Committee on Judiciary Criminal Law, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendments 1 and 2 to Senate Bill 705; Motion to Concur in House Amendment 1 to Senate Bill 1346; Motion to Concur in House Amendment 1 to Senate Bill 1379

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Raoul, Chairperson of the Committee on Pensions and Investments, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 65; Motion to Concur in House Amendment 1 to Senate Bill 1380

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Meeks, Chairperson of the Committee on Human Services, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 1245; Motion to Concur in House Amendment 1 to Senate Bill 1368

[May 31, 2007]

Under the rules, the foregoing motions are eligible for consideration by the Senate.

Senator Harmon, Chairperson of the Committee on Revenue, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 1360

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator Haine, Chairperson of the Committee on Insurance, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendments 1 and 2 to Senate Bill 935

Under the rules, the foregoing motion is eligible for consideration by the Senate.

#### **CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK**

On motion of Senator Cullerton, **Senate Bill No. 472**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cullerton moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 55; Nays 3; Present 1.

The following voted in the affirmative:

Althoff	Forby	Lauzen	Risinger
Bomke	Frerichs	Lightford	Ronen
Bond	Garrett	Link	Rutherford
Brady	Haine	Luechtefeld	Sandoval
Burzynski	Halvorson	Maloney	Schoenberg
Clayborne	Harmon	Martinez	Sieben
Collins	Hendon	Meeks	Silverstein
Crotty	Holmes	Millner	Sullivan
Cullerton	Hultgren	Munoz	Trotter
Dahl	Hunter	Noland	Viverito
DeLeo	Jacobs	Pankau	Watson
Delgado	Jones, J.	Radogno	Wilhelmi
Demuzio	Koehler	Raoul	Mr. President
Dillard	Kotowski	Righter	

The following voted in the negative:

Murphy  
Peterson  
Syverson

The following voted present:

Cronin

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 472**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Silverstein, **Senate Bill No. 65**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Silverstein moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 59; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Risinger
Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson
Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito
DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Lauzen	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 65**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Wilhelmi, **Senate Bill No. 705**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Wilhelmi moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 59; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Risinger
Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson
Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito

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DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Laufen	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 705**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Link, **Senate Bill No. 935**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 59; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Risinger
Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson
Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito
DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Laufen	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 935**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Halvorson, **Senate Bill No. 1201**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Halvorson moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 53; Nays 5.

The following voted in the affirmative:

Althoff	Frerichs	Martinez	Sandoval
Bomke	Garrett	Meeks	Schoenberg
Bond	Halvorson	Millner	Sieben
Brady	Harmon	Munoz	Silverstein
Clayborne	Hendon	Murphy	Sullivan
Collins	Holmes	Noland	Syverson

Cronin	Hultgren	Pankau	Trotter
Crotty	Hunter	Peterson	Viverito
Cullerton	Koehler	Radogno	Watson
Dahl	Kotowski	Raoul	Wilhelmi
DeLeo	Lightford	Righter	Mr. President
Delgado	Link	Risinger	
Demuzio	Luechtefeld	Ronen	
Dillard	Maloney	Rutherford	

The following voted in the negative:

Burzynski	Haine	Lauzen
Forby	Jones, J.	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1201**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Sullivan, **Senate Bill No. 1244**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Sullivan moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 56; Nays None.

The following voted in the affirmative:

Althoff	Frerichs	Maloney	Sandoval
Bond	Garrett	Martinez	Schoenberg
Brady	Haine	Meeks	Sieben
Burzynski	Halvorson	Millner	Silverstein
Clayborne	Harmon	Munoz	Sullivan
Collins	Hendon	Murphy	Syverson
Cronin	Holmes	Noland	Trotter
Crotty	Hultgren	Pankau	Viverito
Cullerton	Hunter	Peterson	Watson
Dahl	Koehler	Radogno	Wilhelmi
DeLeo	Kotowski	Raoul	Mr. President
Delgado	Lauzen	Righter	
Demuzio	Lightford	Risinger	
Dillard	Link	Ronen	
Forby	Luechtefeld	Rutherford	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1244**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Link, **Senate Bill No. 1245**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 59; Nays None.

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The following voted in the affirmative:

Althoff	Forby	Lightford	Risinger
Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson
Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito
DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Lauzen	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1245**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Clayborne, **Senate Bill No. 1346**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Clayborne moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays None.

The following voted in the affirmative:

Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson
Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito
DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Lauzen	Righter	
Forby	Lightford	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1346**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Ronen, **Senate Bill No. 1350**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

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Senator Ronen moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 41; Nays 18.

The following voted in the affirmative:

Bond	Garrett	Link	Sandoval
Clayborne	Haine	Maloney	Schoenberg
Collins	Halvorson	Martinez	Silverstein
Crotty	Harmon	Meeks	Sullivan
Cullerton	Hendon	Millner	Trotter
DeLeo	Holmes	Munoz	Viverito
Delgado	Hunter	Noland	Wilhelmi
Demuzio	Jacobs	Pankau	Mr. President
Dillard	Koehler	Raoul	
Forby	Kotowski	Ronen	
Frerichs	Lightford	Rutherford	

The following voted in the negative:

Althoff	Dahl	Murphy	Sieben
Bomke	Hultgren	Peterson	Syverson
Brady	Jones, J.	Radogno	Watson
Burzynski	Lauzen	Righter	
Cronin	Luechtefeld	Risinger	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1350**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Haine, **Senate Bill No. 1360**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Haine moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 59; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Risinger
Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben
Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson
Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito
DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Lauzen	Righter	

[May 31, 2007]

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1360**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Cullerton, **Senate Bill No. 1368**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cullerton moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 58; Nays 1.

The following voted in the affirmative:

Althoff	Forby	Link	Ronen
Bomke	Frerichs	Luechtefeld	Rutherford
Bond	Garrett	Maloney	Sandoval
Brady	Haine	Martinez	Schoenberg
Burzynski	Halvorson	Meeks	Sieben
Clayborne	Harmon	Millner	Silverstein
Collins	Hendon	Munoz	Sullivan
Cronin	Holmes	Murphy	Syverson
Crotty	Hultgren	Noland	Trotter
Cullerton	Hunter	Pankau	Viverito
Dahl	Jones, J.	Peterson	Watson
DeLeo	Koehler	Radogno	Wilhelmi
Delgado	Kotowski	Raoul	Mr. President
Demuzio	Lauzen	Righter	
Dillard	Lightford	Risinger	

The following voted in the negative:

Jacobs

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1368**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **Senate Bill No. 1379**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Raoul moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 59; Nays None.

The following voted in the affirmative:

Althoff	Forby	Lightford	Risinger
Bomke	Frerichs	Link	Ronen
Bond	Garrett	Luechtefeld	Rutherford
Brady	Haine	Maloney	Sandoval
Burzynski	Halvorson	Martinez	Schoenberg
Clayborne	Harmon	Meeks	Sieben

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Collins	Hendon	Millner	Silverstein
Cronin	Holmes	Munoz	Sullivan
Crotty	Hultgren	Murphy	Syverson
Cullerton	Hunter	Noland	Trotter
Dahl	Jacobs	Pankau	Viverito
DeLeo	Jones, J.	Peterson	Watson
Delgado	Koehler	Radogno	Wilhelmi
Demuzio	Kotowski	Raoul	Mr. President
Dillard	Lauzen	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1379**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **Senate Bill No. 1380**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Raoul moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 33; Nays 16; Present 3.

The following voted in the affirmative:

Bond	Haine	Link	Sandoval
Clayborne	Halvorson	Maloney	Schoenberg
Collins	Harmon	Martinez	Silverstein
Crotty	Hendon	Meeks	Trotter
Cullerton	Holmes	Millner	Viverito
DeLeo	Hunter	Munoz	Mr. President
Delgado	Jacobs	Noland	
Demuzio	Kotowski	Raoul	
Garrett	Lightford	Ronen	

The following voted in the negative:

Bomke	Jones, J.	Righter	Watson
Brady	Lauzen	Risinger	
Burzynski	Luechtefeld	Rutherford	
Cronin	Pankau	Sieben	
Dahl	Peterson	Syverson	

The following voted present:

Dillard  
Hultgren  
Murphy

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1380**.

Ordered that the Secretary inform the House of Representatives thereof.

#### MESSAGES FROM THE HOUSE

A message from the House by

[May 31, 2007]

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 8

A bill for AN ACT concerning veterans.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 8

House Amendment No. 2 to SENATE BILL NO. 8

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 1 TO SENATE BILL 8

AMENDMENT NO. 1. Amend Senate Bill 8 on page 1, by replacing lines 14 and 15 with the following:

"each applicant who qualifies under this Act. An individual may receive a grant under this Act each year for up to 4 years. The amount of this grant may not exceed \$5,000 per recipient per year. The Commission"; and

on page 2, by replacing lines 18 through 21 with the following:

"(c) For each year during which an individual receives a grant under this program, he or she must fulfill a separate 12-month period as a registered professional nurse or licensed practical nurse in a State veterans' home."; and

by deleting all of pages 5 through 7 and lines 1 through 6 on page 8.

#### AMENDMENT NO. 2 TO SENATE BILL 8

AMENDMENT NO. 2. Amend Senate Bill 8 on page 3, line 12, after the period, by inserting the following:

"Any such contracts entered into by the Department must be with individuals and entities pre-approved by the U.S. Department of Veterans Affairs and must be for the provision of services pre-approved by the U.S. Department of Veterans Affairs."

Under the rules, the foregoing **Senate Bill No. 8**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 82

A bill for AN ACT in relation to veterans.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 3 to SENATE BILL NO. 82

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 3 TO SENATE BILL 82

AMENDMENT NO. 3. Amend Senate Bill 82, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Department of Veterans Affairs Act is amended by adding Section 20 as follows:  
(20 ILCS 2805/20 new)

Sec. 20. Payments to veterans service organizations.

(a) In this Section:

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"Veterans service officer" means an individual employed by a veterans service organization and accredited by the United States Department of Veterans Affairs to process claims and other benefits for veterans and their spouses and beneficiaries.

"Veterans service organization" means an organization that meets all of the following criteria:

- (1) It is formed by and for United States military veterans.
- (2) It is chartered by the United States Congress and incorporated in the State of Illinois.
- (3) It maintained a state headquarters office in Illinois for the 10-year period immediately preceding July 1, 2006.
- (4) It maintains at least one office in this State staffed by a veterans service officer.
- (5) It is capable of preparing a power of attorney for a veteran and processing claims for veterans services.

(6) It is not funded by the State of Illinois or by any county in this State.

"Veterans services" means the representation of veterans in federal hearings to secure benefits for veterans and their spouses and beneficiaries:

- (1) Disability compensation benefits.
- (2) Disability pension benefits.
- (3) Dependents' indemnity compensation.
- (4) Widow's death pension.
- (5) Burial benefits.
- (6) Confirmed and continued claims.
- (7) Vocational rehabilitation and education.
- (8) Waivers of indebtedness.
- (9) Miscellaneous.

(b) The Veterans Service Organization Reimbursement Fund is created as a special fund in the State treasury. Subject to appropriation, the Department shall use moneys appropriated from the Fund to make payments to a veterans service organization for veterans services rendered on behalf of veterans and their spouses and beneficiaries by a veterans service officer employed by the organization. The payment shall be computed at the rate of \$0.010 for each dollar of benefits obtained for veterans or their spouses or beneficiaries residing in Illinois as a result of the efforts of the veterans service officer. There shall be no payment under this Section for the value of health care received in a health care facility under the jurisdiction of the United States Veterans Administration. A veterans service organization may receive compensation under this Fund or it may apply for grants from the Illinois Veterans Assistance Fund, but in no event may a veterans service organization receive moneys from both funds during the same fiscal year. Funding for each applicant is subject to renewal by the Department on an annual basis.

(c) To be eligible for a payment under this Section, a veterans service organization must document the amount of moneys obtained for veterans and their spouses and beneficiaries in the form and manner required by the Department. The documentation must include the submission to the Department of a copy of the organization's report or reports to the United States Department of Veterans Affairs stating the amount of moneys obtained by the organization for veterans and their spouses and beneficiaries in the State fiscal year for which payment under this Section is requested. The organization must submit the copy of the report or reports to the Department no later than July 31 following the end of the State fiscal year for which payment is requested.

(d) The Department shall make the payment under this Section to a veterans service organization in a single annual payment for each State fiscal year, beginning with the State fiscal year that begins on July 1, 2007. The Department must make the payment for a State fiscal year on or before December 31 of the succeeding State fiscal year.

(e) A veterans service organization shall use moneys received under this Section only for the purpose of paying the salary and expenses of one or more veterans service officers and the organization's related expenses incurred in employing the officer or officers for the processing of claims and other benefits for veterans and their spouses and beneficiaries.

Section 10. The State Finance Act is amended by changing Section 8h and by adding Section 5.675 as follows:

(30 ILCS 105/5.675 new)

Sec. 5.675. The Veterans Service Organization Reimbursement Fund.

(30 ILCS 105/8h)

Sec. 8h. Transfers to General Revenue Fund.

(a) Except as otherwise provided in this Section and Section 8n of this Act, and ~~(e), (d), or (c)~~, notwithstanding any other State law to the contrary, the Governor may, through June 30, 2007, from

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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. 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 Public Act 93-839 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, to any funds in the Motor Fuel Tax Fund, the Intercity Passenger Rail Fund, the Hospital Provider Fund, the Medicaid Provider Relief Fund, the Teacher Health Insurance Security Fund, the Reviewing Court Alternative Dispute Resolution Fund, the Voters' Guide Fund, the Foreign Language Interpreter Fund, the Lawyers' Assistance Program Fund, the Supreme Court Federal Projects Fund, the Supreme Court Special State Projects Fund, the Supplemental Low-Income Energy Assistance Fund, the Good Samaritan Energy Trust Fund, the Low-Level Radioactive Waste Facility Development and Operation Fund, the Horse Racing Equity Trust Fund, or the Hospital Basic Services Preservation Fund, or to any funds to which subsection (f) of Section 20-40 of the Nursing and Advanced Practice Nursing Act applies. No transfers may be made under this Section from the Pet Population Control 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 Service Emergency Fund, or the Mandatory Arbitration Fund.

In determining the available balance in a fund, the Governor 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.

(a-5) Transfers directed to be made under this Section on or before February 28, 2006 that are still pending on May 19, 2006 (the effective date of Public Act 94-774) ~~this amendatory Act of the 94th General Assembly~~ shall be redirected as provided in Section 8n of this Act.

(b) This Section does not apply to: (i) the Ticket For The Cure Fund; (ii) any fund established under the Community Senior Services and Resources Act; or (iii) on or after January 1, 2006 (the effective date of Public Act 94-511), the Child Labor and Day and Temporary Labor Enforcement Fund.

(c) This Section does not apply to the Demutualization Trust Fund established under the Uniform Disposition of Unclaimed Property Act.

(d) This Section does not apply to moneys set aside in the Illinois State Podiatric Disciplinary Fund for podiatric scholarships and residency programs under the Podiatric Scholarship and Residency Act.

(e) Subsection (a) does not apply to, and no transfer may be made under this Section from, the Pension Stabilization Fund.

(f) This Section does not apply to the Veterans Service Organization Reimbursement Fund.

(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; 93-801, eff. 7-22-04; 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff. 1-15-05; 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511, eff. 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05; 94-645, eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff. 11-2-05; 94-691, eff. 11-2-05; 94-726, eff. 1-20-06; 94-773, eff. 5-18-06; 94-774, eff. 5-19-06; 94-804, eff. 5-26-06; 94-839, eff. 6-6-06; revised 6-19-06.)

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 82**, with House Amendment No. 3, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

[May 31, 2007]

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 144

A bill for AN ACT concerning regulation.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 144

House Amendment No. 3 to SENATE BILL NO. 144

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 144**

AMENDMENT NO. 1. Amend Senate Bill 144 by replacing everything after the enacting clause with the following:

"Section 5. The Comprehensive Health Insurance Plan Act is amended by changing Sections 7 and 8 as follows:

(215 ILCS 105/7) (from Ch. 73, par. 1307)

Sec. 7. Eligibility.

a. Except as provided in subsection (e) of this Section or in Section 15 of this Act, any person who is either a citizen of the United States or an alien lawfully admitted for permanent residence and who has been for a period of at least 180 days and continues to be a resident of this State shall be eligible for Plan coverage under this Section if evidence is provided of:

(1) A notice of rejection or refusal to issue substantially similar individual health insurance coverage for health reasons by a health insurance issuer; or

(2) A refusal by a health insurance issuer to issue individual health insurance coverage except at a rate exceeding the applicable Plan rate for which the person is responsible.

A rejection or refusal by a group health plan or health insurance issuer offering only stop-loss or excess of loss insurance or contracts, agreements, or other arrangements for reinsurance coverage with respect to the applicant shall not be sufficient evidence under this subsection.

b. The board shall promulgate a list of medical or health conditions for which a person who is either a citizen of the United States or an alien lawfully admitted for permanent residence and a resident of this State would be eligible for Plan coverage without applying for health insurance coverage pursuant to subsection a. of this Section. Persons who can demonstrate the existence or history of any medical or health conditions on the list promulgated by the board shall not be required to provide the evidence specified in subsection a. of this Section. The list shall be effective on the first day of the operation of the Plan and may be amended from time to time as appropriate.

c. Family members of the same household who each are covered persons are eligible for optional family coverage under the Plan.

d. For persons qualifying for coverage in accordance with Section 7 of this Act, the board shall, if it determines that such appropriations as are made pursuant to Section 12 of this Act are insufficient to allow the board to accept all of the eligible persons which it projects will apply for enrollment under the Plan, limit or close enrollment to ensure that the Plan is not over-subscribed and that it has sufficient resources to meet its obligations to existing enrollees. The board shall not limit or close enrollment for federally eligible individuals.

e. A person shall not be eligible for coverage under the Plan if:

(1) He or she has or obtains other coverage under a group health plan or health insurance coverage substantially similar to or better than a Plan policy as an insured or covered dependent or would be eligible to have that coverage if he or she elected to obtain it. Persons otherwise eligible for Plan coverage may, however, solely for the purpose of having coverage for a pre-existing condition, maintain other coverage only while satisfying any pre-existing condition waiting period under a Plan policy or a subsequent replacement policy of a Plan policy.

(1.1) His or her prior coverage under a group health plan or health insurance coverage, provided or arranged by an employer of more than 10 employees was discontinued for any reason without the entire group or plan being discontinued and not replaced, provided he or she remains an employee, or dependent thereof, of the same employer.

(2) He or she is a recipient of or is approved to receive medical assistance, except that a person may continue to receive medical assistance through the medical assistance no grant

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program, but only while satisfying the requirements for a preexisting condition under Section 8, subsection f. of this Act. Payment of premiums pursuant to this Act shall be allocable to the person's spenddown for purposes of the medical assistance no grant program, but that person shall not be eligible for any Plan benefits while that person remains eligible for medical assistance. If the person continues to receive or be approved to receive medical assistance through the medical assistance no grant program at or after the time that requirements for a preexisting condition are satisfied, the person shall not be eligible for coverage under the Plan. In that circumstance, coverage under the plan shall terminate as of the expiration of the preexisting condition limitation period. Under all other circumstances, coverage under the Plan shall automatically terminate as of the effective date of any medical assistance.

(3) Except as provided in Section 15, the person has previously participated in the Plan and voluntarily terminated Plan coverage, unless 12 months have elapsed since the person's latest voluntary termination of coverage.

(4) The person fails to pay the required premium under the covered person's terms of enrollment and participation, in which event the liability of the Plan shall be limited to benefits incurred under the Plan for the time period for which premiums had been paid and the covered person remained eligible for Plan coverage.

(5) The Plan (i) until 3 years after the effective date of this amendatory Act of the 95th General Assembly has paid a total of \$2,000,000 ~~\$1,500,000~~ in benefits on behalf of the covered person or (ii) 3 years or more after the effective date of this amendatory Act of the 95th General Assembly has paid a total of \$1,500,000 in benefits on behalf of the covered person.

(6) The person is a resident of a public institution.

(7) The person's premium is paid for or reimbursed under any government sponsored program or by any government agency or health care provider, except as an otherwise qualifying full-time employee, or dependent of such employee, of a government agency or health care provider or, except when a person's premium is paid by the U.S. Treasury Department pursuant to the federal Trade Act of 2002.

(8) The person has or later receives other benefits or funds from any settlement, judgement, or award resulting from any accident or injury, regardless of the date of the accident or injury, or any other circumstances creating a legal liability for damages due that person by a third party, whether the settlement, judgment, or award is in the form of a contract, agreement, or trust on behalf of a minor or otherwise and whether the settlement, judgment, or award is payable to the person, his or her dependent, estate, personal representative, or guardian in a lump sum or over time, so long as there continues to be benefits or assets remaining from those sources in an amount in excess of \$300,000.

(9) Within the 5 years prior to the date a person's Plan application is received by the Board, the person's coverage under any health care benefit program as defined in 18 U.S.C. 24, including any public or private plan or contract under which any medical benefit, item, or service is provided, was terminated as a result of any act or practice that constitutes fraud under State or federal law or as a result of an intentional misrepresentation of material fact; or if that person knowingly and willfully obtained or attempted to obtain, or fraudulently aided or attempted to aid any other person in obtaining, any coverage or benefits under the Plan to which that person was not entitled.

f. The board or the administrator shall require verification of residency and may require any additional information or documentation, or statements under oath, when necessary to determine residency upon initial application and for the entire term of the policy.

g. Coverage shall cease (i) on the date a person is no longer a resident of Illinois, (ii) on the date a person requests coverage to end, (iii) upon the death of the covered person, (iv) on the date State law requires cancellation of the policy, or (v) at the Plan's option, 30 days after the Plan makes any inquiry concerning a person's eligibility or place of residence to which the person does not reply.

h. Except under the conditions set forth in subsection g of this Section, the coverage of any person who ceases to meet the eligibility requirements of this Section shall be terminated at the end of the current policy period for which the necessary premiums have been paid.

(Source: P.A. 93-33, eff. 6-23-03; 93-34, eff. 6-23-03; 94-17, eff. 1-1-06; 94-737, eff. 5-3-06.)

(215 ILCS 105/8) (from Ch. 73, par. 1308)

Sec. 8. Minimum benefits.

a. Availability. The Plan shall offer in an annually renewable policy major medical expense coverage to every eligible person who is not eligible for Medicare. Major medical expense coverage offered by the Plan shall pay an eligible person's covered expenses, subject to limit on the deductible and coinsurance payments authorized under paragraph (4) of subsection d of this Section, up to a lifetime benefit limit of

\$2,000,000 until 3 years after the effective date of this amendatory Act of the 95th General Assembly, and \$1,500,000 in benefits 3 years or more after the effective date of this amendatory Act of the 95th General Assembly per covered individual. The maximum limit under this subsection shall not be altered by the Board, and no actuarial equivalent benefit may be substituted by the Board. Any person who otherwise would qualify for coverage under the Plan, but is excluded because he or she is eligible for Medicare, shall be eligible for any separate Medicare supplement policy or policies which the Board may offer.

b. Outline of benefits. Covered expenses shall be limited to the usual and customary charge, including negotiated fees, in the locality for the following services and articles when prescribed by a physician and determined by the Plan to be medically necessary for the following areas of services, subject to such separate deductibles, co-payments, exclusions, and other limitations on benefits as the Board shall establish and approve, and the other provisions of this Section:

(1) Hospital services, except that any services provided by a hospital that is located more than 75 miles outside the State of Illinois shall be covered only for a maximum of 45 days in any calendar year. With respect to covered expenses incurred during any calendar year ending on or after December 31, 1999, inpatient hospitalization of an eligible person for the treatment of mental illness at a hospital located within the State of Illinois shall be subject to the same terms and conditions as for any other illness.

(2) Professional services for the diagnosis or treatment of injuries, illnesses or conditions, other than dental and mental and nervous disorders as described in paragraph (17), which are rendered by a physician, or by other licensed professionals at the physician's direction. This includes reconstruction of the breast on which a mastectomy was performed; surgery and reconstruction of the other breast to produce a symmetrical appearance; and prostheses and treatment of physical complications at all stages of the mastectomy, including lymphedemas.

(2.5) Professional services provided by a physician to children under the age of 16 years for physical examinations and age appropriate immunizations ordered by a physician licensed to practice medicine in all its branches.

(3) (Blank).

(4) Outpatient prescription drugs that by law require a prescription written by a physician licensed to practice medicine in all its branches subject to such separate deductible, copayment, and other limitations or restrictions as the Board shall approve, including the use of a prescription drug card or any other program, or both.

(5) Skilled nursing services of a licensed skilled nursing facility for not more than 120 days during a policy year.

(6) Services of a home health care plan in accord with a home health care plan, up to a maximum of 270 visits per year.

(7) Services of a licensed hospice for not more than 180 days during a policy year.

(8) Use of radium or other radioactive materials.

(9) Oxygen.

(10) Anesthetics.

(11) Orthoses and prostheses other than dental.

(12) Rental or purchase in accordance with Board policies or procedures of durable medical equipment, other than eyeglasses or hearing aids, for which there is no personal use in the absence of the condition for which it is prescribed.

(13) Diagnostic x-rays and laboratory tests.

(14) Oral surgery (i) for excision of partially or completely unerupted impacted teeth when not performed in connection with the routine extraction or repair of teeth; (ii) for excision of tumors or cysts of the jaws, cheeks, lips, tongue, and roof and floor of the mouth; (iii) required for correction of cleft lip and palate and other craniofacial and maxillofacial birth defects; or (iv) for treatment of injuries to natural teeth or a fractured jaw due to an accident.

(15) Physical, speech, and functional occupational therapy as medically necessary and provided by appropriate licensed professionals.

(16) Emergency and other medically necessary transportation provided by a licensed ambulance service to the nearest health care facility qualified to treat a covered illness, injury, or condition, subject to the provisions of the Emergency Medical Systems (EMS) Act.

(17) Outpatient services for diagnosis and treatment of mental and nervous disorders provided that a covered person shall be required to make a copayment not to exceed 50% and that the Plan's payment shall not exceed such amounts as are established by the Board.

(18) Human organ or tissue transplants specified by the Board that are performed at a

hospital designated by the Board as a participating transplant center for that specific organ or tissue transplant.

(19) Naprapathic services, as appropriate, provided by a licensed naprapathic practitioner.

c. Exclusions. Covered expenses of the Plan shall not include the following:

(1) Any charge for treatment for cosmetic purposes other than for reconstructive surgery when the service is incidental to or follows surgery resulting from injury, sickness or other diseases of the involved part or surgery for the repair or treatment of a congenital bodily defect to restore normal bodily functions.

(2) Any charge for care that is primarily for rest, custodial, educational, or domiciliary purposes.

(3) Any charge for services in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically necessary by a physician.

(4) That part of any charge for room and board or for services rendered or articles prescribed by a physician, dentist, or other health care personnel that exceeds the reasonable and customary charge in the locality or for any services or supplies not medically necessary for the diagnosed injury or illness.

(5) Any charge for services or articles the provision of which is not within the scope of licensure of the institution or individual providing the services or articles.

(6) Any expense incurred prior to the effective date of coverage by the Plan for the person on whose behalf the expense is incurred.

(7) Dental care, dental surgery, dental treatment, any other dental procedure involving the teeth or periodontium, or any dental appliances, including crowns, bridges, implants, or partial or complete dentures, except as specifically provided in paragraph (14) of subsection b of this Section.

(8) Eyeglasses, contact lenses, hearing aids or their fitting.

(9) Illness or injury due to acts of war.

(10) Services of blood donors and any fee for failure to replace the first 3 pints of blood provided to a covered person each policy year.

(11) Personal supplies or services provided by a hospital or nursing home, or any other nonmedical or nonprescribed supply or service.

(12) Routine maternity charges for a pregnancy, except where added as optional coverage with payment of an additional premium for pregnancy resulting from conception occurring after the effective date of the optional coverage.

(13) (Blank).

(14) Any expense or charge for services, drugs, or supplies that are: (i) not provided in accord with generally accepted standards of current medical practice; (ii) for procedures, treatments, equipment, transplants, or implants, any of which are investigational, experimental, or for research purposes; (iii) investigative and not proven safe and effective; or (iv) for, or resulting from, a gender transformation operation.

(15) Any expense or charge for routine physical examinations or tests except as provided in item (2.5) of subsection b of this Section.

(16) Any expense for which a charge is not made in the absence of insurance or for which there is no legal obligation on the part of the patient to pay.

(17) Any expense incurred for benefits provided under the laws of the United States and this State, including Medicare, Medicaid, and other medical assistance, maternal and child health services and any other program that is administered or funded by the Department of Human Services, Department of Healthcare and Family Services, or Department of Public Health, military service-connected disability payments, medical services provided for members of the armed forces and their dependents or employees of the armed forces of the United States, and medical services financed on behalf of all citizens by the United States.

(18) Any expense or charge for in vitro fertilization, artificial insemination, or any other artificial means used to cause pregnancy.

(19) Any expense or charge for oral contraceptives used for birth control or any other temporary birth control measures.

(20) Any expense or charge for sterilization or sterilization reversals.

(21) Any expense or charge for weight loss programs, exercise equipment, or treatment of obesity, except when certified by a physician as morbid obesity (at least 2 times normal body weight).

(22) Any expense or charge for acupuncture treatment unless used as an anesthetic agent for a covered surgery.

(23) Any expense or charge for or related to organ or tissue transplants other than those performed at a hospital with a Board approved organ transplant program that has been designated by the Board as a preferred or exclusive provider organization for that specific organ or tissue transplant.

(24) Any expense or charge for procedures, treatments, equipment, or services that are provided in special settings for research purposes or in a controlled environment, are being studied for safety, efficiency, and effectiveness, and are awaiting endorsement by the appropriate national medical speciality college for general use within the medical community.

d. Deductibles and coinsurance.

The Plan coverage defined in Section 6 shall provide for a choice of deductibles per individual as authorized by the Board. If 2 individual members of the same family household, who are both covered persons under the Plan, satisfy the same applicable deductibles, no other member of that family who is also a covered person under the Plan shall be required to meet any deductibles for the balance of that calendar year. The deductibles must be applied first to the authorized amount of covered expenses incurred by the covered person. A mandatory coinsurance requirement shall be imposed at the rate authorized by the Board in excess of the mandatory deductible, the coinsurance in the aggregate not to exceed such amounts as are authorized by the Board per annum. At its discretion the Board may, however, offer catastrophic coverages or other policies that provide for larger deductibles with or without coinsurance requirements. The deductibles and coinsurance factors may be adjusted annually according to the Medical Component of the Consumer Price Index.

e. Scope of coverage.

(1) In approving any of the benefit plans to be offered by the Plan, the Board shall establish such benefit levels, deductibles, coinsurance factors, exclusions, and limitations as it may deem appropriate and that it believes to be generally reflective of and commensurate with health insurance coverage that is provided in the individual market in this State.

(2) The benefit plans approved by the Board may also provide for and employ various cost containment measures and other requirements including, but not limited to, preadmission certification, prior approval, second surgical opinions, concurrent utilization review programs, individual case management, preferred provider organizations, health maintenance organizations, and other cost effective arrangements for paying for covered expenses.

f. Preexisting conditions.

(1) Except for federally eligible individuals qualifying for Plan coverage under Section 15 of this Act or eligible persons who qualify for the waiver authorized in paragraph (3) of this subsection, plan coverage shall exclude charges or expenses incurred during the first 6 months following the effective date of coverage as to any condition for which medical advice, care or treatment was recommended or received during the 6 month period immediately preceding the effective date of coverage.

(2) (Blank).

(3) Waiver: The preexisting condition exclusions as set forth in paragraph (1) of this subsection shall be waived to the extent to which the eligible person (a) has satisfied similar exclusions under any prior individual health insurance policy that was involuntarily terminated because of the insolvency of the issuer of the policy and (b) has applied for Plan coverage within 90 days following the involuntary termination of that individual health insurance coverage.

g. Other sources primary; nonduplication of benefits.

(1) The Plan shall be the last payor of benefits whenever any other benefit or source of third party payment is available. Subject to the provisions of subsection e of Section 7, benefits otherwise payable under Plan coverage shall be reduced by all amounts paid or payable by Medicare or any other government program or through any health insurance coverage or group health plan, whether by insurance, reimbursement, or otherwise, or through any third party liability, settlement, judgment, or award, regardless of the date of the settlement, judgment, or award, whether the settlement, judgment, or award is in the form of a contract, agreement, or trust on behalf of a minor or otherwise and whether the settlement, judgment, or award is payable to the covered person, his or her dependent, estate, personal representative, or guardian in a lump sum or over time, and by all hospital or medical expense benefits paid or payable under any worker's compensation coverage, automobile medical payment, or liability insurance, whether provided on the basis of fault or nonfault, and by any hospital or medical benefits paid or payable under or provided pursuant to any State or federal law or program.

(2) The Plan shall have a cause of action against any covered person or any other person or entity for the recovery of any amount paid to the extent the amount was for treatment, services, or supplies not covered in this Section or in excess of benefits as set forth in this Section.

(3) Whenever benefits are due from the Plan because of sickness or an injury to a covered person resulting from a third party's wrongful act or negligence and the covered person has recovered or may recover damages from a third party or its insurer, the Plan shall have the right to reduce benefits or to refuse to pay benefits that otherwise may be payable by the amount of damages that the covered person has recovered or may recover regardless of the date of the sickness or injury or the date of any settlement, judgment, or award resulting from that sickness or injury.

During the pendency of any action or claim that is brought by or on behalf of a covered person against a third party or its insurer, any benefits that would otherwise be payable except for the provisions of this paragraph (3) shall be paid if payment by or for the third party has not yet been made and the covered person or, if incapable, that person's legal representative agrees in writing to pay back promptly the benefits paid as a result of the sickness or injury to the extent of any future payments made by or for the third party for the sickness or injury. This agreement is to apply whether or not liability for the payments is established or admitted by the third party or whether those payments are itemized.

Any amounts due the plan to repay benefits may be deducted from other benefits payable by the Plan after payments by or for the third party are made.

(4) Benefits due from the Plan may be reduced or refused as an offset against any amount otherwise recoverable under this Section.

#### h. Right of subrogation; recoveries.

(1) Whenever the Plan has paid benefits because of sickness or an injury to any covered person resulting from a third party's wrongful act or negligence, or for which an insurer is liable in accordance with the provisions of any policy of insurance, and the covered person has recovered or may recover damages from a third party that is liable for the damages, the Plan shall have the right to recover the benefits it paid from any amounts that the covered person has received or may receive regardless of the date of the sickness or injury or the date of any settlement, judgment, or award resulting from that sickness or injury. The Plan shall be subrogated to any right of recovery the covered person may have under the terms of any private or public health care coverage or liability coverage, including coverage under the Workers' Compensation Act or the Workers' Occupational Diseases Act, without the necessity of assignment of claim or other authorization to secure the right of recovery. To enforce its subrogation right, the Plan may (i) intervene or join in an action or proceeding brought by the covered person or his personal representative, including his guardian, conservator, estate, dependents, or survivors, against any third party or the third party's insurer that may be liable or (ii) institute and prosecute legal proceedings against any third party or the third party's insurer that may be liable for the sickness or injury in an appropriate court either in the name of the Plan or in the name of the covered person or his personal representative, including his guardian, conservator, estate, dependents, or survivors.

(2) If any action or claim is brought by or on behalf of a covered person against a third party or the third party's insurer, the covered person or his personal representative, including his guardian, conservator, estate, dependents, or survivors, shall notify the Plan by personal service or registered mail of the action or claim and of the name of the court in which the action or claim is brought, filing proof thereof in the action or claim. The Plan may, at any time thereafter, join in the action or claim upon its motion so that all orders of court after hearing and judgment shall be made for its protection. No release or settlement of a claim for damages and no satisfaction of judgment in the action shall be valid without the written consent of the Plan to the extent of its interest in the settlement or judgment and of the covered person or his personal representative.

(3) In the event that the covered person or his personal representative fails to institute a proceeding against any appropriate third party before the fifth month before the action would be barred, the Plan may, in its own name or in the name of the covered person or personal representative, commence a proceeding against any appropriate third party for the recovery of damages on account of any sickness, injury, or death to the covered person. The covered person shall cooperate in doing what is reasonably necessary to assist the Plan in any recovery and shall not take any action that would prejudice the Plan's right to recovery. The Plan shall pay to the covered person or his personal representative all sums collected from any third party by judgment or otherwise in excess of amounts paid in benefits under the Plan and amounts paid or to be paid as costs, attorneys fees, and reasonable expenses incurred by the Plan in making the collection or enforcing the judgment.

(4) In the event that a covered person or his personal representative, including his guardian, conservator, estate, dependents, or survivors, recovers damages from a third party for sickness or injury caused to the covered person, the covered person or the personal representative shall pay to the Plan from the damages recovered the amount of benefits paid or to be paid on behalf of the covered person.

(5) When the action or claim is brought by the covered person alone and the covered person incurs a personal liability to pay attorney's fees and costs of litigation, the Plan's claim for reimbursement of the benefits provided to the covered person shall be the full amount of benefits paid to or on behalf of the covered person under this Act less a pro rata share that represents the Plan's reasonable share of attorney's fees paid by the covered person and that portion of the cost of litigation expenses determined by multiplying by the ratio of the full amount of the expenditures to the full amount of the judgement, award, or settlement.

(6) In the event of judgment or award in a suit or claim against a third party or insurer, the court shall first order paid from any judgement or award the reasonable litigation expenses incurred in preparation and prosecution of the action or claim, together with reasonable attorney's fees. After payment of those expenses and attorney's fees, the court shall apply out of the balance of the judgment or award an amount sufficient to reimburse the Plan the full amount of benefits paid on behalf of the covered person under this Act, provided the court may reduce and apportion the Plan's portion of the judgement proportionate to the recovery of the covered person. The burden of producing evidence sufficient to support the exercise by the court of its discretion to reduce the amount of a proven charge sought to be enforced against the recovery shall rest with the party seeking the reduction. The court may consider the nature and extent of the injury, economic and non-economic loss, settlement offers, comparative negligence as it applies to the case at hand, hospital costs, physician costs, and all other appropriate costs. The Plan shall pay its pro rata share of the attorney fees based on the Plan's recovery as it compares to the total judgment. Any reimbursement rights of the Plan shall take priority over all other liens and charges existing under the laws of this State with the exception of any attorney liens filed under the Attorneys Lien Act.

(7) The Plan may compromise or settle and release any claim for benefits provided under this Act or waive any claims for benefits, in whole or in part, for the convenience of the Plan or if the Plan determines that collection would result in undue hardship upon the covered person.

(Source: P.A. 94-737, eff. 5-3-06.)

Section 99. Effective date. This Act takes effect upon becoming law."

### **AMENDMENT NO. 3 TO SENATE BILL 144**

AMENDMENT NO. 3. Amend Senate Bill 144, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Comprehensive Health Insurance Plan Act is amended by changing Sections 7 and 8 as follows:

(215 ILCS 105/7) (from Ch. 73, par. 1307)

Sec. 7. Eligibility.

a. Except as provided in subsection (e) of this Section or in Section 15 of this Act, any person who is either a citizen of the United States or an alien lawfully admitted for permanent residence and who has been for a period of at least 180 days and continues to be a resident of this State shall be eligible for Plan coverage under this Section if evidence is provided of:

(1) A notice of rejection or refusal to issue substantially similar individual health insurance coverage for health reasons by a health insurance issuer; or

(2) A refusal by a health insurance issuer to issue individual health insurance coverage except at a rate exceeding the applicable Plan rate for which the person is responsible.

A rejection or refusal by a group health plan or health insurance issuer offering only stop-loss or excess of loss insurance or contracts, agreements, or other arrangements for reinsurance coverage with respect to the applicant shall not be sufficient evidence under this subsection.

b. The board shall promulgate a list of medical or health conditions for which a person who is either a citizen of the United States or an alien lawfully admitted for permanent residence and a resident of this State would be eligible for Plan coverage without applying for health insurance coverage pursuant to subsection a. of this Section. Persons who can demonstrate the existence or history of any medical or health conditions on the list promulgated by the board shall not be required to provide the evidence specified in subsection a. of this Section. The list shall be effective on the first day of the operation of the

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Plan and may be amended from time to time as appropriate.

c. Family members of the same household who each are covered persons are eligible for optional family coverage under the Plan.

d. For persons qualifying for coverage in accordance with Section 7 of this Act, the board shall, if it determines that such appropriations as are made pursuant to Section 12 of this Act are insufficient to allow the board to accept all of the eligible persons which it projects will apply for enrollment under the Plan, limit or close enrollment to ensure that the Plan is not over-subscribed and that it has sufficient resources to meet its obligations to existing enrollees. The board shall not limit or close enrollment for federally eligible individuals.

e. A person shall not be eligible for coverage under the Plan if:

(1) He or she has or obtains other coverage under a group health plan or health insurance coverage substantially similar to or better than a Plan policy as an insured or covered dependent or would be eligible to have that coverage if he or she elected to obtain it. Persons otherwise eligible for Plan coverage may, however, solely for the purpose of having coverage for a pre-existing condition, maintain other coverage only while satisfying any pre-existing condition waiting period under a Plan policy or a subsequent replacement policy of a Plan policy.

(1.1) His or her prior coverage under a group health plan or health insurance coverage, provided or arranged by an employer of more than 10 employees was discontinued for any reason without the entire group or plan being discontinued and not replaced, provided he or she remains an employee, or dependent thereof, of the same employer.

(2) He or she is a recipient of or is approved to receive medical assistance, except that a person may continue to receive medical assistance through the medical assistance no grant program, but only while satisfying the requirements for a preexisting condition under Section 8, subsection f. of this Act. Payment of premiums pursuant to this Act shall be allocable to the person's spenddown for purposes of the medical assistance no grant program, but that person shall not be eligible for any Plan benefits while that person remains eligible for medical assistance. If the person continues to receive or be approved to receive medical assistance through the medical assistance no grant program at or after the time that requirements for a preexisting condition are satisfied, the person shall not be eligible for coverage under the Plan. In that circumstance, coverage under the plan shall terminate as of the expiration of the preexisting condition limitation period. Under all other circumstances, coverage under the Plan shall automatically terminate as of the effective date of any medical assistance.

(3) Except as provided in Section 15, the person has previously participated in the Plan and voluntarily terminated Plan coverage, unless 12 months have elapsed since the person's latest voluntary termination of coverage.

(4) The person fails to pay the required premium under the covered person's terms of enrollment and participation, in which event the liability of the Plan shall be limited to benefits incurred under the Plan for the time period for which premiums had been paid and the covered person remained eligible for Plan coverage.

(5) The Plan (i) until 3 years after the effective date of this amendatory Act of the 95th General Assembly has paid a total of \$2,000,000 ~~\$1,500,000~~ in benefits on behalf of the covered person or (ii) 3 years or more after the effective date of this amendatory Act of the 95th General Assembly has paid a total of \$1,500,000 in benefits on behalf of the covered person.

(6) The person is a resident of a public institution.

(7) The person's premium is paid for or reimbursed under any government sponsored program or by any government agency or health care provider, except as an otherwise qualifying full-time employee, or dependent of such employee, of a government agency or health care provider or, except when a person's premium is paid by the U.S. Treasury Department pursuant to the federal Trade Act of 2002.

(8) The person has or later receives other benefits or funds from any settlement, judgement, or award resulting from any accident or injury, regardless of the date of the accident or injury, or any other circumstances creating a legal liability for damages due that person by a third party, whether the settlement, judgment, or award is in the form of a contract, agreement, or trust on behalf of a minor or otherwise and whether the settlement, judgment, or award is payable to the person, his or her dependent, estate, personal representative, or guardian in a lump sum or over time, so long as there continues to be benefits or assets remaining from those sources in an amount in excess of \$300,000.

(9) Within the 5 years prior to the date a person's Plan application is received by the Board, the person's coverage under any health care benefit program as defined in 18 U.S.C. 24,

including any public or private plan or contract under which any medical benefit, item, or service is provided, was terminated as a result of any act or practice that constitutes fraud under State or federal law or as a result of an intentional misrepresentation of material fact; or if that person knowingly and willfully obtained or attempted to obtain, or fraudulently aided or attempted to aid any other person in obtaining, any coverage or benefits under the Plan to which that person was not entitled.

f. The board or the administrator shall require verification of residency and may require any additional information or documentation, or statements under oath, when necessary to determine residency upon initial application and for the entire term of the policy.

g. Coverage shall cease (i) on the date a person is no longer a resident of Illinois, (ii) on the date a person requests coverage to end, (iii) upon the death of the covered person, (iv) on the date State law requires cancellation of the policy, or (v) at the Plan's option, 30 days after the Plan makes any inquiry concerning a person's eligibility or place of residence to which the person does not reply.

h. Except under the conditions set forth in subsection g of this Section, the coverage of any person who ceases to meet the eligibility requirements of this Section shall be terminated at the end of the current policy period for which the necessary premiums have been paid.

(Source: P.A. 93-33, eff. 6-23-03; 93-34, eff. 6-23-03; 94-17, eff. 1-1-06; 94-737, eff. 5-3-06.)

(215 ILCS 105/8) (from Ch. 73, par. 1308)

Sec. 8. Minimum benefits.

a. Availability. The Plan shall offer in an annually renewable policy major medical expense coverage to every eligible person who is not eligible for Medicare. Major medical expense coverage offered by the Plan shall pay an eligible person's covered expenses, subject to limit on the deductible and coinsurance payments authorized under paragraph (4) of subsection d of this Section, up to a lifetime benefit limit of \$2,000,000 until 3 years after the effective date of this amendatory Act of the 95th General Assembly, and \$1,500,000 in benefits 3 years or more after the effective date of this amendatory Act of the 95th General Assembly per covered individual. The maximum limit under this subsection shall not be altered by the Board, and no actuarial equivalent benefit may be substituted by the Board. Any person who otherwise would qualify for coverage under the Plan, but is excluded because he or she is eligible for Medicare, shall be eligible for any separate Medicare supplement policy or policies which the Board may offer.

b. Outline of benefits. Covered expenses shall be limited to the usual and customary charge, including negotiated fees, in the locality for the following services and articles when prescribed by a physician and determined by the Plan to be medically necessary for the following areas of services, subject to such separate deductibles, co-payments, exclusions, and other limitations on benefits as the Board shall establish and approve, and the other provisions of this Section:

(1) Hospital services, except that any services provided by a hospital that is located

more than 75 miles outside the State of Illinois shall be covered only for a maximum of 45 days in any calendar year. With respect to covered expenses incurred during any calendar year ending on or after December 31, 1999, inpatient hospitalization of an eligible person for the treatment of mental illness at a hospital located within the State of Illinois shall be subject to the same terms and conditions as for any other illness.

(2) Professional services for the diagnosis or treatment of injuries, illnesses or conditions, other than dental and mental and nervous disorders as described in paragraph (17), which are rendered by a physician, or by other licensed professionals at the physician's direction. This includes reconstruction of the breast on which a mastectomy was performed; surgery and reconstruction of the other breast to produce a symmetrical appearance; and prostheses and treatment of physical complications at all stages of the mastectomy, including lymphedemas.

(2.5) Professional services provided by a physician to children under the age of 16 years for physical examinations and age appropriate immunizations ordered by a physician licensed to practice medicine in all its branches.

(3) (Blank).

(4) Outpatient prescription drugs that by law require a prescription written by a physician licensed to practice medicine in all its branches subject to such separate deductible, copayment, and other limitations or restrictions as the Board shall approve, including the use of a prescription drug card or any other program, or both.

(5) Skilled nursing services of a licensed skilled nursing facility for not more than 120 days during a policy year.

(6) Services of a home health agency in accord with a home health care plan, up to a maximum of 270 visits per year.

(7) Services of a licensed hospice for not more than 180 days during a policy year.



- (8) Use of radium or other radioactive materials.
- (9) Oxygen.
- (10) Anesthetics.
- (11) Orthoses and prostheses other than dental.
- (12) Rental or purchase in accordance with Board policies or procedures of durable medical equipment, other than eyeglasses or hearing aids, for which there is no personal use in the absence of the condition for which it is prescribed.
- (13) Diagnostic x-rays and laboratory tests.
- (14) Oral surgery (i) for excision of partially or completely unerupted impacted teeth when not performed in connection with the routine extraction or repair of teeth; (ii) for excision of tumors or cysts of the jaws, cheeks, lips, tongue, and roof and floor of the mouth; (iii) required for correction of cleft lip and palate and other craniofacial and maxillofacial birth defects; or (iv) for treatment of injuries to natural teeth or a fractured jaw due to an accident.
- (15) Physical, speech, and functional occupational therapy as medically necessary and provided by appropriate licensed professionals.
- (16) Emergency and other medically necessary transportation provided by a licensed ambulance service to the nearest health care facility qualified to treat a covered illness, injury, or condition, subject to the provisions of the Emergency Medical Systems (EMS) Act.
- (17) Outpatient services for diagnosis and treatment of mental and nervous disorders provided that a covered person shall be required to make a copayment not to exceed 50% and that the Plan's payment shall not exceed such amounts as are established by the Board.
- (18) Human organ or tissue transplants specified by the Board that are performed at a hospital designated by the Board as a participating transplant center for that specific organ or tissue transplant.
- (19) Naprapathic services, as appropriate, provided by a licensed naprapathic practitioner.
- (20) Coverage for benefits as required under Sections 356g, 356u, 356x, and 356z.4 of the Illinois Insurance Code.

Insurance Code.

c. Exclusions. Covered expenses of the Plan shall not include the following:

- (1) Any charge for treatment for cosmetic purposes other than for reconstructive surgery when the service is incidental to or follows surgery resulting from injury, sickness or other diseases of the involved part or surgery for the repair or treatment of a congenital bodily defect to restore normal bodily functions.
- (2) Any charge for care that is primarily for rest, custodial, educational, or domiciliary purposes.
- (3) Any charge for services in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically necessary by a physician.
- (4) That part of any charge for room and board or for services rendered or articles prescribed by a physician, dentist, or other health care personnel that exceeds the reasonable and customary charge in the locality or for any services or supplies not medically necessary for the diagnosed injury or illness.
- (5) Any charge for services or articles the provision of which is not within the scope of licensure of the institution or individual providing the services or articles.
- (6) Any expense incurred prior to the effective date of coverage by the Plan for the person on whose behalf the expense is incurred.
- (7) Dental care, dental surgery, dental treatment, any other dental procedure involving the teeth or periodontium, or any dental appliances, including crowns, bridges, implants, or partial or complete dentures, except as specifically provided in paragraph (14) of subsection b of this Section.
- (8) Eyeglasses, contact lenses, hearing aids or their fitting.
- (9) Illness or injury due to acts of war.
- (10) Services of blood donors and any fee for failure to replace the first 3 pints of blood provided to a covered person each policy year.
- (11) Personal supplies or services provided by a hospital or nursing home, or any other nonmedical or nonprescribed supply or service.
- (12) Routine maternity charges for a pregnancy, except where added as optional coverage with payment of an additional premium for pregnancy resulting from conception occurring after the effective date of the optional coverage.
- (13) (Blank).

(14) Any expense or charge for services, drugs, or supplies that are: (i) not provided in accord with generally accepted standards of current medical practice; (ii) for procedures, treatments, equipment, transplants, or implants, any of which are investigational, experimental, or for research purposes; (iii) investigative and not proven safe and effective; or (iv) for, or resulting from, a gender transformation operation.

(15) Any expense or charge for routine physical examinations or tests except as provided in ~~items item~~ (2.5) and (20) of subsection b of this Section.

(16) Any expense for which a charge is not made in the absence of insurance or for which there is no legal obligation on the part of the patient to pay.

(17) Any expense incurred for benefits provided under the laws of the United States and this State, including Medicare, Medicaid, and other medical assistance, maternal and child health services and any other program that is administered or funded by the Department of Human Services, Department of Healthcare and Family Services, or Department of Public Health, military service-connected disability payments, medical services provided for members of the armed forces and their dependents or employees of the armed forces of the United States, and medical services financed on behalf of all citizens by the United States.

(18) Any expense or charge for in vitro fertilization, artificial insemination, or any other artificial means used to cause pregnancy.

(19) ~~Blank. Any expense or charge for oral contraceptives used for birth control or any other temporary birth control measures.~~

(20) Any expense or charge for sterilization or sterilization reversals.

(21) Any expense or charge for weight loss programs, exercise equipment, or treatment of obesity, except when certified by a physician as morbid obesity (at least 2 times normal body weight).

(22) Any expense or charge for acupuncture treatment unless used as an anesthetic agent for a covered surgery.

(23) Any expense or charge for or related to organ or tissue transplants other than those performed at a hospital with a Board approved organ transplant program that has been designated by the Board as a preferred or exclusive provider organization for that specific organ or tissue transplant.

(24) Any expense or charge for procedures, treatments, equipment, or services that are provided in special settings for research purposes or in a controlled environment, are being studied for safety, efficiency, and effectiveness, and are awaiting endorsement by the appropriate national medical speciality college for general use within the medical community.

d. Deductibles and coinsurance.

The Plan coverage defined in Section 6 shall provide for a choice of deductibles per individual as authorized by the Board. If 2 individual members of the same family household, who are both covered persons under the Plan, satisfy the same applicable deductibles, no other member of that family who is also a covered person under the Plan shall be required to meet any deductibles for the balance of that calendar year. The deductibles must be applied first to the authorized amount of covered expenses incurred by the covered person. A mandatory coinsurance requirement shall be imposed at the rate authorized by the Board in excess of the mandatory deductible, the coinsurance in the aggregate not to exceed such amounts as are authorized by the Board per annum. At its discretion the Board may, however, offer catastrophic coverages or other policies that provide for larger deductibles with or without coinsurance requirements. The deductibles and coinsurance factors may be adjusted annually according to the Medical Component of the Consumer Price Index.

e. Scope of coverage.

(1) In approving any of the benefit plans to be offered by the Plan, the Board shall establish such benefit levels, deductibles, coinsurance factors, exclusions, and limitations as it may deem appropriate and that it believes to be generally reflective of and commensurate with health insurance coverage that is provided in the individual market in this State.

(2) The benefit plans approved by the Board may also provide for and employ various cost containment measures and other requirements including, but not limited to, preadmission certification, prior approval, second surgical opinions, concurrent utilization review programs, individual case management, preferred provider organizations, health maintenance organizations, and other cost effective arrangements for paying for covered expenses.

f. Preexisting conditions.

(1) Except for federally eligible individuals qualifying for Plan coverage under Section 15 of this Act or eligible persons who qualify for the waiver authorized in paragraph (3) of

this subsection, plan coverage shall exclude charges or expenses incurred during the first 6 months following the effective date of coverage as to any condition for which medical advice, care or treatment was recommended or received during the 6 month period immediately preceding the effective date of coverage.

(2) (Blank).

(3) Waiver: The preexisting condition exclusions as set forth in paragraph (1) of this subsection shall be waived to the extent to which the eligible person (a) has satisfied similar exclusions under any prior individual health insurance policy that was involuntarily terminated because of the insolvency of the issuer of the policy and (b) has applied for Plan coverage within 90 days following the involuntary termination of that individual health insurance coverage.

g. Other sources primary; nonduplication of benefits.

(1) The Plan shall be the last payor of benefits whenever any other benefit or source of third party payment is available. Subject to the provisions of subsection e of Section 7, benefits otherwise payable under Plan coverage shall be reduced by all amounts paid or payable by Medicare or any other government program or through any health insurance coverage or group health plan, whether by insurance, reimbursement, or otherwise, or through any third party liability, settlement, judgment, or award, regardless of the date of the settlement, judgment, or award, whether the settlement, judgment, or award is in the form of a contract, agreement, or trust on behalf of a minor or otherwise and whether the settlement, judgment, or award is payable to the covered person, his or her dependent, estate, personal representative, or guardian in a lump sum or over time, and by all hospital or medical expense benefits paid or payable under any worker's compensation coverage, automobile medical payment, or liability insurance, whether provided on the basis of fault or nonfault, and by any hospital or medical benefits paid or payable under or provided pursuant to any State or federal law or program.

(2) The Plan shall have a cause of action against any covered person or any other person or entity for the recovery of any amount paid to the extent the amount was for treatment, services, or supplies not covered in this Section or in excess of benefits as set forth in this Section.

(3) Whenever benefits are due from the Plan because of sickness or an injury to a covered person resulting from a third party's wrongful act or negligence and the covered person has recovered or may recover damages from a third party or its insurer, the Plan shall have the right to reduce benefits or to refuse to pay benefits that otherwise may be payable by the amount of damages that the covered person has recovered or may recover regardless of the date of the sickness or injury or the date of any settlement, judgment, or award resulting from that sickness or injury.

During the pendency of any action or claim that is brought by or on behalf of a covered person against a third party or its insurer, any benefits that would otherwise be payable except for the provisions of this paragraph (3) shall be paid if payment by or for the third party has not yet been made and the covered person or, if incapable, that person's legal representative agrees in writing to pay back promptly the benefits paid as a result of the sickness or injury to the extent of any future payments made by or for the third party for the sickness or injury. This agreement is to apply whether or not liability for the payments is established or admitted by the third party or whether those payments are itemized.

Any amounts due the plan to repay benefits may be deducted from other benefits payable by the Plan after payments by or for the third party are made.

(4) Benefits due from the Plan may be reduced or refused as an offset against any amount otherwise recoverable under this Section.

h. Right of subrogation; recoveries.

(1) Whenever the Plan has paid benefits because of sickness or an injury to any covered person resulting from a third party's wrongful act or negligence, or for which an insurer is liable in accordance with the provisions of any policy of insurance, and the covered person has recovered or may recover damages from a third party that is liable for the damages, the Plan shall have the right to recover the benefits it paid from any amounts that the covered person has received or may receive regardless of the date of the sickness or injury or the date of any settlement, judgment, or award resulting from that sickness or injury. The Plan shall be subrogated to any right of recovery the covered person may have under the terms of any private or public health care coverage or liability coverage, including coverage under the Workers' Compensation Act or the Workers' Occupational Diseases Act, without the necessity of assignment of claim or other authorization to secure the right of recovery. To enforce its subrogation right, the Plan may (i) intervene or join in an action or proceeding brought by the covered person or his personal representative, including his guardian, conservator, estate, dependents, or survivors, against any third party or the third party's insurer that

may be liable or (ii) institute and prosecute legal proceedings against any third party or the third party's insurer that may be liable for the sickness or injury in an appropriate court either in the name of the Plan or in the name of the covered person or his personal representative, including his guardian, conservator, estate, dependents, or survivors.

(2) If any action or claim is brought by or on behalf of a covered person against a third party or the third party's insurer, the covered person or his personal representative, including his guardian, conservator, estate, dependents, or survivors, shall notify the Plan by personal service or registered mail of the action or claim and of the name of the court in which the action or claim is brought, filing proof thereof in the action or claim. The Plan may, at any time thereafter, join in the action or claim upon its motion so that all orders of court after hearing and judgment shall be made for its protection. No release or settlement of a claim for damages and no satisfaction of judgment in the action shall be valid without the written consent of the Plan to the extent of its interest in the settlement or judgment and of the covered person or his personal representative.

(3) In the event that the covered person or his personal representative fails to institute a proceeding against any appropriate third party before the fifth month before the action would be barred, the Plan may, in its own name or in the name of the covered person or personal representative, commence a proceeding against any appropriate third party for the recovery of damages on account of any sickness, injury, or death to the covered person. The covered person shall cooperate in doing what is reasonably necessary to assist the Plan in any recovery and shall not take any action that would prejudice the Plan's right to recovery. The Plan shall pay to the covered person or his personal representative all sums collected from any third party by judgment or otherwise in excess of amounts paid in benefits under the Plan and amounts paid or to be paid as costs, attorneys fees, and reasonable expenses incurred by the Plan in making the collection or enforcing the judgment.

(4) In the event that a covered person or his personal representative, including his guardian, conservator, estate, dependents, or survivors, recovers damages from a third party for sickness or injury caused to the covered person, the covered person or the personal representative shall pay to the Plan from the damages recovered the amount of benefits paid or to be paid on behalf of the covered person.

(5) When the action or claim is brought by the covered person alone and the covered person incurs a personal liability to pay attorney's fees and costs of litigation, the Plan's claim for reimbursement of the benefits provided to the covered person shall be the full amount of benefits paid to or on behalf of the covered person under this Act less a pro rata share that represents the Plan's reasonable share of attorney's fees paid by the covered person and that portion of the cost of litigation expenses determined by multiplying by the ratio of the full amount of the expenditures to the full amount of the judgement, award, or settlement.

(6) In the event of judgment or award in a suit or claim against a third party or insurer, the court shall first order paid from any judgement or award the reasonable litigation expenses incurred in preparation and prosecution of the action or claim, together with reasonable attorney's fees. After payment of those expenses and attorney's fees, the court shall apply out of the balance of the judgment or award an amount sufficient to reimburse the Plan the full amount of benefits paid on behalf of the covered person under this Act, provided the court may reduce and apportion the Plan's portion of the judgement proportionate to the recovery of the covered person. The burden of producing evidence sufficient to support the exercise by the court of its discretion to reduce the amount of a proven charge sought to be enforced against the recovery shall rest with the party seeking the reduction. The court may consider the nature and extent of the injury, economic and non-economic loss, settlement offers, comparative negligence as it applies to the case at hand, hospital costs, physician costs, and all other appropriate costs. The Plan shall pay its pro rata share of the attorney fees based on the Plan's recovery as it compares to the total judgment. Any reimbursement rights of the Plan shall take priority over all other liens and charges existing under the laws of this State with the exception of any attorney liens filed under the Attorneys Lien Act.

(7) The Plan may compromise or settle and release any claim for benefits provided under this Act or waive any claims for benefits, in whole or in part, for the convenience of the Plan or if the Plan determines that collection would result in undue hardship upon the covered person.

(Source: P.A. 94-737, eff. 5-3-06.)

Section 99. Effective date. This Act takes effect upon becoming law."

[May 31, 2007]

Under the rules, the foregoing **Senate Bill No. 144**, with House Amendments numbered 1 and 3, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 158

A bill for AN ACT concerning liquor.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 158

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 158**

AMENDMENT NO. 1. Amend Senate Bill 158 on page 7, lines 25 and 26, by replacing "such use to occur by failing to control access to either the residence or the alcoholic liquor" with "consumption of alcoholic liquor by underage invitees. ~~such use to occur by failing to control access to either the residence or the alcoholic liquor~~"; and

on page 8, by replacing "maintained in the residence." with "~~maintained in the residence.~~".

Under the rules, the foregoing **Senate Bill No. 158**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 314

A bill for AN ACT concerning roads.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 314

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 314**

AMENDMENT NO. 1. Amend Senate Bill 314 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Highway Code is amended by adding Section 4-220 as follows:

(605 ILCS 5/4-220 new)

Sec. 4-220. Bicycle and pedestrian ways.

(a) Bicycle and pedestrian ways shall be given full consideration in the planning and development of transportation facilities, including the incorporation of such ways into State plans and programs.

(b) In or within one mile of an urban area, bicycle and pedestrian ways shall be established in conjunction with the construction, reconstruction, or other change of any State transportation facility except:

(1) in pavement resurfacing projects that do not widen the existing traveled way or do not provide stabilized shoulders; or

(2) where approved by the Secretary of Transportation based upon documented safety issues, excessive cost or absence of need.

(c) Bicycle and pedestrian ways may be included in pavement resurfacing projects when local support

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is evident or bicycling and walking accommodations can be added within the overall scope of the original roadwork.

(d) The Department shall establish design and construction standards for bicycle and pedestrian ways. Beginning July 1, 2007, this Section shall apply to planning and training purposes only. Beginning July 1, 2008, this Section shall apply to construction projects.

Section 99. Effective date. This Act takes effect July 1, 2007."

Under the rules, the foregoing **Senate Bill No. 314**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 337

A bill for AN ACT concerning civil law.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 337

House Amendment No. 2 to SENATE BILL NO. 337

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### **AMENDMENT NO. 1 TO SENATE BILL 337**

AMENDMENT NO. 1. Amend Senate Bill 337 on page 1, by replacing line 5 with the following: "Sections 11a-1 and 11a-2 as follows:"; and

on page 1, immediately below line 17, by inserting the following:

"(755 ILCS 5/11a-2) (from Ch. 110 1/2, par. 11a-2)

Sec. 11a-2. "Disabled person" defined.) "Disabled person" means a person 18 years or older who (a) because of mental deterioration or physical incapacity is not fully able to manage his person or estate, or (b) is a person with mental illness or a person with a developmental disability and who because of his mental illness or developmental disability is not fully able to manage his person or estate, or (c) because of gambling, idleness, debauchery or excessive use of intoxicants or drugs, so spends or wastes his estate as to expose himself or his family to want or suffering, or (d) is diagnosed with fetal alcohol syndrome or fetal alcohol effects. (Source: P.A. 88-380.)"

#### **AMENDMENT NO. 2 TO SENATE BILL 337**

AMENDMENT NO. 2. Amend Senate Bill 337, by replacing everything after the enacting clause with the following:

"Section 5. The Probate Act of 1975 is amended by changing Section 11a-2 as follows:

(755 ILCS 5/11a-2) (from Ch. 110 1/2, par. 11a-2)

Sec. 11a-2. "Disabled person" defined.) "Disabled person" means a person 18 years or older who (a) because of mental deterioration or physical incapacity is not fully able to manage his person or estate, or (b) is a person with mental illness or a person with a developmental disability and who because of his mental illness or developmental disability is not fully able to manage his person or estate, or (c) because of gambling, idleness, debauchery or excessive use of intoxicants or drugs, so spends or wastes his estate as to expose himself or his family to want or suffering, or (d) is diagnosed with fetal alcohol syndrome or fetal alcohol effects. (Source: P.A. 88-380.)"

Section 99. Effective date. This Act takes effect January 1, 2008."

[May 31, 2007]

Under the rules, the foregoing **Senate Bill No. 337**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 574

A bill for AN ACT concerning regulation.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 574

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 574**

AMENDMENT NO. 1. Amend Senate Bill 574 by replacing everything after the enacting clause with the following:

"Section 5. The Community-Integrated Living Arrangements Licensure and Certification Act is amended by adding Section 12 as follows:

(210 ILCS 135/12 new)

Sec. 12. Nursing services. Subject to appropriation, the Department shall adjust its rate methodology for community-integrated living arrangements using as a guide the findings and recommendations of the CILA nursing services reimbursement working group established by Senate Resolution 514 of the 94th General Assembly in order to improve the efficient and effective utilization of nursing personnel, to increase the levels of nursing services, and to improve access and availability of nursing services for residents of community-integrated living arrangements.

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 574**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 710

A bill for AN ACT concerning criminal law.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 710

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 710**

AMENDMENT NO. 1. Amend Senate Bill 710 by replacing everything after the enacting clause with the following:

"Section 5. The Unified Code of Corrections is amended by changing Section 5-4-3 as follows:

(730 ILCS 5/5-4-3) (from Ch. 38, par. 1005-4-3)

Sec. 5-4-3. Persons convicted of, or found delinquent for, certain offenses or institutionalized as sexually dangerous; specimens; genetic marker groups.

(a) Any person convicted of, found guilty under the Juvenile Court Act of 1987 for, or who received a

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disposition of court supervision for, a qualifying offense or attempt of a qualifying offense, convicted or found guilty of any offense classified as a felony under Illinois law, convicted or found guilty of any offense requiring registration under the Sex Offender Registration Act, found guilty or given supervision for any offense classified as a felony under the Juvenile Court Act of 1987, convicted or found guilty of, under the Juvenile Court Act of 1987, any offense requiring registration under the Sex Offender Registration Act, or institutionalized as a sexually dangerous person under the Sexually Dangerous Persons Act, or committed as a sexually violent person under the Sexually Violent Persons Commitment Act shall, regardless of the sentence or disposition imposed, be required to submit specimens of blood, saliva, or tissue to the Illinois Department of State Police in accordance with the provisions of this Section, provided such person is:

(1) convicted of a qualifying offense or attempt of a qualifying offense on or after July 1, 1990 and sentenced to a term of imprisonment, periodic imprisonment, fine, probation, conditional discharge or any other form of sentence, or given a disposition of court supervision for the offense;

(1.5) found guilty or given supervision under the Juvenile Court Act of 1987 for a qualifying offense or attempt of a qualifying offense on or after January 1, 1997;

(2) ordered institutionalized as a sexually dangerous person on or after July 1, 1990;

(3) convicted of a qualifying offense or attempt of a qualifying offense before July 1, 1990 and is presently confined as a result of such conviction in any State correctional facility or county jail or is presently serving a sentence of probation, conditional discharge or periodic imprisonment as a result of such conviction;

(3.5) convicted or found guilty of any offense classified as a felony under Illinois law or found guilty or given supervision for such an offense under the Juvenile Court Act of 1987 on or after August 22, 2002;

(4) presently institutionalized as a sexually dangerous person or presently institutionalized as a person found guilty but mentally ill of a sexual offense or attempt to commit a sexual offense;

(4.5) ordered committed as a sexually violent person on or after the effective date of the Sexually Violent Persons Commitment Act; or

(5) seeking transfer to or residency in Illinois under Sections 3-3-11.05 through 3-3-11.5 of the Unified Code of Corrections and the Interstate Compact for Adult Offender Supervision or the Interstate Agreements on Sexually Dangerous Persons Act.

Notwithstanding other provisions of this Section, any person incarcerated in a facility of the Illinois Department of Corrections or the Illinois Department of Juvenile Justice on or after August 22, 2002, whether for a term of years, natural life, or a sentence of death, who has not yet submitted a sample of blood, saliva, or tissue shall be required to submit a specimen of blood, saliva, or tissue prior to his or her final discharge or within 6 months from the effective date of this amendatory Act of the 95th General Assembly, whichever is sooner. These specimens shall be placed into the State or national DNA database, to be used in accordance with other provisions of this Act, by the Illinois State Police ~~release on parole or mandatory supervised release, as a condition of his or her parole or mandatory supervised release.~~

Notwithstanding other provisions of this Section, any person sentenced to life imprisonment in a facility of the Illinois Department of Corrections after the effective date of this amendatory Act of the 94th General Assembly or sentenced to death after the effective date of this amendatory Act of the 94th General Assembly shall be required to provide a specimen of blood, saliva, or tissue within 45 days after sentencing or disposition at a collection site designated by the Illinois Department of State Police. Any person serving a sentence of life imprisonment in a facility of the Illinois Department of Corrections on the effective date of this amendatory Act of the 94th General Assembly or any person who is under a sentence of death on the effective date of this amendatory Act of the 94th General Assembly shall be required to provide a specimen of blood, saliva, or tissue upon request at a collection site designated by the Illinois Department of State Police.

(a-5) Any person who was otherwise convicted of or received a disposition of court supervision for any other offense under the Criminal Code of 1961 or who was found guilty or given supervision for such a violation under the Juvenile Court Act of 1987, may, regardless of the sentence imposed, be required by an order of the court to submit specimens of blood, saliva, or tissue to the Illinois Department of State Police in accordance with the provisions of this Section.

(b) Any person required by paragraphs (a)(1), (a)(1.5), (a)(2), (a)(3.5), and (a-5) to provide specimens of blood, saliva, or tissue shall provide specimens of blood, saliva, or tissue within 45 days after sentencing or disposition at a collection site designated by the Illinois Department of State Police.

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(c) Any person required by paragraphs (a)(3), (a)(4), and (a)(4.5) to provide specimens of blood, saliva, or tissue shall be required to provide such samples prior to final discharge or within 6 months from the effective date of this amendatory Act of the 95th General Assembly, whichever is sooner. These specimens shall be placed into the State or national DNA database, to be used in accordance with other provisions of this Act, by the Illinois State Police, parole, or release at a collection site designated by the Illinois Department of State Police.

(c-5) Any person required by paragraph (a)(5) to provide specimens of blood, saliva, or tissue shall, where feasible, be required to provide the specimens before being accepted for conditioned residency in Illinois under the interstate compact or agreement, but no later than 45 days after arrival in this State.

(c-6) The Illinois Department of State Police may determine which type of specimen or specimens, blood, saliva, or tissue, is acceptable for submission to the Division of Forensic Services for analysis.

(d) The Illinois Department of State Police shall provide all equipment and instructions necessary for the collection of blood samples. The collection of samples shall be performed in a medically approved manner. Only a physician authorized to practice medicine, a registered nurse or other qualified person trained in venipuncture may withdraw blood for the purposes of this Act. The samples shall thereafter be forwarded to the Illinois Department of State Police, Division of Forensic Services, for analysis and categorizing into genetic marker groupings.

(d-1) The Illinois Department of State Police shall provide all equipment and instructions necessary for the collection of saliva samples. The collection of saliva samples shall be performed in a medically approved manner. Only a person trained in the instructions promulgated by the Illinois State Police on collecting saliva may collect saliva for the purposes of this Section. The samples shall thereafter be forwarded to the Illinois Department of State Police, Division of Forensic Services, for analysis and categorizing into genetic marker groupings.

(d-2) The Illinois Department of State Police shall provide all equipment and instructions necessary for the collection of tissue samples. The collection of tissue samples shall be performed in a medically approved manner. Only a person trained in the instructions promulgated by the Illinois State Police on collecting tissue may collect tissue for the purposes of this Section. The samples shall thereafter be forwarded to the Illinois Department of State Police, Division of Forensic Services, for analysis and categorizing into genetic marker groupings.

(d-5) To the extent that funds are available, the Illinois Department of State Police shall contract with qualified personnel and certified laboratories for the collection, analysis, and categorization of known samples.

(d-6) Agencies designated by the Illinois Department of State Police and the Illinois Department of State Police may contract with third parties to provide for the collection or analysis of DNA, or both, of an offender's blood, saliva, and tissue samples.

(e) The genetic marker groupings shall be maintained by the Illinois Department of State Police, Division of Forensic Services.

(f) The genetic marker grouping analysis information obtained pursuant to this Act shall be confidential and shall be released only to peace officers of the United States, of other states or territories, of the insular possessions of the United States, of foreign countries duly authorized to receive the same, to all peace officers of the State of Illinois and to all prosecutorial agencies, and to defense counsel as provided by Section 116-5 of the Code of Criminal Procedure of 1963. The genetic marker grouping analysis information obtained pursuant to this Act shall be used only for (i) valid law enforcement identification purposes and as required by the Federal Bureau of Investigation for participation in the National DNA database, (ii) technology validation purposes, (iii) a population statistics database, (iv) quality assurance purposes if personally identifying information is removed, (v) assisting in the defense of the criminally accused pursuant to Section 116-5 of the Code of Criminal Procedure of 1963, or (vi) identifying and assisting in the prosecution of a person who is suspected of committing a sexual assault as defined in Section 1a of the Sexual Assault Survivors Emergency Treatment Act. Notwithstanding any other statutory provision to the contrary, all information obtained under this Section shall be maintained in a single State data base, which may be uploaded into a national database, and which information may be subject to expungement only as set forth in subsection (f-1).

(f-1) Upon receipt of notification of a reversal of a conviction based on actual innocence, or of the granting of a pardon pursuant to Section 12 of Article V of the Illinois Constitution, if that pardon document specifically states that the reason for the pardon is the actual innocence of an individual whose DNA record has been stored in the State or national DNA identification index in accordance with this Section by the Illinois Department of State Police, the DNA record shall be expunged from the DNA identification index, and the Department shall by rule prescribe procedures to ensure that the record and any samples, analyses, or other documents relating to such record, whether in the possession of the

Department or any law enforcement or police agency, or any forensic DNA laboratory, including any duplicates or copies thereof, are destroyed and a letter is sent to the court verifying the expungement is completed.

(f-5) Any person who intentionally uses genetic marker grouping analysis information, or any other information derived from a DNA sample, beyond the authorized uses as provided under this Section, or any other Illinois law, is guilty of a Class 4 felony, and shall be subject to a fine of not less than \$5,000.

(f-6) The Illinois Department of State Police may contract with third parties for the purposes of implementing this amendatory Act of the 93rd General Assembly. Any other party contracting to carry out the functions of this Section shall be subject to the same restrictions and requirements of this Section insofar as applicable, as the Illinois Department of State Police, and to any additional restrictions imposed by the Illinois Department of State Police.

(g) For the purposes of this Section, "qualifying offense" means any of the following:

(1) any violation or inchoate violation of Section 11-6, 11-9.1, 11-11, 11-18.1, 12-15, or 12-16 of the Criminal Code of 1961;

(1.1) any violation or inchoate violation of Section 9-1, 9-2, 10-1, 10-2, 12-11, 12-11.1, 18-1, 18-2, 18-3, 18-4, 19-1, or 19-2 of the Criminal Code of 1961 for which persons are convicted on or after July 1, 2001;

(2) any former statute of this State which defined a felony sexual offense;

(3) (blank);

(4) any inchoate violation of Section 9-3.1, 11-9.3, 12-7.3, or 12-7.4 of the Criminal Code of 1961; or

(5) any violation or inchoate violation of Article 29D of the Criminal Code of 1961.

(g-5) (Blank).

(h) The Illinois Department of State Police shall be the State central repository for all genetic marker grouping analysis information obtained pursuant to this Act. The Illinois Department of State Police may promulgate rules for the form and manner of the collection of blood, saliva, or tissue samples and other procedures for the operation of this Act. The provisions of the Administrative Review Law shall apply to all actions taken under the rules so promulgated.

(i) (1) A person required to provide a blood, saliva, or tissue specimen shall cooperate with the collection of the specimen and any deliberate act by that person intended to impede, delay or stop the collection of the blood, saliva, or tissue specimen is a Class A misdemeanor.

(2) In the event that a person's DNA sample is not adequate for any reason, the person shall provide another DNA sample for analysis. Duly authorized law enforcement and corrections personnel may employ reasonable force in cases in which an individual refuses to provide a DNA sample required under this Act.

(j) Any person required by subsection (a) to submit specimens of blood, saliva, or tissue to the Illinois Department of State Police for analysis and categorization into genetic marker grouping, in addition to any other disposition, penalty, or fine imposed, shall pay an analysis fee of \$200. If the analysis fee is not paid at the time of sentencing, the court shall establish a fee schedule by which the entire amount of the analysis fee shall be paid in full, such schedule not to exceed 24 months from the time of conviction. The inability to pay this analysis fee shall not be the sole ground to incarcerate the person.

(k) All analysis and categorization fees provided for by subsection (j) shall be regulated as follows:

(1) The State Offender DNA Identification System Fund is hereby created as a special fund in the State Treasury.

(2) All fees shall be collected by the clerk of the court and forwarded to the State Offender DNA Identification System Fund for deposit. The clerk of the circuit court may retain the amount of \$10 from each collected analysis fee to offset administrative costs incurred in carrying out the clerk's responsibilities under this Section.

(3) Fees deposited into the State Offender DNA Identification System Fund shall be used by Illinois State Police crime laboratories as designated by the Director of State Police. These funds shall be in addition to any allocations made pursuant to existing laws and shall be designated for the exclusive use of State crime laboratories. These uses may include, but are not limited to, the following:

(A) Costs incurred in providing analysis and genetic marker categorization as required by subsection (d).

(B) Costs incurred in maintaining genetic marker groupings as required by subsection (e).

(C) Costs incurred in the purchase and maintenance of equipment for use in performing analyses.

(D) Costs incurred in continuing research and development of new techniques for analysis and genetic marker categorization.

(E) Costs incurred in continuing education, training, and professional development of forensic scientists regularly employed by these laboratories.

(I) The failure of a person to provide a specimen, or of any person or agency to collect a specimen, within the 45 day period shall in no way alter the obligation of the person to submit such specimen, or the authority of the Illinois Department of State Police or persons designated by the Department to collect the specimen, or the authority of the Illinois Department of State Police to accept, analyze and maintain the specimen or to maintain or upload results of genetic marker grouping analysis information into a State or national database.

(m) If any provision of this amendatory Act of the 93rd General Assembly is held unconstitutional or otherwise invalid, the remainder of this amendatory Act of the 93rd General Assembly is not affected. (Source: P.A. 93-216, eff. 1-1-04; 93-605, eff. 11-19-03; 93-781, eff. 1-1-05; 94-16, eff. 6-13-05; 94-1018, eff. 1-1-07.)

Section 99. Effective date. This Act takes effect upon becoming law."

Under the rules, the foregoing **Senate Bill No. 710**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 697

A bill for AN ACT concerning criminal law.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 697

House Amendment No. 2 to SENATE BILL NO. 697

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### **AMENDMENT NO. 1 TO SENATE BILL 697**

AMENDMENT NO.   1  . Amend Senate Bill 697 on page 14 by replacing lines 7 and 8 with the following:

"Section 10. The Unified Code of Corrections is amended by changing Sections 3-3-7 and 5-5-3 and by adding Section 5-4-3.2 as follows:

(730 ILCS 5/3-3-7) (from Ch. 38, par. 1003-3-7)

Sec. 3-3-7. Conditions of Parole or Mandatory Supervised Release.

(a) The conditions of parole or mandatory supervised release shall be such as the Prisoner Review Board deems necessary to assist the subject in leading a law-abiding life. The conditions of every parole and mandatory supervised release are that the subject:

(1) not violate any criminal statute of any jurisdiction during the parole or release term;

(2) refrain from possessing a firearm or other dangerous weapon;

(3) report to an agent of the Department of Corrections;

(4) permit the agent to visit him or her at his or her home, employment, or elsewhere to the extent necessary for the agent to discharge his or her duties;

(5) attend or reside in a facility established for the instruction or residence of persons on parole or mandatory supervised release;

(6) secure permission before visiting or writing a committed person in an Illinois Department of Corrections facility;

(7) report all arrests to an agent of the Department of Corrections as soon as permitted by the arresting authority but in no event later than 24 hours after release from custody;

(7.5) if convicted of a sex offense as defined in the Sex Offender Management Board Act,

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the individual shall undergo and successfully complete sex offender treatment conducted in conformance with the standards developed by the Sex Offender Management Board Act by a treatment provider approved by the Board;

(7.6) if convicted of a sex offense as defined in the Sex Offender Management Board Act, refrain from residing at the same address or in the same condominium unit or apartment unit or in the same condominium complex or apartment complex with another person he or she knows or reasonably should know is a convicted sex offender or has been placed on supervision for a sex offense; the provisions of this paragraph do not apply to a person convicted of a sex offense who is placed in a Department of Corrections licensed transitional housing facility for sex offenders, or is in any facility operated or licensed by the Department of Children and Family Services or by the Department of Human Services, or is in any licensed medical facility;

(7.7) if convicted for an offense that would qualify the accused as a sexual predator under the Sex Offender Registration Act on or after the effective date of this amendatory Act of the 94th General Assembly, wear an approved electronic monitoring device as defined in Section 5-8A-2 for the duration of the person's parole, mandatory supervised release term, or extended mandatory supervised release term, provided funding is appropriated by the General Assembly;

(7.8) if convicted under Section 11-6, 11-20.1, 11-20.3, or 11-21 of the Criminal Code of 1961, consent to search of computers, PDAs, cellular phones, and other devices under his or her control that are capable of accessing the Internet or storing electronic files, in order to confirm Internet protocol addresses reported in accordance with the Sex Offender Registration Act and compliance with conditions in this Act;

(8) obtain permission of an agent of the Department of Corrections before leaving the State of Illinois;

(9) obtain permission of an agent of the Department of Corrections before changing his or her residence or employment;

(10) consent to a search of his or her person, property, or residence under his or her control;

(11) refrain from the use or possession of narcotics or other controlled substances in any form, or both, or any paraphernalia related to those substances and submit to a urinalysis test as instructed by a parole agent of the Department of Corrections;

(12) not frequent places where controlled substances are illegally sold, used, distributed, or administered;

(13) not knowingly associate with other persons on parole or mandatory supervised release without prior written permission of his or her parole agent and not associate with persons who are members of an organized gang as that term is defined in the Illinois Streetgang Terrorism Omnibus Prevention Act;

(14) provide true and accurate information, as it relates to his or her adjustment in the community while on parole or mandatory supervised release or to his or her conduct while incarcerated, in response to inquiries by his or her parole agent or of the Department of Corrections;

(15) follow any specific instructions provided by the parole agent that are consistent with furthering conditions set and approved by the Prisoner Review Board or by law, exclusive of placement on electronic detention, to achieve the goals and objectives of his or her parole or mandatory supervised release or to protect the public. These instructions by the parole agent may be modified at any time, as the agent deems appropriate; and

(16) if convicted of a sex offense as defined in subsection (a-5) of Section 3-1-2 of this Code, unless the offender is a parent or guardian of the person under 18 years of age present in the home and no non-familial minors are present, not participate in a holiday event involving children under 18 years of age, such as distributing candy or other items to children on Halloween, wearing a Santa Claus costume on or preceding Christmas, being employed as a department store Santa Claus, or wearing an Easter Bunny costume on or preceding Easter.

(b) The Board may in addition to other conditions require that the subject:

(1) work or pursue a course of study or vocational training;

(2) undergo medical or psychiatric treatment, or treatment for drug addiction or alcoholism;

(3) attend or reside in a facility established for the instruction or residence of persons on probation or parole;

(4) support his dependents;

(5) (blank);

(6) (blank);

(7) comply with the terms and conditions of an order of protection issued pursuant to the Illinois Domestic Violence Act of 1986, enacted by the 84th General Assembly, or an order of protection issued by the court of another state, tribe, or United States territory; and

(8) in addition, if a minor:

- (i) reside with his parents or in a foster home;
- (ii) attend school;
- (iii) attend a non-residential program for youth; or
- (iv) contribute to his own support at home or in a foster home.

(b-1) In addition to the conditions set forth in subsections (a) and (b), persons required to register as sex offenders pursuant to the Sex Offender Registration Act, upon release from the custody of the Illinois Department of Corrections, may be required by the Board to comply with the following specific conditions of release:

- (1) reside only at a Department approved location;
- (2) comply with all requirements of the Sex Offender Registration Act;
- (3) notify third parties of the risks that may be occasioned by his or her criminal record;
- (4) obtain the approval of an agent of the Department of Corrections prior to accepting employment or pursuing a course of study or vocational training and notify the Department prior to any change in employment, study, or training;
- (5) not be employed or participate in any volunteer activity that involves contact with children, except under circumstances approved in advance and in writing by an agent of the Department of Corrections;
- (6) be electronically monitored for a minimum of 12 months from the date of release as determined by the Board;
- (7) refrain from entering into a designated geographic area except upon terms approved in advance by an agent of the Department of Corrections. The terms may include consideration of the purpose of the entry, the time of day, and others accompanying the person;
- (8) refrain from having any contact, including written or oral communications, directly or indirectly, personally or by telephone, letter, or through a third party with certain specified persons including, but not limited to, the victim or the victim's family without the prior written approval of an agent of the Department of Corrections;
- (9) refrain from all contact, directly or indirectly, personally, by telephone, letter, or through a third party, with minor children without prior identification and approval of an agent of the Department of Corrections;
- (10) neither possess or have under his or her control any material that is sexually oriented, sexually stimulating, or that shows male or female sex organs or any pictures depicting children under 18 years of age nude or any written or audio material describing sexual intercourse or that depicts or alludes to sexual activity, including but not limited to visual, auditory, telephonic, or electronic media, or any matter obtained through access to any computer or material linked to computer access use;
- (11) not patronize any business providing sexually stimulating or sexually oriented entertainment nor utilize "900" or adult telephone numbers;
- (12) not reside near, visit, or be in or about parks, schools, day care centers, swimming pools, beaches, theaters, or any other places where minor children congregate without advance approval of an agent of the Department of Corrections and immediately report any incidental contact with minor children to the Department;
- (13) not possess or have under his or her control certain specified items of contraband related to the incidence of sexually offending as determined by an agent of the Department of Corrections;
- (14) may be required to provide a written daily log of activities if directed by an agent of the Department of Corrections;
- (15) comply with all other special conditions that the Department may impose that restrict the person from high-risk situations and limit access to potential victims.

(c) The conditions under which the parole or mandatory supervised release is to be served shall be communicated to the person in writing prior to his release, and he shall sign the same before release. A signed copy of these conditions, including a copy of an order of protection where one had been issued by the criminal court, shall be retained by the person and another copy forwarded to the officer in charge of his supervision.

(d) After a hearing under Section 3-3-9, the Prisoner Review Board may modify or enlarge the

conditions of parole or mandatory supervised release.

(e) The Department shall inform all offenders committed to the Department of the optional services available to them upon release and shall assist inmates in availing themselves of such optional services upon their release on a voluntary basis.

(Source: P.A. 93-616, eff. 1-1-04; 93-865, eff. 1-1-05; 94-159, eff. 7-11-05; 94-161, eff. 7-11-05; 94-988, eff. 1-1-07.)

(730 ILCS 5/5-4-3.2 new)

Sec. 5-4-3.2. Collection and storage of Internet protocol addresses.

(a) Cyber-crimes Location Database. The Attorney General is hereby authorized to establish and maintain the "Illinois Cyber-crimes Location Database" (ICLD) to collect, store, and use Internet protocol (IP) addresses for purposes of investigating and prosecuting child exploitation crimes on the Internet.

(b) "Internet protocol address" means the string of numbers by which a location on the Internet is identified by routers or other computers connected to the Internet.

(c) Collection of Internet Protocol addresses.

(1) Collection upon commitment under the Sexually Dangerous Persons Act. Upon motion for a defendant's confinement under the Sexually Dangerous Persons Act for criminal charges under Section 11-6, 11-20.1, 11-20.3, or 11-21 of the Criminal Code of 1961, the State's Attorney or Attorney General shall record all Internet protocol (IP) addresses which the defendant may access from his or her residence or place of employment, registered in his or her name, or otherwise has under his or her control or custody.

(2) Collection upon conviction. Upon conviction for crimes under Section 11-6, 11-20.1, 11-20.3, or 11-21 of the Criminal Code of 1961, a State's Attorney shall record from defendants all Internet protocol (IP) addresses which the defendant may access from his or her residence or place of employment, registered in his or her name, or otherwise has under his or her control or custody, regardless of the sentence or disposition imposed.

(d) Storage and use of the Database. Internet protocol (IP) addresses recorded pursuant to this Section shall be submitted to the Attorney General for storage and use in the Illinois Cyber-crimes Location Database. The Attorney General and its designated agents may access the database for the purpose of investigation and prosecution of crimes listed in this Section. In addition, the Attorney General is authorized to share information stored in the database with the National Center for Missing and Exploited Children (NCMEC) and any federal, state, or local law enforcement agencies for the investigation or prosecution of child exploitation crimes."; and

on page 33, by replacing lines 13 and 14 with the following:

"Section 15. The Sex Offender Registration Act is amended by changing Sections 2, 3, 8-5, and 10 as follows:"; and

on page 43, by inserting immediately below line 10 the following:

"(J) As used in this Article, "Internet protocol address" means the string of numbers by which a location on the Internet is identified by routers or other computers connected to the Internet."; and

on page 43, by inserting immediately below line 13 the following:

"(730 ILCS 150/3) (from Ch. 38, par. 223)

Sec. 3. Duty to register.

(a) A sex offender, as defined in Section 2 of this Act, or sexual predator shall, within the time period prescribed in subsections (b) and (c), register in person and provide accurate information as required by the Department of State Police. Such information shall include a current photograph, current address, current place of employment, the employer's telephone number, school attended, extensions of the time period for registering as provided in this Article and, if an extension was granted, the reason why the extension was granted and the date the sex offender was notified of the extension. The information shall also include the county of conviction, license plate numbers for every vehicle registered in the name of the sex offender, the age of the sex offender at the time of the commission of the offense, the age of the victim at the time of the commission of the offense, and any distinguishing marks located on the body of the sex offender. A sex offender convicted under Section 11-6, 11-20.1, 11-20.3, or 11-21 of the Criminal Code of 1961 shall provide all Internet protocol (IP) addresses in his or her residence, registered in his or her name, accessible at his or her place of employment, or otherwise under his or her control or custody. A person who has been adjudicated a juvenile delinquent for an act which, if committed by an adult, would be a sex offense shall register as an adult sex offender within 10 days after

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attaining 17 years of age. The sex offender or sexual predator shall register:

(1) with the chief of police in the municipality in which he or she resides or is temporarily domiciled for a period of time of 5 or more days, unless the municipality is the City of Chicago, in which case he or she shall register at the Chicago Police Department Headquarters; or

(2) with the sheriff in the county in which he or she resides or is temporarily domiciled for a period of time of 5 or more days in an unincorporated area or, if incorporated, no police chief exists.

If the sex offender or sexual predator is employed at or attends an institution of higher education, he or she shall register:

(i) with the chief of police in the municipality in which he or she is employed at or attends an institution of higher education, unless the municipality is the City of Chicago, in which case he or she shall register at the Chicago Police Department Headquarters; or

(ii) with the sheriff in the county in which he or she is employed or attends an institution of higher education located in an unincorporated area, or if incorporated, no police chief exists.

For purposes of this Article, the place of residence or temporary domicile is defined as any and all places where the sex offender resides for an aggregate period of time of 5 or more days during any calendar year. Any person required to register under this Article who lacks a fixed address or temporary domicile must notify, in person, the agency of jurisdiction of his or her last known address within 5 days after ceasing to have a fixed residence.

Any person who lacks a fixed residence must report weekly, in person, with the sheriff's office of the county in which he or she is located in an unincorporated area, or with the chief of police in the municipality in which he or she is located. The agency of jurisdiction will document each weekly registration to include all the locations where the person has stayed during the past 7 days.

The sex offender or sexual predator shall provide accurate information as required by the Department of State Police. That information shall include the sex offender's or sexual predator's current place of employment.

(a-5) An out-of-state student or out-of-state employee shall, within 5 days after beginning school or employment in this State, register in person and provide accurate information as required by the Department of State Police. Such information will include current place of employment, school attended, and address in state of residence. A sex offender convicted under Section 11-6, 11-20.1, 11-20.3, or 11-21 of the Criminal Code of 1961 shall provide all Internet protocol (IP) addresses in his or her residence, registered in his or her name, accessible at his or her place of employment, or otherwise under his or her control or custody. The out-of-state student or out-of-state employee shall register:

(1) with the chief of police in the municipality in which he or she attends school or is employed for a period of time of 5 or more days or for an aggregate period of time of more than 30 days during any calendar year, unless the municipality is the City of Chicago, in which case he or she shall register at the Chicago Police Department Headquarters; or

(2) with the sheriff in the county in which he or she attends school or is employed for a period of time of 5 or more days or for an aggregate period of time of more than 30 days during any calendar year in an unincorporated area or, if incorporated, no police chief exists.

The out-of-state student or out-of-state employee shall provide accurate information as required by the Department of State Police. That information shall include the out-of-state student's current place of school attendance or the out-of-state employee's current place of employment.

(a-10) Any law enforcement agency registering sex offenders or sexual predators in accordance with subsections (a) or (a-5) of this Section shall forward to the Attorney General a copy of sex offender registration forms from persons convicted under Section 11-6, 11-20.1, 11-20.3, or 11-21 of the Criminal Code of 1961, including periodic and annual registrations under Section 6 of this Act.

(b) Any sex offender, as defined in Section 2 of this Act, or sexual predator, regardless of any initial, prior, or other registration, shall, within 5 days of beginning school, or establishing a residence, place of employment, or temporary domicile in any county, register in person as set forth in subsection (a) or (a-5).

(c) The registration for any person required to register under this Article shall be as follows:

(1) Any person registered under the Habitual Child Sex Offender Registration Act or the Child Sex Offender Registration Act prior to January 1, 1996, shall be deemed initially registered as of January 1, 1996; however, this shall not be construed to extend the duration of registration set forth in Section 7.

(2) Except as provided in subsection (c)(4), any person convicted or adjudicated prior to January 1, 1996, whose liability for registration under Section 7 has not expired, shall register in

person prior to January 31, 1996.

(2.5) Except as provided in subsection (c)(4), any person who has not been notified of his or her responsibility to register shall be notified by a criminal justice entity of his or her responsibility to register. Upon notification the person must then register within 5 days of notification of his or her requirement to register. If notification is not made within the offender's 10 year registration requirement, and the Department of State Police determines no evidence exists or indicates the offender attempted to avoid registration, the offender will no longer be required to register under this Act.

(3) Except as provided in subsection (c)(4), any person convicted on or after January 1, 1996, shall register in person within 5 days after the entry of the sentencing order based upon his or her conviction.

(4) Any person unable to comply with the registration requirements of this Article because he or she is confined, institutionalized, or imprisoned in Illinois on or after January 1, 1996, shall register in person within 5 days of discharge, parole or release.

(5) The person shall provide positive identification and documentation that substantiates proof of residence at the registering address.

(6) The person shall pay a \$20 initial registration fee and a \$10 annual renewal fee.

The fees shall be used by the registering agency for official purposes. The agency shall establish procedures to document receipt and use of the funds. The law enforcement agency having jurisdiction may waive the registration fee if it determines that the person is indigent and unable to pay the registration fee. Ten dollars for the initial registration fee and \$5 of the annual renewal fee shall be used by the registering agency for official purposes. Ten dollars of the initial registration fee and \$5 of the annual fee shall be deposited into the Sex Offender Management Board Fund under Section 19 of the Sex Offender Management Board Act. Money deposited into the Sex Offender Management Board Fund shall be administered by the Sex Offender Management Board and shall be used to fund practices endorsed or required by the Sex Offender Management Board Act including but not limited to sex offenders evaluation, treatment, or monitoring programs that are or may be developed, as well as for administrative costs, including staff, incurred by the Board.

(d) Within 5 days after obtaining or changing employment and, if employed on January 1, 2000, within 5 days after that date, a person required to register under this Section must report, in person to the law enforcement agency having jurisdiction, the business name and address where he or she is employed. If the person has multiple businesses or work locations, every business and work location must be reported to the law enforcement agency having jurisdiction.

(Source: P.A. 93-616, eff. 1-1-04; 93-979, eff. 8-20-04; 94-166, eff. 1-1-06; 94-168, eff. 1-1-06; 94-994, eff. 1-1-07.)

(730 ILCS 150/8-5)

Sec. 8-5. Verification requirements.

(a) Address verification. The agency having jurisdiction shall verify the address of sex offenders, as defined in Section 2 of this Act, or sexual predators required to register with their agency at least once per year. The verification must be documented in LEADS in the form and manner required by the Department of State Police.

(a-5) Internet Protocol address verification. The agency having jurisdiction may verify the Internet protocol (IP) address of sex offenders, as defined in Section 2 of this Act, who are required to register with their agency under Section 3 of this Act. A copy of any such verification must be sent to the Attorney General for entrance in the Illinois Cyber-crimes Location Database pursuant to Section 5-4-3.2 of the Unified Code of Corrections.

(b) Registration verification. The supervising officer shall, within 15 days of sentencing to probation or release from an Illinois Department of Corrections facility, contact the law enforcement agency in the jurisdiction in which the sex offender or sexual predator designated as his or her intended residence and verify compliance with the requirements of this Act. Revocation proceedings shall be immediately commenced against a sex offender or sexual predator on probation, parole, or mandatory supervised release who fails to comply with the requirements of this Act.

(c) In an effort to ensure that sexual predators and sex offenders who fail to respond to address-verification attempts or who otherwise abscond from registration are located in a timely manner, the Department of State Police shall share information with local law enforcement agencies. The Department shall use analytical resources to assist local law enforcement agencies to determine the potential whereabouts of any sexual predator or sex offender who fails to respond to address-verification attempts or who otherwise absconds from registration. The Department shall review and analyze all available information concerning any such predator or offender who fails to respond to



address-verification attempts or who otherwise absconds from registration and provide the information to local law enforcement agencies in order to assist the agencies in locating and apprehending the sexual predator or sex offender.

(Source: P.A. 93-979, eff. 8-20-04; 94-988, eff. 1-1-07.)

(730 ILCS 150/10) (from Ch. 38, par. 230)

Sec. 10. Penalty.

(a) Any person who is required to register under this Article who violates any of the provisions of this Article and any person who is required to register under this Article who seeks to change his or her name under Article 21 of the Code of Civil Procedure is guilty of a Class 3 felony. Any person who is convicted for a violation of this Act for a second or subsequent time is guilty of a Class 2 felony. Any person who is required to register under this Article who knowingly or wilfully gives material information required by this Article that is false is guilty of a Class 3 felony. Any person convicted of a violation of any provision of this Article shall, in addition to any other penalty required by law, be required to serve a minimum period of 7 days confinement in the local county jail. The court shall impose a mandatory minimum fine of \$500 for failure to comply with any provision of this Article. These fines shall be deposited in the Sex Offender Registration Fund. Any sex offender, as defined in Section 2 of this Act, or sexual predator who violates any provision of this Article may be arrested and tried in any Illinois county where the sex offender can be located. The local police department or sheriff's office is not required to determine whether the person is living within its jurisdiction.

(b) Any person, not covered by privilege under Part 8 of Article VIII of the Code of Civil Procedure or the Illinois Supreme Court's Rules of Professional Conduct, who has reason to believe that a sexual predator is not complying, or has not complied, with the requirements of this Article and who, with the intent to assist the sexual predator in eluding a law enforcement agency that is seeking to find the sexual predator to question the sexual predator about, or to arrest the sexual predator for, his or her noncompliance with the requirements of this Article is guilty of a Class 3 felony if he or she:

(1) provides false information to the law enforcement agency having jurisdiction about the sexual predator's noncompliance with the requirements of this Article, and, if known, the whereabouts of the sexual predator;

(2) harbors, or attempts to harbor, or assists another person in harboring or attempting to harbor, the sexual predator; or

(3) conceals or attempts to conceal, or assists another person in concealing or attempting to conceal, the sexual predator.

(c) Subsection (b) does not apply if the sexual predator is incarcerated in or is in the custody of a State correctional facility, a private correctional facility, a county or municipal jail, a State mental health facility or a State treatment and detention facility, or a federal correctional facility.

(d) Subsections (a) and (b) do not apply if the sex offender accurately registered his or her Internet protocol address under this Act, and the address subsequently changed without his or her knowledge or intent.

(Source: P.A. 93-979, eff. 8-20-04; 94-168, eff. 1-1-06; 94-988, eff. 1-1-07.)

Section 99. Effective date. This Section and Section 5-4-3.2 of the Unified Code of Corrections take effect upon becoming law."

#### AMENDMENT NO. 2 TO SENATE BILL 697

AMENDMENT NO. 2. Amend Senate Bill 697 on page 41, by inserting immediately below line 18 the following:

"11-20.3 (aggravated child pornography)".

Under the rules, the foregoing **Senate Bill No. 697**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 715

A bill for AN ACT concerning health.

[May 31, 2007]

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 2 to SENATE BILL NO. 715  
Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 2 TO SENATE BILL 715**

AMENDMENT NO. 2. Amend Senate Bill 715 on page 2, by inserting immediately below line 7 the following:

"Section 10. Eligibility. All students in the school under the age of 18 are eligible for services if they have obtained written parental consent or if they are otherwise permitted under Illinois law to consent on their own behalf to such care. All students 18 years of age or older are eligible for the services.

Section 15. Consent. The school health center shall provide a list of the health care services available. The form shall enumerate the provided services using either a check off or other means. The consent form shall state that a parent, legal guardian, or student who is permitted under Illinois law to consent on his or her own behalf has a right to refuse any health care services."; and

on page 2, line 8, by changing "Section 10." to "Section 20.".

Under the rules, the foregoing **Senate Bill No. 715**, with House Amendment No. 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 729

A bill for AN ACT concerning education.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 729

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 729**

AMENDMENT NO. 1. Amend Senate Bill 729 on page 3, line 3, after "of", by inserting "a"; and

on page 3, line 4, by replacing "institutions" with "institution"; and

on page 4, line 1, after "policy", by inserting "and speech"; and

on page 4, line 3, by replacing "not" with "neither"; and

on page 4, line 4, after "policy", by inserting "nor speech attributable to a State-sponsored institution of higher learning"; and

on page 4, line 5, by replacing "Unprotected" with "Discipline; unprotected"; and

on page 4, line 7, after "protected", by inserting ", or for speech that is not constitutionally protected, including obscenity or incitement"; and

on page 4, immediately below line 7, by inserting the following:

"Section 35. Immunity. A State-sponsored institution of higher learning shall be immune from any  
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lawsuit arising from expression actually made in campus media, with the exception of the institution's own expression."; and

on page 4, by deleting lines 10 and 11.

Under the rules, the foregoing **Senate Bill No. 729**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 853

A bill for AN ACT concerning education.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 853

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 853**

AMENDMENT NO. 1. Amend Senate Bill 853 on page 2, line 23, after "photograph", by inserting "or other acceptable identification as may be allowed by law or as regulated by the Illinois Community College Board".

Under the rules, the foregoing **Senate Bill No. 853**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 940

A bill for AN ACT concerning health.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 940

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 940**

AMENDMENT NO. 1. Amend Senate Bill 940 on page 3, line 8, by replacing "and" with "or"; and

on page 5, lines 2 and 3, by deleting "as described in clause (3) of this subsection (b)."; and

on page 5, lines 8 and 9, by replacing "subsections subsection (e) and" with "subsection (e) or"; and

on page 5, line 10, by replacing "and 18" with "or 18"; and

on page 5, line 17, by replacing "person" with "patient"; and

on page 5, line 20, by inserting after "redisclosed" the following:

", except as required by clause (e)(2) of Section 3.1 of the Firearm Owners Identification Card Act."; and

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on page 7, by replacing lines 6 through 19 with the following:

~~"treatment, for in patients and excludes institutions, such as community clinics, which only provide treatment to out patients."~~

(2) "Patient" shall include only: (i) a person who is an in-patient or resident of any public or private hospital or mental health facility or (ii) a person who is an out-patient or provided services by a public or private hospital or mental health facility whose mental condition is of such a nature that it is manifested by violent, suicidal, threatening, or assaultive behavior or reported behavior, for which there is a reasonable belief by a physician, clinical psychologist, or qualified examiner that the condition poses a clear and present or imminent danger to the patient, any other person or the community meaning the patient's condition poses a clear and present danger in accordance with subsection (f) of Section 8 of the Firearm Owners Identification Card Act. The terms physician, clinical psychologist, and qualified examiner are defined in Sections 1-120, 1-103, and 1-122 of the Mental Health and Developmental Disabilities Code, mean only a person who is an in-patient or resident of any hospital, not an out-patient or client seen solely for periodic consultation.

(3) "Mental health facility" is defined by Section 1-114 of the Mental Health and Developmental Disabilities Code."

Under the rules, the foregoing **Senate Bill No. 940**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1094

A bill for AN ACT concerning firearms.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1094

House Amendment No. 4 to SENATE BILL NO. 1094

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 1 TO SENATE BILL 1094

AMENDMENT NO. 1. Amend Senate Bill 1094 on page 1, by replacing line 5 with the following:

"amended by changing Sections 1.1, 4, 5, 7, and 8 as follows:

(430 ILCS 65/1.1) (from Ch. 38, par. 83-1.1)

Sec. 1.1. For purposes of this Act:

With respect to a person, the term "has been adjudicated as a mental defective or has been committed to a mental institution" means the person is the subject of a written order by a judicial officer that finds, after a hearing of which such person received actual notice and at which such person had an opportunity to participate with counsel, that the person, as a result of marked subnormal intelligence, mental impairment or mental illness:

(1) is an imminent danger to himself, herself, or to others, and has not been found to no longer present such a danger;

(2) lacks the mental capacity to manage his or her own affairs, and has not been found to have regained the capacity to manage his or her own affairs;

(3) is not guilty in a criminal case by reason of insanity, mental disease or defect, and has not been found to be restored to sanity or cured of such disease or defect;

(4) is incompetent to stand trial in a criminal case, and has not been found to be restored to competency;

(5) is not guilty by reason of lack of mental responsibility pursuant to Articles 50a and 72b of the Uniform Code of Military Justice, 10 U.S.C. 850a, 876b, and has not been found to be mentally responsible;

(6) requires involuntary inpatient treatment by a mental institution, and a judicial officer has not found that the person no longer requires such treatment; or

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(7) requires involuntary outpatient treatment by a mental institution based on a finding that the person is an imminent danger to himself, herself, or to others, and a judicial officer has not found that the person no longer requires such treatment due to such a danger.

The term shall not include an order:

(1) that has expired or that has been set aside or expunged, or from which the person has otherwise been fully released or discharged from all mandatory treatment, supervision, or monitoring; or

(2) where the person subject to the order has been found to be rehabilitated through any procedure available under the law of the jurisdiction where the order was issued.

"Counterfeit" means to copy or imitate, without legal authority, with intent to deceive.

"Federally licensed firearm dealer" means a person who is licensed as a federal firearms dealer under Section 923 of the federal Gun Control Act of 1968 (18 U.S.C. 923).

"Firearm" means any device, by whatever name known, which is designed to expel a projectile or projectiles by the action of an explosion, expansion of gas or escape of gas; excluding, however:

(1) any pneumatic gun, spring gun, paint ball gun or B-B gun which either expels a single globular projectile not exceeding .18 inch in diameter and which has a maximum muzzle velocity of less than 700 feet per second or breakable paint balls containing washable marking colors;

(2) any device used exclusively for signalling or safety and required or recommended by the United States Coast Guard or the Interstate Commerce Commission;

(3) any device used exclusively for the firing of stud cartridges, explosive rivets or similar industrial ammunition; and

(4) an antique firearm (other than a machine-gun) which, although designed as a weapon, the Department of State Police finds by reason of the date of its manufacture, value, design, and other characteristics is primarily a collector's item and is not likely to be used as a weapon.

"Firearm ammunition" means any self-contained cartridge or shotgun shell, by whatever name known, which is designed to be used or adaptable to use in a firearm; excluding, however:

(1) any ammunition exclusively designed for use with a device used exclusively for signalling or safety and required or recommended by the United States Coast Guard or the Interstate Commerce Commission; and

(2) any ammunition designed exclusively for use with a stud or rivet driver or other similar industrial ammunition.

"Gun show" means an event or function:

(1) at which the sale and transfer of firearms is the regular and normal course of business and where 50 or more firearms are displayed, offered, or exhibited for sale, transfer, or exchange; or

(2) at which not less than 10 gun show vendors display, offer, or exhibit for sale, sell, transfer, or exchange firearms.

"Gun show" includes the entire premises provided for an event or function, including parking areas for the event or function, that is sponsored to facilitate the purchase, sale, transfer, or exchange of firearms as described in this Section.

"Gun show" does not include training or safety classes, competitive shooting events, such as rifle, shotgun, or handgun matches, trap, skeet, or sporting clays shoots, dinners, banquets, raffles, or any other event where the sale or transfer of firearms is not the primary course of business.

"Gun show promoter" means a person who organizes or operates a gun show.

"Gun show vendor" means a person who exhibits, sells, offers for sale, transfers, or exchanges any firearms at a gun show, regardless of whether the person arranges with a gun show promoter for a fixed location from which to exhibit, sell, offer for sale, transfer, or exchange any firearm.

"Sanctioned competitive shooting event" means a shooting contest officially recognized by a national or state shooting sport association, and includes any sight-in or practice conducted in conjunction with the event.

"Stun gun or taser" has the meaning ascribed to it in Section 24-1 of the Criminal Code of 1961.

(Source: P.A. 94-6, eff. 1-1-06; 94-353, eff. 7-29-05; revised 8-19-05.)

(430 ILCS 65/4) (from Ch. 38, par. 83-4)

Sec. 4. (a) Each applicant for a Firearm Owner's Identification Card must:

(1) Make application on blank forms prepared and furnished at convenient locations throughout the State by the Department of State Police, or by electronic means, if and when made available by the Department of State Police; and

(2) Submit evidence to the Department of State Police that:

(i) He or she is 21 years of age or over, or if he or she is under 21 years of age

that he or she has the written consent of his or her parent or legal guardian to possess and acquire firearms and firearm ammunition and that he or she has never been convicted of a misdemeanor other than a traffic offense or adjudged delinquent, provided, however, that such parent or legal guardian is not an individual prohibited from having a Firearm Owner's Identification Card and files an affidavit with the Department as prescribed by the Department stating that he or she is not an individual prohibited from having a Card;

(ii) He or she has not been convicted of a felony under the laws of this or any other jurisdiction;

(iii) He or she is not addicted to narcotics;

(iv) He or she has not been a patient in a mental institution within the past 5 years and he or she has not been adjudicated as a mental defective;

(v) He or she is not mentally retarded;

(vi) He or she is not an alien who is unlawfully present in the United States under the laws of the United States;

(vii) He or she is not subject to an existing order of protection prohibiting him or her from possessing a firearm;

(viii) He or she has not been convicted within the past 5 years of battery, assault, aggravated assault, violation of an order of protection, or a substantially similar offense in another jurisdiction, in which a firearm was used or possessed;

(ix) He or she has not been convicted of domestic battery or a substantially similar offense in another jurisdiction committed on or after the effective date of this amendatory Act of 1997;

(x) He or she has not been convicted within the past 5 years of domestic battery or a substantially similar offense in another jurisdiction committed before the effective date of this amendatory Act of 1997;

(xi) He or she is not an alien who has been admitted to the United States under a non-immigrant visa (as that term is defined in Section 101(a)(26) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(26))), or that he or she is an alien who has been lawfully admitted to the United States under a non-immigrant visa if that alien is:

(1) admitted to the United States for lawful hunting or sporting purposes;

(2) an official representative of a foreign government who is:

(A) accredited to the United States Government or the Government's mission to an international organization having its headquarters in the United States; or

(B) en route to or from another country to which that alien is accredited;

(3) an official of a foreign government or distinguished foreign visitor who has been so designated by the Department of State;

(4) a foreign law enforcement officer of a friendly foreign government entering the United States on official business; or

(5) one who has received a waiver from the Attorney General of the United States pursuant to 18 U.S.C. 922(y)(3);

(xii) He or she is not a minor subject to a petition filed under Section 5-520 of the Juvenile Court Act of 1987 alleging that the minor is a delinquent minor for the commission of an offense that if committed by an adult would be a felony; and

(xiii) He or she is not an adult who had been adjudicated a delinquent minor under the Juvenile Court Act of 1987 for the commission of an offense that if committed by an adult would be a felony; and

(3) Upon request by the Department of State Police, sign a release on a form prescribed by the Department of State Police waiving any right to confidentiality and requesting the disclosure to the Department of State Police of limited mental health institution admission information from another state, the District of Columbia, any other territory of the United States, or a foreign nation concerning the applicant for the sole purpose of determining whether the applicant is or was a patient in a mental health institution and disqualified because of that status from receiving a Firearm Owner's Identification Card. No mental health care or treatment records may be requested. The information received shall be destroyed within one year of receipt.

(a-5) Each applicant for a Firearm Owner's Identification Card who is over the age of 18 shall furnish to the Department of State Police either his or her driver's license number or Illinois Identification Card number.

(a-10) Each applicant for a Firearm Owner's Identification Card, who is employed as an armed security officer at a nuclear energy, storage, weapons, or development facility regulated by the Nuclear

Regulatory Commission and who is not an Illinois resident, shall furnish to the Department of State Police his or her driver's license number or state identification card number from his or her state of residence. The Department of State Police may promulgate rules to enforce the provisions of this subsection (a-10).

(b) Each application form shall include the following statement printed in bold type: "Warning: Entering false information on an application for a Firearm Owner's Identification Card is punishable as a Class 2 felony in accordance with subsection (d-5) of Section 14 of the Firearm Owners Identification Card Act."

(c) Upon such written consent, pursuant to Section 4, paragraph (a)(2)(i), the parent or legal guardian giving the consent shall be liable for any damages resulting from the applicant's use of firearms or firearm ammunition.

(Source: P.A. 92-442, eff. 8-17-01; 92-839, eff. 8-22-02; 92-854, eff. 12-5-02; 93-367, eff. 1-1-04.); and

on page 2, by inserting immediately below line 7 the following:

"(430 ILCS 65/8) (from Ch. 38, par. 83-8)

Sec. 8. The Department of State Police has authority to deny an application for or to revoke and seize a Firearm Owner's Identification Card previously issued under this Act only if the Department finds that the applicant or the person to whom such card was issued is or was at the time of issuance:

(a) A person under 21 years of age who has been convicted of a misdemeanor other than a traffic offense or adjudged delinquent;

(b) A person under 21 years of age who does not have the written consent of his parent or guardian to acquire and possess firearms and firearm ammunition, or whose parent or guardian has revoked such written consent, or where such parent or guardian does not qualify to have a Firearm Owner's Identification Card;

(c) A person convicted of a felony under the laws of this or any other jurisdiction;

(d) A person addicted to narcotics;

(e) A person who has been a patient of a mental institution within the past 5 years or has been adjudicated as a mental defective;

(f) A person whose mental condition is of such a nature that it poses a clear and present danger to the applicant, any other person or persons or the community;

For the purposes of this Section, "mental condition" means a state of mind manifested by violent, suicidal, threatening or assaultive behavior.

(g) A person who is mentally retarded;

(h) A person who intentionally makes a false statement in the Firearm Owner's Identification Card application;

(i) An alien who is unlawfully present in the United States under the laws of the United States;

(i-5) An alien who has been admitted to the United States under a non-immigrant visa (as that term is defined in Section 101(a)(26) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(26))), except that this subsection (i-5) does not apply to any alien who has been lawfully admitted to the United States under a non-immigrant visa if that alien is:

(1) admitted to the United States for lawful hunting or sporting purposes;

(2) an official representative of a foreign government who is:

(A) accredited to the United States Government or the Government's mission to an international organization having its headquarters in the United States; or

(B) en route to or from another country to which that alien is accredited;

(3) an official of a foreign government or distinguished foreign visitor who has been so designated by the Department of State;

(4) a foreign law enforcement officer of a friendly foreign government entering the United States on official business; or

(5) one who has received a waiver from the Attorney General of the United States pursuant to 18 U.S.C. 922(y)(3);

(j) A person who is subject to an existing order of protection prohibiting him or her from possessing a firearm;

(k) A person who has been convicted within the past 5 years of battery, assault, aggravated assault, violation of an order of protection, or a substantially similar offense in another jurisdiction, in which a firearm was used or possessed;

(l) A person who has been convicted of domestic battery or a substantially similar offense in another jurisdiction committed on or after January 1, 1998;

(m) A person who has been convicted within the past 5 years of domestic battery or a substantially similar offense in another jurisdiction committed before January 1, 1998;

(n) A person who is prohibited from acquiring or possessing firearms or firearm ammunition by any Illinois State statute or by federal law;

(o) A minor subject to a petition filed under Section 5-520 of the Juvenile Court Act of 1987 alleging that the minor is a delinquent minor for the commission of an offense that if committed by an adult would be a felony; or

(p) An adult who had been adjudicated a delinquent minor under the Juvenile Court Act of 1987 for the commission of an offense that if committed by an adult would be a felony.

(Source: P.A. 92-854, eff. 12-5-02; 93-367, eff. 1-1-04.)

Section 99. Effective date. This Act takes effect upon becoming law."

#### AMENDMENT NO. 4 TO SENATE BILL 1094

AMENDMENT NO. 4. Amend Senate Bill 1094, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Firearm Owners Identification Card Act is amended by changing Sections 1.1, 4, 5, 7, 8, and 8.1 as follows:

(430 ILCS 65/1.1) (from Ch. 38, par. 83-1.1)

Sec. 1.1. For purposes of this Act:

"Has been adjudicated as a mental defective" means the person is the subject of a determination by a court, board, commission or other lawful authority that a person, as a result of marked subnormal intelligence, or mental illness, mental impairment, incompetency, condition, or disease:

(1) is a danger to himself, herself, or to others;

(2) lacks the mental capacity to manage his or her own affairs;

(3) is not guilty in a criminal case by reason of insanity, mental disease or defect;

(4) is incompetent to stand trial in a criminal case; (5) is not guilty by reason of lack of mental responsibility pursuant to Articles 50a and 72b of the Uniform Code of Military Justice, 10 U.S.C. 850a, 876b.

"Counterfeit" means to copy or imitate, without legal authority, with intent to deceive.

"Federally licensed firearm dealer" means a person who is licensed as a federal firearms dealer under Section 923 of the federal Gun Control Act of 1968 (18 U.S.C. 923).

"Firearm" means any device, by whatever name known, which is designed to expel a projectile or projectiles by the action of an explosion, expansion of gas or escape of gas; excluding, however:

(1) any pneumatic gun, spring gun, paint ball gun or B-B gun which either expels a single globular projectile not exceeding .18 inch in diameter and which has a maximum muzzle velocity of less than 700 feet per second or breakable paint balls containing washable marking colors;

(2) any device used exclusively for signalling or safety and required or recommended by the United States Coast Guard or the Interstate Commerce Commission;

(3) any device used exclusively for the firing of stud cartridges, explosive rivets or similar industrial ammunition; and

(4) an antique firearm (other than a machine-gun) which, although designed as a weapon, the Department of State Police finds by reason of the date of its manufacture, value, design, and other characteristics is primarily a collector's item and is not likely to be used as a weapon.

"Firearm ammunition" means any self-contained cartridge or shotgun shell, by whatever name known, which is designed to be used or adaptable to use in a firearm; excluding, however:

(1) any ammunition exclusively designed for use with a device used exclusively for signalling or safety and required or recommended by the United States Coast Guard or the Interstate Commerce Commission; and

(2) any ammunition designed exclusively for use with a stud or rivet driver or other similar industrial ammunition.

"Gun show" means an event or function:

(1) at which the sale and transfer of firearms is the regular and normal course of business and where 50 or more firearms are displayed, offered, or exhibited for sale, transfer, or exchange; or

(2) at which not less than 10 gun show vendors display, offer, or exhibit for sale, sell, transfer, or exchange firearms.

"Gun show" includes the entire premises provided for an event or function, including parking areas for the event or function, that is sponsored to facilitate the purchase, sale, transfer, or exchange



of firearms as described in this Section.

"Gun show" does not include training or safety classes, competitive shooting events, such as rifle, shotgun, or handgun matches, trap, skeet, or sporting clays shoots, dinners, banquets, raffles, or any other event where the sale or transfer of firearms is not the primary course of business.

"Gun show promoter" means a person who organizes or operates a gun show.

"Gun show vendor" means a person who exhibits, sells, offers for sale, transfers, or exchanges any firearms at a gun show, regardless of whether the person arranges with a gun show promoter for a fixed location from which to exhibit, sell, offer for sale, transfer, or exchange any firearm.

"Sanctioned competitive shooting event" means a shooting contest officially recognized by a national or state shooting sport association, and includes any sight-in or practice conducted in conjunction with the event.

"Stun gun or taser" has the meaning ascribed to it in Section 24-1 of the Criminal Code of 1961.

(Source: P.A. 94-6, eff. 1-1-06; 94-353, eff. 7-29-05; revised 8-19-05.)

(430 ILCS 65/4) (from Ch. 38, par. 83-4)

Sec. 4. (a) Each applicant for a Firearm Owner's Identification Card must:

(1) Make application on blank forms prepared and furnished at convenient locations throughout the State by the Department of State Police, or by electronic means, if and when made available by the Department of State Police; and

(2) Submit evidence to the Department of State Police that:

(i) He or she is 21 years of age or over, or if he or she is under 21 years of age that he or she has the written consent of his or her parent or legal guardian to possess and acquire firearms and firearm ammunition and that he or she has never been convicted of a misdemeanor other than a traffic offense or adjudged delinquent, provided, however, that such parent or legal guardian is not an individual prohibited from having a Firearm Owner's Identification Card and files an affidavit with the Department as prescribed by the Department stating that he or she is not an individual prohibited from having a Card;

(ii) He or she has not been convicted of a felony under the laws of this or any other jurisdiction;

(iii) He or she is not addicted to narcotics;

(iv) He or she has not been a patient in a mental institution within the past 5 years and he or she has not been adjudicated as a mental defective;

(v) He or she is not mentally retarded;

(vi) He or she is not an alien who is unlawfully present in the United States under the laws of the United States;

(vii) He or she is not subject to an existing order of protection prohibiting him or her from possessing a firearm;

(viii) He or she has not been convicted within the past 5 years of battery, assault, aggravated assault, violation of an order of protection, or a substantially similar offense in another jurisdiction, in which a firearm was used or possessed;

(ix) He or she has not been convicted of domestic battery or a substantially similar offense in another jurisdiction committed on or after the effective date of this amendatory Act of 1997;

(x) He or she has not been convicted within the past 5 years of domestic battery or a substantially similar offense in another jurisdiction committed before the effective date of this amendatory Act of 1997;

(xi) He or she is not an alien who has been admitted to the United States under a non-immigrant visa (as that term is defined in Section 101(a)(26) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(26))), or that he or she is an alien who has been lawfully admitted to the United States under a non-immigrant visa if that alien is:

(1) admitted to the United States for lawful hunting or sporting purposes;

(2) an official representative of a foreign government who is:

(A) accredited to the United States Government or the Government's mission to an international organization having its headquarters in the United States; or

(B) en route to or from another country to which that alien is accredited;

(3) an official of a foreign government or distinguished foreign visitor who has been so designated by the Department of State;

(4) a foreign law enforcement officer of a friendly foreign government entering the United States on official business; or

(5) one who has received a waiver from the Attorney General of the United States pursuant to 18 U.S.C. 922(y)(3);

(xii) He or she is not a minor subject to a petition filed under Section 5-520 of the Juvenile Court Act of 1987 alleging that the minor is a delinquent minor for the commission of an offense that if committed by an adult would be a felony; and

(xiii) He or she is not an adult who had been adjudicated a delinquent minor under the Juvenile Court Act of 1987 for the commission of an offense that if committed by an adult would be a felony; and

(3) Upon request by the Department of State Police, sign a release on a form prescribed by the Department of State Police waiving any right to confidentiality and requesting the disclosure to the Department of State Police of limited mental health institution admission information from another state, the District of Columbia, any other territory of the United States, or a foreign nation concerning the applicant for the sole purpose of determining whether the applicant is or was a patient in a mental health institution and disqualified because of that status from receiving a Firearm Owner's Identification Card. No mental health care or treatment records may be requested. The information received shall be destroyed within one year of receipt.

(a-5) Each applicant for a Firearm Owner's Identification Card who is over the age of 18 shall furnish to the Department of State Police either his or her driver's license number or Illinois Identification Card number.

(a-10) Each applicant for a Firearm Owner's Identification Card, who is employed as an armed security officer at a nuclear energy, storage, weapons, or development facility regulated by the Nuclear Regulatory Commission and who is not an Illinois resident, shall furnish to the Department of State Police his or her driver's license number or state identification card number from his or her state of residence. The Department of State Police may promulgate rules to enforce the provisions of this subsection (a-10).

(b) Each application form shall include the following statement printed in bold type: "Warning: Entering false information on an application for a Firearm Owner's Identification Card is punishable as a Class 2 felony in accordance with subsection (d-5) of Section 14 of the Firearm Owners Identification Card Act."

(c) Upon such written consent, pursuant to Section 4, paragraph (a)(2)(i), the parent or legal guardian giving the consent shall be liable for any damages resulting from the applicant's use of firearms or firearm ammunition.

(Source: P.A. 92-442, eff. 8-17-01; 92-839, eff. 8-22-02; 92-854, eff. 12-5-02; 93-367, eff. 1-1-04.)

(430 ILCS 65/5) (from Ch. 38, par. 83-5)

Sec. 5. The Department of State Police shall either approve or deny all applications within 30 days from the date they are received, and every applicant found qualified pursuant to Section 8 of this Act by the Department shall be entitled to a Firearm Owner's Identification Card upon the payment of a \$10 ~~\$5~~ fee. ~~\$6~~ ~~\$3~~ of each fee derived from the issuance of Firearm Owner's Identification Cards, or renewals thereof, shall be deposited in the Wildlife and Fish Fund in the State Treasury; \$1 of such fee shall be deposited in the State Police Services Fund and ~~\$3~~ ~~\$4~~ of such fee shall be deposited in the Firearm Owner's Notification Fund. Monies in the Firearm Owner's Notification Fund shall be used exclusively to pay for the cost of sending notices of expiration of Firearm Owner's Identification Cards under Section 13.2 of this Act. Excess monies in the Firearm Owner's Notification Fund shall be used to ensure the prompt and efficient processing of applications received under Section 4 of this Act.

(Source: P.A. 94-353, eff. 7-29-05.)

(430 ILCS 65/7) (from Ch. 38, par. 83-7)

Sec. 7. Except as provided in Section 8 of this Act, a Firearm Owner's Identification Card issued under the provisions of this Act shall be valid for the person to whom it is issued for a period of 10 ~~5~~ years from the date of issuance.

(Source: Laws 1967, p. 2600.)

(430 ILCS 65/8) (from Ch. 38, par. 83-8)

Sec. 8. The Department of State Police has authority to deny an application for or to revoke and seize a Firearm Owner's Identification Card previously issued under this Act only if the Department finds that the applicant or the person to whom such card was issued is or was at the time of issuance:

(a) A person under 21 years of age who has been convicted of a misdemeanor other than a traffic offense or adjudged delinquent;

(b) A person under 21 years of age who does not have the written consent of his parent or guardian to acquire and possess firearms and firearm ammunition, or whose parent or guardian has revoked such written consent, or where such parent or guardian does not qualify to have a Firearm Owner's

Identification Card;

- (c) A person convicted of a felony under the laws of this or any other jurisdiction;
  - (d) A person addicted to narcotics;
  - (e) A person who has been a patient of a mental institution within the past 5 years or has been adjudicated as a mental defective;
  - (f) A person whose mental condition is of such a nature that it poses a clear and present danger to the applicant, any other person or persons or the community;  
For the purposes of this Section, "mental condition" means a state of mind manifested by violent, suicidal, threatening or assaultive behavior.
  - (g) A person who is mentally retarded;
  - (h) A person who intentionally makes a false statement in the Firearm Owner's Identification Card application;
  - (i) An alien who is unlawfully present in the United States under the laws of the United States;
  - (i-5) An alien who has been admitted to the United States under a non-immigrant visa (as that term is defined in Section 101(a)(26) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(26))), except that this subsection (i-5) does not apply to any alien who has been lawfully admitted to the United States under a non-immigrant visa if that alien is:
    - (1) admitted to the United States for lawful hunting or sporting purposes;
    - (2) an official representative of a foreign government who is:
      - (A) accredited to the United States Government or the Government's mission to an international organization having its headquarters in the United States; or
      - (B) en route to or from another country to which that alien is accredited;
    - (3) an official of a foreign government or distinguished foreign visitor who has been so designated by the Department of State;
    - (4) a foreign law enforcement officer of a friendly foreign government entering the United States on official business; or
    - (5) one who has received a waiver from the Attorney General of the United States pursuant to 18 U.S.C. 922(y)(3);
  - (j) A person who is subject to an existing order of protection prohibiting him or her from possessing a firearm;
  - (k) A person who has been convicted within the past 5 years of battery, assault, aggravated assault, violation of an order of protection, or a substantially similar offense in another jurisdiction, in which a firearm was used or possessed;
  - (l) A person who has been convicted of domestic battery or a substantially similar offense in another jurisdiction committed on or after January 1, 1998;
  - (m) A person who has been convicted within the past 5 years of domestic battery or a substantially similar offense in another jurisdiction committed before January 1, 1998;
  - (n) A person who is prohibited from acquiring or possessing firearms or firearm ammunition by any Illinois State statute or by federal law;
  - (o) A minor subject to a petition filed under Section 5-520 of the Juvenile Court Act of 1987 alleging that the minor is a delinquent minor for the commission of an offense that if committed by an adult would be a felony; or
  - (p) An adult who had been adjudicated a delinquent minor under the Juvenile Court Act of 1987 for the commission of an offense that if committed by an adult would be a felony.
- (Source: P.A. 92-854, eff. 12-5-02; 93-367, eff. 1-1-04.)  
 (430 ILCS 65/8.1) (from Ch. 38, par. 83-8.1)  
 Sec. 8.1. Circuit Clerk to notify Department of State Police.  
(a) The Circuit Clerk shall, in the form and manner required by the Supreme Court, notify the Department of State Police of all final dispositions of cases for which the Department has received information reported to it under Section 2.1 of the Criminal Identification Act.  
(b) Upon adjudication of any individual as a mental defective, as defined in Section 1.1, the court shall direct the circuit court clerk to immediately notify the Department of State Police, Firearm Owner's Identification (FOID) department, and shall forward a copy of the court order to the Department.  
 (Source: P.A. 87-905.)"

Under the rules, the foregoing **Senate Bill No. 1094**, with House Amendments numbered 1 and 4, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1183

A bill for AN ACT concerning energy conservation.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1183

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1183**

AMENDMENT NO. 1. Amend Senate Bill 1183 as follows:

on page 1, line 21, by replacing "; lease purchase" with "contract; lease purchase agreement; or other agreement"; and

on page 2, by replacing lines 2 through 4 with "may enter into an installment payment contract, ~~or~~ lease purchase agreement, or other agreement with a qualified provider or with a third-party, as authorized by law, for the funding or financing of the purchase and"; and

on page 2, line 13, by replacing "resolution" with "official action ~~resolution~~"; and

on page 2, line 14, immediately after "governing body." by adding "The authority granted under this Section is in addition to any other authority granted by law.".

Under the rules, the foregoing **Senate Bill No. 1183**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by  
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1746

A bill for AN ACT concerning Latino families.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1746

House Amendment No. 3 to SENATE BILL NO. 1746

Passed the House, as amended, May 31, 2007.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1746**

AMENDMENT NO. 1. Amend Senate Bill 1746 as follows:

on page 4, lines 23 and 24, by replacing "Members shall be appointed by the Governor." with "The Governor, 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 shall each appoint 3 members to the Commission."; and

on page 5, line 22, after "the Commission.", by inserting "The Office of the Governor, in cooperation with the State agencies appointing liaisons to the Commission under this paragraph, shall provide administrative support to the Commission.".

**AMENDMENT NO. 3 TO SENATE BILL 1746**

[May 31, 2007]

AMENDMENT NO. 3. Amend Senate Bill 1746 as follows:

on page 4, line 5, after "Transportation," by inserting "the Department of Employment Security,"; and

on page 5, line 19, after "Corrections," by inserting "the Department of Employment Security,".

Under the rules, the foregoing **Senate Bill No. 1746**, with House Amendments numbered 1 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 126

A bill for AN ACT concerning safety.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 764

A bill for AN ACT concerning State government.

SENATE BILL NO. 774

A bill for AN ACT concerning State government.

SENATE BILL NO. 1041

A bill for AN ACT concerning civil law.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1358

A bill for AN ACT concerning fire safety.

Passed the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3091

A bill for AN ACT concerning local government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3091

Concurred in by the House, May 31, 2007.

MARK MAHONEY, Clerk of the House

[May 31, 2007]

### JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendments 1 and 2 to Senate Bill 8  
 Motion to Concur in House Amendment 3 to Senate Bill 82  
 Motion to Concur in House Amendment 1 to Senate Bill 158  
 Motion to Concur in House Amendment 1 to Senate Bill 314  
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 337  
 Motion to Concur in House Amendment 1 to Senate Bill 574  
 Motion to Concur in House Amendments 4 and 5 to Senate Bill 678  
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 697  
 Motion to Concur in House Amendment 1 to Senate Bill 710  
 Motion to Concur in House Amendment 2 to Senate Bill 715  
 Motion to Concur in House Amendment 1 to Senate Bill 729  
 Motion to Concur in House Amendment 1 to Senate Bill 853  
 Motion to Concur in House Amendment 1 to Senate Bill 940  
 Motion to Concur in House Amendments 1 and 4 to Senate Bill 1094  
 Motion to Concur in House Amendment 1 to Senate Bill 1183  
 Motion to Concur in House Amendments 1 and 3 to Senate Bill 1746

### REPORT FROM RULES COMMITTEE

Senator Halvorson, Chairperson of the Committee on Rules, during its May 31, 2007 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committee of the Senate:

Judiciary Civil Law:        **HOUSE BILL 291.**

Senator Halvorson, Chairperson of the Committee on Rules, reported that the following Legislative Measures have been approved for consideration:

#### **Senate Floor Amendment No. 6 to House Bill 25**

The foregoing floor amendment was placed on the Secretary's Desk.

Senator Halvorson, Chairperson of the Committee on Rules, reported that the following Motions to Concur with House Amendments to the following Senate Bills have been approved for consideration:

**Motion to Concur in House Amendments 1 and 2 to Senate Bill 241**  
**Motion to Concur in House Amendment 2 to Senate Bill 715**  
**Motion to Concur in House Amendments 1 and 2 to Senate Bill 1544**

The foregoing concurrence was placed on the Secretary's Desk.

Senator Righter asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

At the hour of 9:55 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

### AFTER RECESS

[May 31, 2007]

At the hour of 10:19 o'clock p.m., the Senate resumed consideration of business.  
 Senator DeLeo, presiding.

### HOUSE BILL RECALLED

On motion of Senator Clayborne, **House Bill No. 25** was recalled from the order of third reading to the order of second reading.

Senator Clayborne offered the following amendment and moved its adoption:

#### AMENDMENT NO. 3 TO HOUSE BILL 25

AMENDMENT NO. 3. Amend House Bill 25 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Illinois Casino Development Authority Act.

Section 5. Definitions. As used in this Act:

"Authority" means the Illinois Casino Development Authority created by this Act.

"Board" means the board appointed pursuant to this Act to govern and control the Authority.

"Casino" means one or more temporary land-based or river-based facilities and a permanent land-based facility, at each of which lawful gambling is authorized and licensed as provided in the Riverboat and Casino Gambling Act.

"City" means the City of Chicago.

"Casino operator" means any person developing or managing a casino pursuant to a casino development and management contract.

"Casino development and management contract" means a legally binding agreement between the Board and one or more casino operators, as specified in Section 45 of this Act.

"Chief executive officer" means the person appointed by the Mayor, with the advice and consent of the Chicago City Council, to oversee the daily operations of the Authority.

"Gaming Board" means the Illinois Gaming Board created by the Riverboat and Casino Gambling Act.

"Mayor" means the Mayor of the City.

Section 15. Board.

(a) The governing and administrative powers of the Authority shall be vested in a body known as the Illinois Casino Development Board. The Board shall consist of the members of the Board of Directors of the Illinois Sports Facility Authority and members of the Board of the Metropolitan Pier and Exposition Authority. The Governor, with the advice and consent of the Senate, shall appoint the chairperson of the Board from the membership.

(b) Board members shall receive \$300 for each day the Authority meets and shall be entitled to reimbursement of reasonable expenses incurred in the performance of their official duties. A Board member who serves in the office of secretary or treasurer may also receive compensation for services provided as that officer.

Section 25. Organization of Board; meetings. As soon as practicable after the effective date of this Act, the Board shall organize for the transaction of business. The Board shall prescribe the time and place for meetings, the manner in which special meetings may be called, and the notice that must be given to members. All actions and meetings of the Board and its committees shall be subject to the provisions of the Open Meetings Act. A majority of the members of the Board shall constitute a quorum for the transaction of business. All substantive action of the Board shall be by resolution. The affirmative vote of a majority of the members of the Board shall be necessary for the adoption of any resolution.

Section 30. Chief executive officer; officers.

(a) The Mayor, with the advice and consent of the Chicago City Council, shall appoint a chief executive officer of the Authority. The Board shall fix the compensation of the chief executive officer. Subject to the general control of the Board, the chief executive officer shall be responsible for the management of the business, properties, and employees of the Authority. The chief executive officer shall direct the enforcement of all resolutions, rules, and regulations of the Board, and shall perform such other duties as may be prescribed from time to time by the Board. All employees and independent

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contractors, consultants, engineers, architects, accountants, attorneys, financial experts, construction experts and personnel, superintendents, managers, and other personnel appointed or employed pursuant to this Act shall report to the chief executive officer. In addition to any other duties set forth in this Act, the chief executive officer shall do all of the following:

- (1) Direct and supervise the administrative affairs and activities of the Authority in accordance with its rules, regulations, and policies.
  - (2) Attend meetings of the Board.
  - (3) Keep minutes of all proceedings of the Board.
  - (4) Approve all accounts for salaries, per diem payments, and allowable expenses of the Board and its employees and consultants.
  - (5) Report and make recommendations to the Board concerning the terms and conditions of any casino development and management contract.
  - (6) Perform any other duty that the Board requires for carrying out the provisions of this Act.
  - (7) Devote his or her full time to the duties of the office and not hold any other office or employment.
- (b) The Board shall select a secretary and a treasurer, who need not be members of the Board, to hold office at the pleasure of the Board. The Board shall fix the duties and compensation of each such officer.

#### Section 32. Code of Ethics.

(a) No person who is an officer or employee of the Authority or the City may have a financial interest, either directly or indirectly, in his own name or in the name of any other person, partnership, association, trust, corporation, or other entity, in any contract or the performance of any work of the Authority. No such person may represent, either professionally or as agent or otherwise, any person, partnership, association, trust, corporation, or other business entity, with respect to any application or bid for any Authority contract or work, nor may any such person take or receive, or offer to take or receive, either directly or indirectly, any money or other thing of value as a gift or bribe or means of influencing his or her vote or action in his or her official character. Any contract made and procured in violation of this Section is void. The provisions of this Section shall continue to apply equally and in all respects for a period of 2 years from and after the date on which he or she ceases to be an officer or employee.

(b) Any person under subsection (a) may provide materials, merchandise, property, services, or labor, if:

- (1) the contract is with a person, firm, partnership, association, corporation, or other business entity in which the interested person has less than a 7 1/2% share in the ownership;
- (2) the interested person publicly discloses the nature and extent of his or her interest prior to or during deliberations concerning the proposed award of the contract;
- (3) the interested person, if a Board member, abstains from voting on the award of the contract, though he or she shall be considered present for the purposes of establishing a quorum;
- (4) the contract is approved by a majority vote of those members presently holding office;
- (5) for a contract the amount of which exceeds \$1,500, the contract is awarded after sealed bids to the lowest responsible bidder; and
- (6) the award of the contract would not cause the aggregate amount of all such contracts so awarded to the same person, firm, association, partnership, corporation, or other business entity in the same fiscal year to exceed \$25,000.

A contract for the procurement of public utility services with a public utility company is not barred by this Section by any such person being an officer or employee of the public utility company or holding an ownership interest of no more than 7 1/2% in the public utility company. Any such person having such an interest shall be deemed not to have a prohibited interest under this Section.

(c) Before any contract relating to the ownership or use of real property is entered into by and between the Authority, the identity of every owner and beneficiary having an interest, real or personal, in such property, and every shareholder entitled to receive more than 7 1/2% of the total distributable income of any corporation having any interest, real or personal, in such property must be disclosed. The disclosure shall be in writing and shall be subscribed by an owner, authorized trustee, corporate official, or managing agent under oath. However, if stock in a corporation is publicly traded and there is no readily known individual having greater than a 7 1/2% interest, then a statement to that effect, subscribed to under oath by an officer of the corporation or its managing agent, shall fulfill the disclosure statement requirement of this Section. This Section shall be liberally construed to accomplish the purpose of requiring the identification of the actual parties benefiting from any transaction with the Authority



involving the procurement of the ownership or use of real property thereby.

(d) Any member of the Board, officer or employee of the Authority, or other person, who violates any provision of this Section, is guilty of a Class 4 felony and in addition thereto, any office or official position held by any person so convicted shall become vacant, and shall be so declared as part of the judgment of court.

(e) As used in this Section: "financial interest" means (i) any interest as a result of which the owner currently receives or is entitled to receive in the future more than \$2,500 per year; (ii) any interest with a cost or present value of \$5,000 or more; or (iii) any interest representing more than 10% of a corporation, partnership, sole proprietorship, firm, enterprise, franchise, organization, holding company, joint stock company, receivership, trust, or any legal entity organized for profit; provided, however, financial interest shall not include (i) any interest of the spouse of an official or employee which interest is related to the spouse's independent occupation, profession, or employment; (ii) any ownership through purchase at fair market value or inheritance of less than 1% of the shares of a corporation, or any corporate subsidiary, parent, or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (iii) the authorized compensation paid to an official or employee for his office or employment; (iv) a time or demand deposit in a financial institution; and (v) an endowment or insurance policy or annuity contract purchased from an insurance company.

Section 35. General powers of the Board. In addition to the specific powers and duties set forth elsewhere in this Act, the Board may do any of the following:

- (1) Adopt and alter an official seal.
- (2) Sue and be sued, plead and be impleaded, all in its own name, and agree to binding arbitration of any dispute to which it is a party.
- (3) Adopt, amend, and repeal by-laws, rules, and regulations consistent with furtherance of the powers and duties provided in this Act.
- (4) Maintain its principal office within the City and such other offices as the Board may designate.
- (5) Employ, either as regular employees or independent contractors, consultants, engineers, architects, accountants, attorneys, financial experts, construction experts and personnel, superintendents, managers and other professional personnel, casino personnel, and such other personnel as may be necessary in the judgment of the Board, and fix their compensation.
- (6) Acquire, hold, lease, use, encumber, transfer, or dispose of real and personal property, including the alteration of or demolition of improvements to real estate.
- (7) Enter into, revoke, and modify contracts of any kind, including the casino development and management contracts specified in Section 45.
- (9) Subject to the provisions of Section 70, develop, or cause to be developed, a master plan for design, planning, and development of the casino.
- (10) Negotiate and enter into intergovernmental agreements with the State and its agencies, the City, and other units of local government, in furtherance of the powers and duties of the Board.
- (12) Receive and disburse funds for its own corporate purposes or as otherwise specified in this Act.
- (13) Borrow money from any source, public or private, for any corporate purpose, including, without limitation, working capital for its operations, reserve funds, or payment of interest, and to mortgage, pledge, or otherwise encumber the property or funds of the Authority and to contract with or engage the services of any person in connection with any financing, including financial institutions, issuers of letters of credit, or insurers and enter into reimbursement agreements with this person which may be secured as if money were borrowed from the person.
- (14) Issue bonds as provided under this Act.
- (15) Receive and accept from any source, private or public, contributions, gifts, or grants of money or property.
- (16) Make loans from proceeds or funds otherwise available to the extent necessary or appropriate to accomplish the purposes of the Authority.
- (17) Provide for the insurance of any property, operations, officers, members, agents, or employees of the Authority against any risk or hazard, to self-insure or participate in joint self-insurance pools or entities to insure against such risk or hazard, and to provide for the indemnification of its officers, members, employees, contractors, or agents against any and all risks.
- (18) Require the removal or relocation of any building, railroad, main, pipe, conduit, wire, pole, structure, facility, or equipment as may be needed to carry out the powers of the Authority, with the Authority to compensate the person required to remove or relocate the building, railroad, main, pipe, conduit, wire, pole, structure, facility, or equipment as provided by law, without the necessity to secure

any approval from the Illinois Commerce Commission for such removal or for such relocation.

(19) Exercise all the corporate powers granted Illinois corporations under the Business Corporation Act of 1983, except to the extent that powers are inconsistent with those of a body politic and corporate of the State.

(20) Establish and change its fiscal year.

(21) Do all things necessary or convenient to carry out the powers granted by this Act.

#### Section 45. Casino development and management contracts.

(a) The Board shall develop and administer an open and competitive bidding process for the selection of casino operators to develop and operate a casino within the City. The Board shall issue one or more requests for proposal and shall solicit proposals from casino operators in response to such a request. The Board may establish minimum financial and investment requirements to determine the eligibility of persons to respond to the Board's requests for proposal, and may establish and consider such other criteria as it deems appropriate. The Board may impose a fee upon persons who respond to requests for proposal, in order to reimburse the Board for its costs in preparing and issuing the requests and reviewing the proposals.

(b) The Board shall ensure that casino development and management contracts provide for the development, construction, and operation of a high quality casino, and provide for the maximum amounts of revenue that reasonably may be available to the Authority and the City.

(c) The Board shall evaluate the responses to its requests for proposal and the ability of all persons or entities responding to its request for proposal to meet the requirements of this Act and to undertake and perform the obligations set forth in its requests for proposal.

(d) After the review and evaluation of the proposals submitted, the Board shall, in its discretion, enter into one or more casino development and management contracts authorizing the development, construction, and operation of the casino, subject to the provisions of the Riverboat and Casino Gambling Act. The Board may award a casino development and management contract to a person or persons submitting proposals that are not the highest bidders. In doing so it may take into account other factors, such as experience, financial condition, assistance in financing, reputation, and any other factors the Board, in its discretion, believes may increase revenues at the casino.

(e) The Board shall transmit to the Gaming Board a copy of each casino development and management contract after it is executed.

(f) The Board may enter into a casino development and management contract prior to or after adopting a resolution approving a location for the casino and requesting that the Gaming Board issue an owners license to the Authority under the Riverboat and Casino Gambling Act.

Section 50. Transfer of funds. The revenues received by the Authority (other than amounts required to pay the operating expenses of the Authority, to pay amounts due the casino operator pursuant to a casino management and development contract, to repay any borrowing of the Authority made pursuant to Section 35, to pay debt service on any bonds issued under Section 75, and to pay any expenses in connection with the issuance of such bonds pursuant to Section 75 or derivative products pursuant to Section 85) shall be transferred to the City by the Authority and may be applied to any public purpose benefiting the residents of the City.

Section 60. Authority annual expenses. Until sufficient revenues become available for such purpose, the Authority and the City may enter into an intergovernmental agreement whereby the Authority shall receive or borrow funds from the City for its annual operating expenses.

#### Section 65. Acquisition of property; eminent domain proceedings.

(a) The Authority may acquire in its own name, by gift or purchase, any real or personal property or interests in real or personal property necessary or convenient to carry out the purposes of the Act.

(b) For the lawful purposes of this Act, the City may acquire by eminent domain or by condemnation proceedings in the manner provided by the Eminent Domain Act, real or personal property or interests in real or personal property located in the City, and may convey to the Authority property so acquired. The acquisition of property under this Section is declared to be for a public use.

Section 70. Local regulation. The casino facilities and operations therein shall be subject to all ordinances and regulations of the City. The construction, development, and operation of the casino shall comply with all ordinances, regulations, rules, and controls of the City, including but not limited to those relating to zoning and planned development, building, fire prevention, and land use. However, the

regulation of gaming operations is subject to the exclusive jurisdiction of the Gaming Board, except as limited by the Riverboat and Casino Gambling Act.

Section 75. Borrowing.

(a) The Authority may at any time and from time to time borrow money and issue bonds as provided in this Section. Bonds of the Authority may be issued to provide funds for land acquisition, site assembly and preparation, and infrastructure improvements required in connection with the development of the casino; to pay, refund (at the time or in advance of any maturity or redemption), or redeem any bonds of the Authority; to provide or increase a debt service reserve fund or other reserves with respect to any or all of its bonds; to pay interest on bonds; or to pay the legal, financial, administrative, bond insurance, credit enhancement, and other legal expenses of the authorization, issuance, or delivery of bonds. In this Act, the term "bonds" also includes notes of any kind, interim certificates, refunding bonds, or any other evidence of obligation for borrowed money issued under this Section. Bonds may be issued in one or more series and may be payable and secured either on a parity with or separately from other bonds.

(b) The bonds of the Authority shall be payable solely from one or more of the following sources: (i) the property or revenues of the Authority; (ii) revenues derived from the casino; (iii) revenues derived from any casino operator; (iv) fees, bid proceeds, charges, lease payments, payments required pursuant to any casino development and management contract or other revenues payable to the Authority, or any receipts of the Authority; (v) payments by financial institutions, insurance companies, or others pursuant to letters or lines of credit, policies of insurance, or purchase agreements; (vi) investment earnings from funds or accounts maintained pursuant to a bond resolution or trust indenture; and (vii) proceeds of refunding bonds.

(c) Bonds shall be authorized by a resolution of the Authority and may be secured by a trust indenture by and between the Authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or without the State. Bonds may:

(i) Mature at a time or times, whether as serial bonds, term bonds, or both, not exceeding 40 years from their respective dates of issue.

(ii) Without regard to any limitation established by statute, bear interest in the manner or determined by the method provided in the resolution or trust indenture.

(iii) Be payable at a time or times, in the denominations and form, including book entry form, either coupon, registered, or both, and carry the registration and privileges as to exchange, transfer or conversion, and replacement of mutilated, lost, or destroyed bonds as the resolution or trust indenture may provide.

(iv) Be payable in lawful money of the United States at a designated place.

(v) Be subject to the terms of purchase, payment, redemption, refunding, or refinancing that the resolution or trust indenture provides.

(vi) Be executed by the manual or facsimile signatures of the officers of the Authority designated by the Board, which signatures shall be valid at delivery even for one who has ceased to hold office.

(vii) Be sold at public or private sale in the manner and upon the terms determined by the Authority.

(viii) Be issued in accordance with the provisions of the Local Government Debt Reform Act.

(d) Any resolution or trust indenture may contain, subject to the Riverboat and Casino Gambling Act and rules of the Gaming Board regarding pledging of interests in holders of owners licenses, provisions that shall be a part of the contract with the holders of the bonds as to the following:

(1) Pledging, assigning, or directing the use, investment, or disposition of revenues of the Authority or proceeds or benefits of any contract, including without limitation, any rights in any casino development and management contract.

(2) The setting aside of loan funding deposits, debt service reserves, capitalized interest accounts, replacement or operating reserves, cost of issuance accounts and sinking funds, and the regulation, investment, and disposition thereof.

(3) Limitations on the purposes to which or the investments in which the proceeds of sale of any issue of bonds or the Authority's revenues and receipts may be applied or made.

(4) Limitations on the issue of additional bonds, the terms upon which additional bonds may be issued and secured, the terms upon which additional bonds may rank on a parity with, or be subordinate or superior to, other bonds.

(5) The refunding, advance refunding, or refinancing of outstanding bonds.

(6) The procedure, if any, by which the terms of any contract with bondholders may be

altered or amended and the amount of bonds and holders of which must consent thereto and the manner in which consent shall be given.

(7) Defining the acts or omissions which shall constitute a default in the duties of the Authority to holders of bonds and providing the rights or remedies of such holders in the event of a default, which may include provisions restricting individual rights of action by bondholders.

(8) Providing for guarantees, pledges of property, letters of credit, or other security, or insurance for the benefit of bondholders.

(9) Any other matter relating to the bonds that the Authority determines appropriate.

(e) No member of the Board, nor any person executing the bonds, shall be liable personally on the bonds or subject to any personal liability by reason of the issuance of the bonds.

(f) The Authority may issue and secure bonds in accordance with the provisions of the Local Government Credit Enhancement Act.

(g) A pledge by the Authority of revenues and receipts as security for an issue of bonds or for the performance of its obligations under any casino development and management contract shall be valid and binding from the time when the pledge is made. The revenues and receipts pledged shall immediately be subject to the lien of the pledge without any physical delivery or further act, and the lien of any pledge shall be valid and binding against any person having any claim of any kind in tort, contract, or otherwise against the Authority, irrespective of whether the person has notice. No resolution, trust indenture, management agreement or financing statement, continuation statement, or other instrument adopted or entered into by the Authority need be filed or recorded in any public record other than the records of the Authority in order to perfect the lien against third persons, regardless of any contrary provision of law.

(h) By its authorizing resolution for particular bonds, the Authority may provide for specific terms of those bonds, including, without limitation, the purchase price and terms, interest rate or rates, redemption terms and principal amounts maturing in each year, to be established by one or more members of the Board or officers of the Authority, all within a specific range of discretion established by the authorizing resolution.

(i) Bonds that are being paid or retired by issuance, sale, or delivery of bonds, and bonds for which sufficient funds have been deposited with the paying agent or trustee to provide for payment of principal and interest thereon, and any redemption premium, as provided in the authorizing resolution, shall not be considered outstanding for the purposes of this subsection.

(j) The bonds of the Authority shall not be indebtedness of the City, of the State, or of any political subdivision of the State other than the Authority. The bonds of the Authority are not general obligations of the State or the City and are not secured by a pledge of the full faith and credit of the State or the City and the holders of bonds of the Authority may not require, except as provided in this Act, the application of revenues or funds to the payment of bonds of the Authority.

(k) The State of Illinois pledges and agrees with the owners of the bonds that it will not limit or alter the rights and powers vested in the Authority by this Act so as to impair the terms of any contract made by the Authority with the owners or in any way impair the rights and remedies of the owners until the bonds, together with interest on them, and all costs and expenses in connection with any action or proceedings by or on behalf of the owners, are fully met and discharged. The Authority is authorized to include this pledge and agreement in any contract with the owners of bonds issued under this Section.

Section 85. Derivative products. With respect to all or part of any issue of its bonds, the Authority may enter into agreements or contracts with any necessary or appropriate person, which will have the benefit of providing to the Authority an interest rate basis, cash flow basis, or other basis different from that provided in the bonds for the payment of interest. Such agreements or contracts may include, without limitation, agreements or contracts commonly known as "interest rate swap agreements", "forward payment conversion agreements", "futures", "options", "puts", or "calls" and agreements or contracts providing for payments based on levels of or changes in interest rates, agreements or contracts to exchange cash flows or a series of payments, or to hedge payment, rate spread, or similar exposure.

Section 90. Legality for investment. The State of Illinois, all governmental entities, all public officers, banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds issued under this Act. However, nothing in this Section shall be construed as relieving any person, firm, or corporation

from any duty of exercising reasonable care in selecting securities for purchase or investment.

Section 95. Tax exemption. The Authority and all of its operations and property used for public purposes shall be exempt from all taxation of any kind imposed by the State of Illinois or any political subdivision, school district, municipal corporation, or unit of local government of the State of Illinois. However, nothing in this Act prohibits the imposition of any other taxes where such imposition is not prohibited by Section 21 of the Riverboat and Casino Gambling Act.

Section 100. Application of laws. The Governmental Account Audit Act, the Public Funds Statement Publication Act, and the Illinois Municipal Budget Law shall not apply to the Authority.

Section 105. Budgets and reporting.

(a) Promptly following the execution of each casino development and management contract provided for in this Act, the Authority shall submit a written report with respect thereto to the Governor, the Mayor, the Secretary of the Senate, the Clerk of the House of Representatives, and the Commission on Government Forecasting and Accountability.

(b) The Authority shall annually adopt a current expense budget for each fiscal year. The budget may be modified from time to time in the same manner and upon the same vote as it may be adopted. The budget shall include the Authority's available funds and estimated revenues and shall provide for payment of its obligations and estimated expenditures for the fiscal year, including, without limitation, expenditures for administration, operation, maintenance and repairs, debt service, and deposits into reserve and other funds and capital projects.

(c) The Board shall annually cause the finances of the Authority to be audited by a firm of certified public accountants.

(d) The Authority shall, for each fiscal year, prepare an annual report setting forth information concerning its activities in the fiscal year and the status of the development of the casino. The annual report shall include the audited financial statements of the Authority for the fiscal year, the budget for the succeeding fiscal year, and the current capital plan as of the date of the report. Copies of the annual report shall be made available to persons who request them and shall be submitted not later than 120 days after the end of the Authority's fiscal year to the Governor, the Mayor, the Secretary of the Senate, the Clerk of the House of Representatives, and the Commission on Government Forecasting and Accountability.

Section 110. Deposit and withdrawal of funds.

(a) All funds deposited by the Authority in any bank or savings and loan association shall be placed in the name of the Authority and shall be withdrawn or paid out only by check or draft upon the bank or savings and loan association, signed by 2 officers or employees designated by the Board. Notwithstanding any other provision of this Section, the Board may designate any of its members or any officer or employee of the Authority to authorize the wire transfer of funds deposited by the secretary-treasurer of funds in a bank or savings and loan association for the payment of payroll and employee benefits-related expenses.

No bank or savings and loan association shall receive public funds as permitted by this Section unless it has complied with the requirements established pursuant to Section 6 of the Public Funds Investment Act.

(b) If any officer or employee whose signature appears upon any check or draft issued pursuant to this Act ceases (after attaching his signature) to hold his or her office before the delivery of such a check or draft to the payee, his or her signature shall nevertheless be valid and sufficient for all purposes with the same effect as if he or she had remained in office until delivery thereof.

Section 115. Purchasing.

(a) All construction contracts and contracts for supplies, materials, equipment, and services, when the cost thereof to the Authority exceeds \$25,000, shall be let to the lowest responsible bidder, after advertising for bids, except for the following:

- (1) When repair parts, accessories, equipment, or services are required for equipment or services previously furnished or contracted for;
- (2) Professional services;
- (3) When services such as water, light, heat, power, telephone (other than long-distance service), or telegraph are required;
- (4) When contracts for the use, purchase, delivery, movement, or installation of data

processing equipment, software, or services and telecommunications equipment, software, and services are required;

(5) Casino development and management contracts, which shall be awarded as set forth in Section 45 of this Act.

(b) All contracts involving less than \$25,000 shall be let by competitive bidding whenever possible, and in any event in a manner calculated to ensure the best interests of the public.

(c) Each bidder shall disclose in his or her bid the name of each individual having a beneficial interest, directly or indirectly, of more than 1% in such bidding entity and, if such bidding entity is a corporation, the names of each of its officers and directors. The bidder shall notify the Authority of any changes in its ownership or its officers or directors at the time such changes occur if the change occurs during the pendency of a proposal or a contract.

(d) In determining the responsibility of any bidder, the Authority may take into account the bidder's (or an individual having a beneficial interest, directly or indirectly, of more than 1% in such bidding entity) past record of dealings with the Authority, the bidder's experience, adequacy of equipment, and ability to complete performance within the time set, and other factors besides financial responsibility, but in no case shall any such contract be awarded to any other than the lowest bidder (in case of purchase or expenditure) unless authorized or approved by a vote of at least 4 members of the Board, and unless such action is accompanied by a statement in writing setting forth the reasons for not awarding the contract to the highest or lowest bidder, as the case may be. The statement shall be kept on file in the principal office of the Authority and open to public inspection.

(e) Contracts shall not be split into parts involving expenditures of less than \$25,000 for the purposes of avoiding the provisions of this Section, and all such split contracts shall be void. If any collusion occurs among bidders or prospective bidders in restraint of freedom of competition, by agreement to bid a fixed amount, to refrain from bidding, or otherwise, the bids of such bidders shall be void. Each bidder shall accompany his or her bid with a sworn statement that he or she has not been a party to any such agreement.

(f) The Authority shall have the right to reject all bids and to re-advertise for bids. If after any such re-advertisement, no responsible and satisfactory bid, within the terms of the re-advertisement, is received, the Authority may award such contract without competitive bidding, provided that it shall not be less advantageous to the Authority than any valid bid received pursuant to advertisement.

(g) Advertisements for bids and re-bids shall be published at least once in a daily newspaper of general circulation published in the City at least 10 calendar days before the time for receiving bids, and such advertisements shall also be posted on readily accessible bulletin boards in the principal office of the Authority. Such advertisements shall state the time and place for receiving and opening of bids and, by reference to plans and specifications on file at the time of the first publication or in the advertisement itself, shall describe the character of the proposed contract in sufficient detail to fully advise prospective bidders of their obligations and to ensure free and open competitive bidding.

(h) All bids in response to advertisements shall be sealed and shall be publicly opened by the Authority. All bidders shall be entitled to be present in person or by representatives. Cash or a certified or satisfactory cashier's check, as a deposit of good faith, in a reasonable amount to be fixed by the Authority before advertising for bids, shall be required with the proposal of each bidder. A bond for faithful performance of the contract with surety or sureties satisfactory to the Authority and adequate insurance may be required in reasonable amounts to be fixed by the Authority before advertising for bids.

(i) The contract shall be awarded as promptly as possible after the opening of bids. The bid of the successful bidder, as well as the bids of the unsuccessful bidders, shall be placed on file and be open to public inspection. All bids shall be void if any disclosure of the terms of any bid in response to an advertisement is made or permitted to be made by the Authority before the time fixed for opening bids.

#### Section 130. Affirmative action and equal opportunity obligations of Authority.

(a) The Authority shall establish and maintain an affirmative action program designed to promote equal employment and management opportunity and eliminate the effects of past discrimination in the City and the State. The program shall include a plan, including timetables where appropriate, which shall specify goals and methods for increasing participation by women and minorities in employment and management by the Authority and by parties that contract with the Authority. The program shall also establish procedures and sanctions (including debarment), which the Authority shall enforce to ensure compliance with the plan established pursuant to this Section and with State and federal laws and regulations relating to the employment of women and minorities. A determination by the Authority as to whether a party to a contract with the Authority has achieved the goals or employed the methods for

increasing participation by women and minorities shall be made in accordance with the terms of such contracts or the applicable provisions of rules and regulations existing at the time the contract was executed, including any provisions for consideration of good faith efforts at compliance that the Authority may reasonably adopt.

(b) The Authority shall adopt and maintain minority and female owned business enterprise procurement programs under the affirmative action program described in subsection (a) for any and all work undertaken by the Authority and for the development and management of any casino owned by the City. That work shall include, but is not limited to, the purchase of professional services, construction services, supplies, materials, and equipment. The programs shall establish goals of awarding not less than 25% of the annual dollar value of all contracts, including but not limited to management and development contracts, purchase orders, and other agreements (collectively referred to as "contracts"), to minority owned businesses and 5% of the annual dollar value of all contracts to female owned businesses. Without limiting the generality of the foregoing, the programs shall require, in connection with the prequalification or consideration of vendors for professional service contracts, construction contracts, contracts for supplies, materials, equipment, and services, and development and management contracts that each proposer or bidder submit as part of his or her proposal or bid a commitment detailing how he or she will expend 25% or more of the dollar value of his or her contracts with one or more minority owned businesses and 5% or more of the dollar value with one or more female owned businesses. Bids or proposals that do not include such detailed commitments are not responsive and shall be rejected unless the Authority deems it appropriate to grant a waiver of these requirements. The commitment to minority and female owned business participation may be met by the contractor's, professional service provider's, developer's, or manager's status as a minority or female owned business, by joint venture, by subcontracting a portion of the work with or purchasing materials for the work from one or more such businesses, or by any combination thereof. Each contract shall require the contractor, provider, developer, or manager to submit a certified monthly report detailing the status of its compliance with the Authority's minority and female owned business enterprise procurement program. If, in connection with a particular contract, the Authority determines that it is impracticable or excessively costly to obtain minority or female owned businesses to perform sufficient work to fulfill the commitment required by this subsection (b), the Authority shall reduce or waive the commitment in the contract, as may be appropriate. The Authority shall establish rules setting forth the standards to be used in determining whether or not a reduction or waiver is appropriate. The terms "minority owned business" and "female owned business" have the meanings given to those terms in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(c) The Authority is authorized to enter into agreements with contractors' associations, labor unions, and the contractors working on the development of the casino to establish an apprenticeship preparedness training program to provide for an increase in the number of minority and female journeymen and apprentices in the building trades and to enter into agreements with community college districts or other public or private institutions to provide readiness training. The Authority is further authorized to enter into contracts with public and private educational institutions and persons in the gaming, entertainment, hospitality, and tourism industries to provide training for employment in those industries.

Section 135. Advisory Committee. An Advisory Committee is established to monitor, review, and report on (1) the City's utilization of minority-owned business enterprises and female-owned business enterprises, (2) employment of females, and (3) employment of minorities with regard to the development and construction of the casino as authorized under Section 7(e-6) of the Riverboat and Casino Gambling Act. The City of Chicago shall work with the Advisory Committee in accumulating necessary information for the Committee to submit reports, as necessary, to the General Assembly and to the City of Chicago.

The Committee shall consist of 13 members as provided in this Section. Seven members shall be selected by the Mayor of the City of Chicago; 2 members shall be selected by the President of the Illinois Senate; 2 members shall be selected by the Speaker of the House of Representatives; one member shall be selected by the Minority Leader of the Senate; and one member shall be selected by the Minority Leader of the House of Representatives. The Advisory Committee shall meet periodically and shall report the information to the Mayor of the City and to the General Assembly by December 31st of every year.

The Advisory Committee shall be dissolved on the date that casino gambling operations are first conducted under the license authorized under Section 7(e-6) of the Riverboat and Casino Gambling Act, other than at a temporary facility.

[May 31, 2007]

For the purposes of this Section, the terms "female" and "minority person" have the meanings provided in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

Section 900. Findings. The legislature makes all of the following findings:

(1) That riverboat gaming has had a negative impact on horse racing. From 1992, the first full year of riverboat operations, through 2005, Illinois on-track wagering has decreased by 42% from \$835 million to \$482 million.

(2) That this decrease in wagering has negatively impacted purses for Illinois racing, which has hurt the State's breeding industry. Between 1991 and 2004 the number of foals registered with the Department of Agriculture has decreased by more than 46% from 3,529 to 1,891.

(3) That the decline of the Illinois horseracing and breeding program, a \$2.5 billion industry, would be reversed if this amendatory Act of the 95th General Assembly was enacted. By requiring that riverboats agree to pay those percentages of their gross revenue identified in Section 7 of the Riverboat and Casino Gambling Act of this amendatory Act of the 95th General Assembly into the Horse Racing Equity Trust Fund, total purses in the State may increase by 50%, helping Illinois tracks to better compete with those in other states. Illinois currently ranks thirteenth nationally in terms of its purse size; the change would propel the State to second or third.

(4) That Illinois agriculture and other businesses that support and supply the horse racing industry, already a sector that employs over 37,000 Illinoisans, also stand to substantially benefit and would be much more likely to create additional jobs should Illinois horse racing once again become competitive with other states.

(5) That the percentage of gross revenues this amendatory Act of the 95th General Assembly will contribute to the horse racing industry will benefit that important industry for Illinois farmers, breeders, and fans of horseracing and will begin to address the negative impact riverboat gaming has had on Illinois horseracing.

Section 905. The Alcoholism and Other Drug Abuse and Dependency Act is amended by changing Section 5-20 as follows:

(20 ILCS 301/5-20)

Sec. 5-20. Compulsive gambling program.

(a) Subject to appropriation, the Department shall establish a program for public education, research, and training regarding problem and compulsive gambling and the treatment and prevention of problem and compulsive gambling. Subject to specific appropriation for these stated purposes, the program must include all of the following:

(1) Establishment and maintenance of a toll-free "800" telephone number to provide crisis counseling and referral services to families experiencing difficulty as a result of problem or compulsive gambling.

(2) Promotion of public awareness regarding the recognition and prevention of problem and compulsive gambling.

(3) Facilitation, through in-service training and other means, of the availability of effective assistance programs for problem and compulsive gamblers.

(4) Conducting studies to identify adults and juveniles in this State who are, or who are at risk of becoming, problem or compulsive gamblers.

(b) Subject to appropriation, the Department shall either establish and maintain the program or contract with a private or public entity for the establishment and maintenance of the program. Subject to appropriation, either the Department or the private or public entity shall implement the toll-free telephone number, promote public awareness, and conduct in-service training concerning problem and compulsive gambling.

(c) Subject to appropriation, the Department shall produce and supply the signs specified in Section 10.7 of the Illinois Lottery Law, Section 34.1 of the Illinois Horse Racing Act of 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1 of the Charitable Games Act, and Section 13.1 of the Riverboat and Casino Gambling Act.

(Source: P.A. 89-374, eff. 1-1-96; 89-626, eff. 8-9-96.)

Section 910. The Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is amended by adding Section 605-530 as follows:

(20 ILCS 605/605-530 new)

[May 31, 2007]



Sec. 605-530. The Depressed Communities Economic Development Board.

(a) The Depressed Communities Economic Development Board is created as an advisory board within the Department of Commerce and Economic Opportunity. The Board shall consist of 10 members as follows:

(1) 2 members appointed by the President of the Senate, one of whom is appointed to serve an initial term of one year and one of whom is appointed to serve an initial term of 2 years.

(2) 2 members appointed by the Minority Leader of the Senate, one of whom is appointed to serve an initial term of one year and one of whom is appointed to serve an initial term of 2 years.

(3) 2 members appointed by the Speaker of the House of Representatives, one of whom is appointed to serve an initial term of one year and one of whom is appointed to serve an initial term of 2 years.

(4) 2 members appointed by the Minority Leader of the House of Representatives, one of whom is appointed to serve an initial term of one year and one of whom is appointed to serve an initial term of 2 years.

(5) 2 members appointed by the Governor with the advice and consent of the Senate, one of whom is appointed to serve an initial term of one year and one of whom is appointed to serve an initial term of 2 years as chair of the Board at the time of appointment.

After the initial terms, each member shall be appointed to serve a term of 2 years and until his or her successor has been appointed and assumes office. If a vacancy occurs in the Board membership, the vacancy shall be filled in the same manner as the initial appointment.

(b) Board members shall serve without compensation but may be reimbursed for their reasonable travel expenses from funds available for that purpose. The Department of Commerce and Economic Opportunity shall provide staff and administrative support services to the Board.

(c) The Board must make recommendations to the Department of Commerce and Economic Opportunity concerning the award of grants from amounts appropriated to the Department from the Depressed Communities Economic Development Fund. The Department must make grants to public or private entities submitting proposals to the Board to revitalize an Illinois depressed community. Grants may be used by these entities only for those purposes conditioned with the grant. For the purposes of this subsection (c), plans for revitalizing an Illinois depressed community include plans intended to curb high levels of poverty, unemployment, job and population loss, and general distress. An Illinois depressed community (i) is an area where the poverty rate, as determined by using the most recent data released by the United States Census Bureau, is at least 3% greater than the State poverty rate as determined by using the most recent data released by the United States Census Bureau; or (ii) is an area within following zip codes: 60064, 60085, 60087, 60104, 60153, 60160, 60402, 60406, 60409, 60411, 60419, 60426, 60429, 60431, 60432, 60433, 60441, 60472, 60473, 60505, 60608, 60609, 60612, 60614, 60615, 60617, 60618, 60619, 60620, 60622, 60623, 60624, 60628, 60629, 60630, 60632, 60636, 60637, 60638, 60639, 60641, 60643, 60644, 60647, 60649, 60651, 60652, 60653, 60655, 60804, 60827, 61101, 61102, 61103, 61104, 61801, 61802, 61820, 61821, 62002, 62060, 62090, 62201, 62203, 62204, 62205, 62206, 62207, 62220, 62221, 62223, 62522, 62523, 62524, 62525, 62526, 62801, 62914, and 62963.

Section 915. The Department of Revenue Law of the Civil Administrative Code of Illinois is amended by changing Section 2505-305 as follows:

(20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

Sec. 2505-305. Investigators.

(a) The Department has the power to appoint investigators to conduct all investigations, searches, seizures, arrests, and other duties imposed under the provisions of any law administered by the Department or the Illinois Gaming Board. Except as provided in subsection (c), these investigators have and may exercise all the powers of peace officers solely for the purpose of enforcing taxing measures administered by the Department or the Illinois Gaming Board.

(b) The Director must authorize to each investigator employed under this Section and to any other employee of the Department exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Department and (ii) contains a unique identifying number. No other badge shall be authorized by the Department.

(c) Investigators appointed under this Section who are assigned to the Illinois Gaming Board have and may exercise all the rights and powers of peace officers, provided that these powers shall be limited to offenses or violations occurring or committed on a riverboat or dock or in a casino, as defined in ~~subsections (d) and (f) of Section 4 of the Riverboat and Casino Gambling Act.~~

(Source: P.A. 91-239, eff. 1-1-00; 91-883, eff. 1-1-01; 92-493, eff. 1-1-02.)

Section 920. The State Finance Act is amended by changing Section 8a and by reenacting and changing Section 8h as follows:

(30 ILCS 105/8a) (from Ch. 127, par. 144a)

(Text of Section before amendment by P.A. 94-1105)

Sec. 8a. Common School Fund; transfers to Common School Fund and Education Assistance Fund.

(a) Except as provided in subsection (b) of this Section and except as otherwise provided in this subsection (a) with respect to amounts transferred from the General Revenue Fund to the Common School Fund for distribution therefrom for the benefit of the Teachers' Retirement System of the State of Illinois and the Public School Teachers' Pension and Retirement Fund of Chicago:

(1) With respect to all school districts, for each fiscal year other than fiscal year 1994, on or before the eleventh and twenty-first days of each of the months of August through the following July, at a time or times designated by the Governor, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Common School Fund and Education Assistance Fund, as appropriate, 1/24 or so much thereof as may be necessary of the amount appropriated to the State Board of Education for distribution to all school districts from such Common School Fund and Education Assistance Fund, for the fiscal year, including interest on the School Fund proportionate for that distribution for such year.

(2) With respect to all school districts, but for fiscal year 1994 only, on the 11th day of August, 1993 and on or before the 11th and 21st days of each of the months of October, 1993 through July, 1994 at a time or times designated by the Governor, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Common School Fund 1/24 or so much thereof as may be necessary of the amount appropriated to the State Board of Education for distribution to all school districts from such Common School Fund, for fiscal year 1994, including interest on the School Fund proportionate for that distribution for such year; and on or before the 21st day of August, 1993 at a time or times designated by the Governor, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Common School Fund 3/24 or so much thereof as may be necessary of the amount appropriated to the State Board of Education for distribution to all school districts from the Common School Fund, for fiscal year 1994, including interest proportionate for that distribution on the School Fund for such fiscal year.

The amounts of the payments made in July of each year: (i) shall be considered an outstanding liability as of the 30th day of June immediately preceding those July payments, within the meaning of Section 25 of this Act; (ii) shall be payable from the appropriation for the fiscal year that ended on that 30th day of June; and (iii) shall be considered payments for claims covering the school year that commenced during the immediately preceding calendar year.

Notwithstanding the foregoing provisions of this subsection, as soon as may be after the 10th and 20th days of each of the months of August through May, 1/24, and on or as soon as may be after the 10th and 20th days of June, 1/12 of the annual amount appropriated to the State Board of Education for distribution and payment during that fiscal year from the Common School Fund to and for the benefit of the Teachers' Retirement System of the State of Illinois (until the end of State fiscal year 1995) and the Public School Teachers' Pension and Retirement Fund of Chicago as provided by the Illinois Pension Code and Section 18-7 of the School Code, or so much thereof as may be necessary, shall be transferred by the State Treasurer and the State Comptroller from the General Revenue Fund to the Common School Fund to permit semi-monthly payments from the Common School Fund to and for the benefit of such teacher retirement systems as required by Section 18-7 of the School Code.

Notwithstanding the other provisions of this Section, on or as soon as may be after the 15th day of each month, beginning in July of 1995, 1/12 of the annual amount appropriated for that fiscal year from the Common School Fund to the Teachers' Retirement System of the State of Illinois (other than amounts appropriated under Section 1.1 of the State Pension Funds Continuing Appropriation Act), or so much thereof as may be necessary, shall be transferred by the State Treasurer and the State Comptroller from the General Revenue Fund to the Common School Fund to permit monthly payments from the Common School Fund to that retirement system in accordance with Section 16-158 of the Illinois Pension Code and Section 18-7 of the School Code, except that such transfers in fiscal year 2004 from the General Revenue Fund to the Common School Fund for the benefit of the Teachers' Retirement System of the State of Illinois shall be reduced in the aggregate by the State Comptroller and State Treasurer to adjust for the amount transferred to the Teachers' Retirement System of the State of Illinois pursuant to subsection (a) of Section 6z-61. Amounts appropriated to the Teachers' Retirement System of the State of Illinois under Section 1.1 of the State Pension Funds Continuing Appropriation Act shall be transferred by the State Treasurer and the State Comptroller from the General Revenue Fund to the Common School Fund as necessary to provide for the payment of vouchers drawn against those

appropriations.

The Governor may notify the State Treasurer and the State Comptroller to transfer, at a time designated by the Governor, such additional amount as may be necessary to effect advance distribution to school districts of amounts that otherwise would be payable in the next month pursuant to Sections 18-8 through 18-10 of the School Code. The State Treasurer and the State Comptroller shall thereupon transfer such additional amount. The aggregate amount transferred from the General Revenue Fund to the Common School Fund in the eleven months beginning August 1 of any fiscal year shall not be in excess of the amount necessary for payment of claims certified by the State Superintendent of Education pursuant to the appropriation of the Common School Fund for that fiscal year. Notwithstanding the provisions of the first paragraph in this section, no transfer to effect an advance distribution shall be made in any month except on notification, as provided above, by the Governor.

The State Comptroller and State Treasurer shall transfer from the General Revenue Fund to the Common School Fund and the Education Assistance Fund such amounts as may be required to honor the vouchers presented by the State Board of Education pursuant to Sections 18-3, 18-4.3, 18-5, 18-6 and 18-7 of the School Code.

The State Comptroller shall report all transfers provided for in this Act to the President of the Senate, Minority Leader of the Senate, Speaker of the House, and Minority Leader of the House.

(b) On or before the 11th and 21st days of each of the months of June, 1982 through July, 1983, at a time or times designated by the Governor, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Common School Fund 1/24 or so much thereof as may be necessary of the amount appropriated to the State Board of Education for distribution from such Common School Fund, for that same fiscal year, including interest on the School Fund for such year. The amounts of the payments in the months of July, 1982 and July, 1983 shall be considered an outstanding liability as of the 30th day of June immediately preceding such July payment, within the meaning of Section 25 of this Act, and shall be payable from the appropriation for the fiscal year which ended on such 30th day of June, and such July payments shall be considered payments for claims covering school years 1981-1982 and 1982-1983 respectively.

In the event the Governor makes notification to effect advanced distribution under the provisions of subsection (a) of this Section, the aggregate amount transferred from the General Revenue Fund to the Common School Fund in the 12 months beginning August 1, 1981 or the 12 months beginning August 1, 1982 shall not be in excess of the amount necessary for payment of claims certified by the State Superintendent of Education pursuant to the appropriation of the Common School Fund for the fiscal years commencing on the first of July of the years 1981 and 1982.

(c) In determining amounts to be transferred from the General Revenue Fund to the Education Assistance Fund, the amount of moneys transferred from the State Gaming Fund to the Education Assistance Fund shall be disregarded. The amounts transferred from the General Revenue Fund shall not be decreased as an adjustment for any amounts transferred from the State Gaming Fund to the Education Assistance Fund.

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

(Text of Section after amendment by P.A. 94-1105)

Sec. 8a. Common School Fund; transfers to Common School Fund and Education Assistance Fund.

(a) Except as provided in subsection (b) of this Section and except as otherwise provided in this subsection (a) with respect to amounts transferred from the General Revenue Fund to the Common School Fund for distribution therefrom for the benefit of the Teachers' Retirement System of the State of Illinois and the Public School Teachers' Pension and Retirement Fund of Chicago:

(1) With respect to all school districts, for each fiscal year other than fiscal year 1994, on or before the eleventh and twenty-first days of each of the months of August through the following July, at a time or times designated by the Governor, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Common School Fund and Education Assistance Fund, as appropriate, 1/24 or so much thereof as may be necessary of the amount appropriated to the State Board of Education for distribution to all school districts from such Common School Fund and Education Assistance Fund, for the fiscal year, including interest on the School Fund proportionate for that distribution for such year.

(2) With respect to all school districts, but for fiscal year 1994 only, on the 11th day of August, 1993 and on or before the 11th and 21st days of each of the months of October, 1993 through July, 1994 at a time or times designated by the Governor, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Common School Fund 1/24 or so much thereof as may be necessary of the amount appropriated to the State Board of Education for

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distribution to all school districts from such Common School Fund, for fiscal year 1994, including interest on the School Fund proportionate for that distribution for such year; and on or before the 21st day of August, 1993 at a time or times designated by the Governor, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Common School Fund 3/24 or so much thereof as may be necessary of the amount appropriated to the State Board of Education for distribution to all school districts from the Common School Fund, for fiscal year 1994, including interest proportionate for that distribution on the School Fund for such fiscal year.

The amounts of the payments made in July of each year: (i) shall be considered an outstanding liability as of the 30th day of June immediately preceding those July payments, within the meaning of Section 25 of this Act; (ii) shall be payable from the appropriation for the fiscal year that ended on that 30th day of June; and (iii) shall be considered payments for claims covering the school year that commenced during the immediately preceding calendar year.

Notwithstanding the foregoing provisions of this subsection, as soon as may be after the 10th and 20th days of each of the months of August through May, 1/24, and on or as soon as may be after the 10th and 20th days of June, 1/12 of the annual amount appropriated to the State Board of Education for distribution and payment during that fiscal year from the Common School Fund to and for the benefit of the Teachers' Retirement System of the State of Illinois (until the end of State fiscal year 1995) and the Public School Teachers' Pension and Retirement Fund of Chicago as provided by the Illinois Pension Code and Section 18-7 of the School Code, or so much thereof as may be necessary, shall be transferred by the State Treasurer and the State Comptroller from the General Revenue Fund to the Common School Fund to permit semi-monthly payments from the Common School Fund to and for the benefit of such teacher retirement systems as required by Section 18-7 of the School Code.

Notwithstanding the other provisions of this Section, on or as soon as may be after the 15th day of each month, beginning in July of 1995, 1/12 of the annual amount appropriated for that fiscal year from the Common School Fund to the Teachers' Retirement System of the State of Illinois (other than amounts appropriated under Section 1.1 of the State Pension Funds Continuing Appropriation Act), or so much thereof as may be necessary, shall be transferred by the State Treasurer and the State Comptroller from the General Revenue Fund to the Common School Fund to permit monthly payments from the Common School Fund to that retirement system in accordance with Section 16-158 of the Illinois Pension Code and Section 18-7 of the School Code, except that such transfers in fiscal year 2004 from the General Revenue Fund to the Common School Fund for the benefit of the Teachers' Retirement System of the State of Illinois shall be reduced in the aggregate by the State Comptroller and State Treasurer to adjust for the amount transferred to the Teachers' Retirement System of the State of Illinois pursuant to subsection (a) of Section 6z-61. Amounts appropriated to the Teachers' Retirement System of the State of Illinois under Section 1.1 of the State Pension Funds Continuing Appropriation Act shall be transferred by the State Treasurer and the State Comptroller from the General Revenue Fund to the Common School Fund as necessary to provide for the payment of vouchers drawn against those appropriations.

The Governor may notify the State Treasurer and the State Comptroller to transfer, at a time designated by the Governor, such additional amount as may be necessary to effect advance distribution to school districts of amounts that otherwise would be payable in the next month pursuant to Sections 18-8.05 through 18-9 of the School Code. The State Treasurer and the State Comptroller shall thereupon transfer such additional amount. The aggregate amount transferred from the General Revenue Fund to the Common School Fund in the eleven months beginning August 1 of any fiscal year shall not be in excess of the amount necessary for payment of claims certified by the State Superintendent of Education pursuant to the appropriation of the Common School Fund for that fiscal year. Notwithstanding the provisions of the first paragraph in this section, no transfer to effect an advance distribution shall be made in any month except on notification, as provided above, by the Governor.

The State Comptroller and State Treasurer shall transfer from the General Revenue Fund to the Common School Fund and the Education Assistance Fund such amounts as may be required to honor the vouchers presented by the State Board of Education pursuant to Sections 18-3, 18-4.3, 18-5, 18-6 and 18-7 of the School Code.

The State Comptroller shall report all transfers provided for in this Act to the President of the Senate, Minority Leader of the Senate, Speaker of the House, and Minority Leader of the House.

(b) On or before the 11th and 21st days of each of the months of June, 1982 through July, 1983, at a time or times designated by the Governor, the State Treasurer and the State Comptroller shall transfer from the General Revenue Fund to the Common School Fund 1/24 or so much thereof as may be necessary of the amount appropriated to the State Board of Education for distribution from such Common School Fund, for that same fiscal year, including interest on the School Fund for such year.

The amounts of the payments in the months of July, 1982 and July, 1983 shall be considered an outstanding liability as of the 30th day of June immediately preceding such July payment, within the meaning of Section 25 of this Act, and shall be payable from the appropriation for the fiscal year which ended on such 30th day of June, and such July payments shall be considered payments for claims covering school years 1981-1982 and 1982-1983 respectively.

In the event the Governor makes notification to effect advanced distribution under the provisions of subsection (a) of this Section, the aggregate amount transferred from the General Revenue Fund to the Common School Fund in the 12 months beginning August 1, 1981 or the 12 months beginning August 1, 1982 shall not be in excess of the amount necessary for payment of claims certified by the State Superintendent of Education pursuant to the appropriation of the Common School Fund for the fiscal years commencing on the first of July of the years 1981 and 1982.

(c) In determining amounts to be transferred from the General Revenue Fund to the Education Assistance Fund, the amount of moneys transferred from the State Gaming Fund to the Education Assistance Fund shall be disregarded. The amounts transferred from the General Revenue Fund shall not be decreased as an adjustment for any amounts transferred from the State Gaming Fund to the Education Assistance Fund.

(Source: P.A. 93-665, eff. 3-5-04; 94-1105, eff. 6-1-07.)

(30 ILCS 105/8h)

Sec. 8h. Transfers to General Revenue Fund.

(a) Except as otherwise provided in this Section and Section 8n of this Act, and ~~(c), (d), or (e)~~, notwithstanding any other State law to the contrary, the Governor 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. 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 Public Act 93-839 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, to any funds in the Motor Fuel Tax Fund, the Intercity Passenger Rail Fund, the Hospital Provider Fund, the Medicaid Provider Relief Fund, the Teacher Health Insurance Security Fund, the Reviewing Court Alternative Dispute Resolution Fund, the Voters' Guide Fund, the Foreign Language Interpreter Fund, the Lawyers' Assistance Program Fund, the Supreme Court Federal Projects Fund, the Supreme Court Special State Projects Fund, the Supplemental Low-Income Energy Assistance Fund, the Good Samaritan Energy Trust Fund, the Low-Level Radioactive Waste Facility Development and Operation Fund, the Horse Racing Equity Trust Fund, or the Hospital Basic Services Preservation Fund, or to any funds to which subsection (f) of Section 20-40 of the Nursing and Advanced Practice Nursing Act applies. No transfers may be made under this Section from the Pet Population Control 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 Service Emergency Fund, or the Mandatory Arbitration Fund.

In determining the available balance in a fund, the Governor 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.

(a-5) Transfers directed to be made under this Section on or before February 28, 2006 that are still pending on May 19, 2006 (the effective date of Public Act 94-774) ~~this amendatory Act of the 94th General Assembly~~ shall be redirected as provided in Section 8n of this Act.

(b) This Section does not apply to: (i) the Ticket For The Cure Fund; (ii) any fund established under the Community Senior Services and Resources Act; or (iii) on or after January 1, 2006 (the effective date of Public Act 94-511), the Child Labor and Day and Temporary Labor Enforcement Fund.

(c) This Section does not apply to the Demutualization Trust Fund established under the Uniform

## Disposition of Unclaimed Property Act.

(d) This Section does not apply to moneys set aside in the Illinois State Podiatric Disciplinary Fund for podiatric scholarships and residency programs under the Podiatric Scholarship and Residency Act.

(e) Subsection (a) does not apply to, and no transfer may be made under this Section from, the Pension Stabilization Fund.

(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; 93-801, eff. 7-22-04; 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff. 1-15-05; 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511, eff. 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05; 94-645, eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff. 11-2-05; 94-691, eff. 11-2-05; 94-726, eff. 1-20-06; 94-773, eff. 5-18-06; 94-774, eff. 5-19-06; 94-804, eff. 5-26-06; 94-839, eff. 6-6-06; revised 6-19-06.)

Section 925. The Tobacco Products Tax Act of 1995 is amended by changing Section 99-99 as follows:

(35 ILCS 143/99-99)

Sec. 99-99. Effective date. This Section, Sections 10-1 through 10-90 of this Act, the changes to the Illinois Administrative Procedure Act, the changes to the State Employees Group Insurance Act of 1971, the changes to Sec. 5 of the Children and Family Services Act, the changes to Sec. 8.27 of the State Finance Act, the changes to Secs. 16-136.2, 16-153.2, and 17-156.3 of the Illinois Pension Code, Sec. 8.19 of the State Mandates Act, the changes to Sec. 8.2 of the Abused and Neglected Child Reporting Act, and the changes to the Unemployment Insurance Act take effect upon becoming law.

The following provisions take effect July 1, 1995: the changes to the Illinois Act on the Aging and the Civil Administrative Code of Illinois; the changes to Secs. 7 and 8a-13 of the Children and Family Services Act; the changes to the Disabled Persons Rehabilitation Act; Secs. 5.408, 5.409, 6z-39, and 6z-40 and the changes to Sec. 8.16 of the State Finance Act; the changes to the State Prompt Payment Act, the Illinois Income Tax Act, and Sec. 16-133.3 of the Illinois Pension Code; Sec. 2-3.117 and the changes to Secs. 14-7.02 and 14-15.01 of the School Code; Sec. 2-201.5 of the Nursing Home Care Act; the changes to the Child Care Act of 1969 and the Riverboat and Casino Gambling Act; the changes to Secs. 3-1, 3-1a, 3-3, 3-4, 3-13, 5-2.1, 5-5, 5-5.02, 5-5.4, 5-13, 5-16.3, 5-16.5, 5A-2, 5A-3, 5C-2, 5C-7, 5D-1, 5E-10, 6-8, 6-11, 9-11, 12-4.4, 12-10.2, and 14-8 and the repeal of Sec. 9-11 of the Illinois Public Aid Code; the changes to Sec. 3 of the Abused and Neglected Child Reporting Act; and the changes to the Juvenile Court Act of 1987, the Adoption Act, and the Probate Act of 1975.

The remaining provisions of this Act take effect on the uniform effective date as provided in the Effective Date of Laws Act.

(Source: P.A. 89-21, eff. 6-6-95.)

Section 930. The Joliet Regional Port District Act is amended by changing Section 5.1 as follows:

(70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

Sec. 5.1. Riverboat and casino gambling. Notwithstanding any other provision of this Act, the District may not regulate the operation, conduct, or navigation of any riverboat gambling casino licensed under the Riverboat and Casino Gambling Act, and the District may not license, tax, or otherwise levy any assessment of any kind on any riverboat gambling casino licensed under the Riverboat and Casino Gambling Act. The General Assembly declares that the powers to regulate the operation, conduct, and navigation of riverboat gambling casinos and to license, tax, and levy assessments upon riverboat gambling casinos are exclusive powers of the State of Illinois and the Illinois Gaming Board as provided in the Riverboat and Casino Gambling Act.

(Source: P.A. 87-1175.)

Section 935. The Consumer Installment Loan Act is amended by changing Section 12.5 as follows:

(205 ILCS 670/12.5)

Sec. 12.5. Limited purpose branch.

(a) Upon the written approval of the Director, a licensee may maintain a limited purpose branch for the sole purpose of making loans as permitted by this Act. A limited purpose branch may include an automatic loan machine. No other activity shall be conducted at the site, including but not limited to, accepting payments, servicing the accounts, or collections.

(b) The licensee must submit an application for a limited purpose branch to the Director on forms prescribed by the Director with an application fee of \$300. The approval for the limited purpose branch must be renewed concurrently with the renewal of the licensee's license along with a renewal fee of \$300 for the limited purpose branch.

(c) The books, accounts, records, and files of the limited purpose branch's transactions shall be

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maintained at the licensee's licensed location. The licensee shall notify the Director of the licensed location at which the books, accounts, records, and files shall be maintained.

(d) The licensee shall prominently display at the limited purpose branch the address and telephone number of the licensee's licensed location.

(e) No other business shall be conducted at the site of the limited purpose branch unless authorized by the Director.

(f) The Director shall make and enforce reasonable rules for the conduct of a limited purpose branch.

(g) A limited purpose branch may not be located within 1,000 feet of a facility operated by an inter-track wagering licensee or an organization licensee subject to the Illinois Horse Racing Act of 1975, on a riverboat or in a casino subject to the Riverboat and Casino Gambling Act, or within 1,000 feet of the location at which the riverboat docks or within 1,000 feet of a casino.

(Source: P.A. 90-437, eff. 1-1-98.)

Section 940. The Illinois Horse Racing Act of 1975 is amended by changing Sections 1.2, 3.077, 3.12, 3.20, 3.22, 3.23, 9, 15, 26, 26.2, 27, 28, 28.1, 29, 30, 31, 36, and 54.5 and adding Sections 3.29, 3.30, 3.31, 3.32, and 31.2 as follows:

(230 ILCS 5/1.2)

Sec. 1.2. Legislative intent. This Act is intended to benefit the people of the State of Illinois by encouraging the breeding and production of race horses, assisting economic development, and promoting Illinois tourism. The General Assembly finds and declares it to be the public policy of the State of Illinois to:

(a) support and enhance Illinois' horse racing industry, which is a significant component within the agribusiness industry;

(b) ensure that Illinois' horse racing industry remains competitive with neighboring states;

(c) stimulate growth within Illinois' horse racing industry, thereby encouraging new investment and development to produce additional tax revenues and to create additional jobs;

(d) promote the further growth of tourism;

(e) encourage the breeding of thoroughbred and standardbred horses in this State; and

(f) ensure that public confidence and trust in the credibility and integrity of racing operations and the regulatory process is maintained.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 5/3.077)

Sec. 3.077. Non-host licensee. "Non-host licensee" means a licensee, other than an advance deposit wagering licensee, operating concurrently with a host track.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel system of wagering" means a form of wagering on the outcome of horse races in which wagers are made in various denominations on a horse or horses and all wagers for each race are pooled and held by a licensee for distribution in a manner approved by the Board. Wagers may be placed via any method or at any location authorized under this Act.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/3.20)

Sec. 3.20. Licensee. "Licensee" means an individual organization licensee, an inter-track wagering licensee, an or inter-track wagering location licensee, or an advance deposit wagering licensee, as the context of this Act requires.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/3.22)

Sec. 3.22. Wagering facility. "Wagering facility" means any location at which a licensee, other than an advance deposit wagering licensee, may accept or receive pari-mutuel wagers under this Act.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/3.23)

Sec. 3.23. Wagering. "Wagering" means, collectively, the pari-mutuel system of wagering, inter-track wagering, and simulcast wagering, and advance deposit wagering.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/3.29 new)

Sec. 3.29. Advance deposit wagering. "Advance deposit wagering" means a method of pari-mutuel wagering in which an individual may establish an account, deposit money into the account, and use the account balance to pay for pari-mutuel wagering authorized by this Act. An advance deposit wager may

be placed in person or from any other location via a telephone-type device or any electronic means. Any person who accepts an advance deposit wager who is not licensed by the Board as an advance deposit wagering licensee shall be considered in violation of this Act and the Criminal Code of 1961. Any advance deposit wager placed in person shall be deemed to have been placed at that wagering facility.

(230 ILCS 5/3.30 new)

Sec. 3.30. Advance deposit wagering fee. "Advance deposit wagering fee" means the amount paid to or retained by a person, as defined in Section 3.14, for the purpose of administering a pari-mutuel system of advance deposit wagering.

(230 ILCS 5/3.31 new)

Sec. 3.31. Source market fee. "Source market fee" means any amount remaining from advance deposit wagering after payment of winning wagers, any breakage, any privilege or pari-mutuel tax, any interstate commission fee, and any advance deposit wagering fees.

(230 ILCS 5/3.32 new)

Sec. 3.32. Advance deposit wagering licensee. "Advance deposit wagering licensee" means a person licensed by the Board to conduct advance deposit wagering. An advance deposit wagering licensee shall be an organization licensee or a person or third party who contracts with an organization licensee in order to conduct advance deposit wagering.

(230 ILCS 5/9) (from Ch. 8, par. 37-9)

Sec. 9. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(a) The Board is vested with jurisdiction and supervision over all race meetings in this State, over all licensees doing business in this State, over all occupation licensees, and over all persons on the facilities of any licensee. Such jurisdiction shall include the power to issue licenses to the Illinois Department of Agriculture authorizing the pari-mutuel system of wagering on harness and Quarter Horse races held (1) at the Illinois State Fair in Sangamon County, and (2) at the DuQuoin State Fair in Perry County. The jurisdiction of the Board shall also include the power to issue licenses to county fairs which are eligible to receive funds pursuant to the Agricultural Fair Act, as now or hereafter amended, or their agents, authorizing the pari-mutuel system of wagering on horse races conducted at the county fairs receiving such licenses. Such licenses shall be governed by subsection (n) of this Section.

Upon application, the Board shall issue a license to the Illinois Department of Agriculture to conduct harness and Quarter Horse races at the Illinois State Fair and at the DuQuoin State Fairgrounds during the scheduled dates of each fair. The Board shall not require and the Department of Agriculture shall be exempt from the requirements of Sections 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5), (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24 and 25. The Board and the Department of Agriculture may extend any or all of these exemptions to any contractor or agent engaged by the Department of Agriculture to conduct its race meetings when the Board determines that this would best serve the public interest and the interest of horse racing.

Notwithstanding any provision of law to the contrary, it shall be lawful for any licensee to operate pari-mutuel wagering or contract with the Department of Agriculture to operate pari-mutuel wagering at the DuQuoin State Fairgrounds or for the Department to enter into contracts with a licensee, employ its owners, employees or agents and employ such other occupation licensees as the Department deems necessary in connection with race meetings and wagerings.

(b) The Board is vested with the full power to promulgate reasonable rules and regulations for the purpose of administering the provisions of this Act and to prescribe reasonable rules, regulations and conditions under which all horse race meetings or wagering in the State shall be conducted. Such reasonable rules and regulations are to provide for the prevention of practices detrimental to the public interest and to promote the best interests of horse racing and to impose penalties for violations thereof.

(c) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities and other places of business of any licensee to determine whether there has been compliance with the provisions of this Act and its rules and regulations.

(d) The Board, and any person or persons to whom it delegates this power, is vested with the authority to investigate alleged violations of the provisions of this Act, its reasonable rules and regulations, orders and final decisions; the Board shall take appropriate disciplinary action against any licensee or occupation licensee for violation thereof or institute appropriate legal action for the enforcement thereof.

(e) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any race meeting or the facilities of any licensee, or any part thereof, any occupation licensee or any other individual whose conduct or reputation is such that his presence on those facilities may, in the opinion of the Board, call into question the honesty and integrity of horse racing or wagering or interfere with the orderly conduct of horse racing or wagering; provided, however, that no person shall be



excluded or ejected from the facilities of any licensee solely on the grounds of race, color, creed, national origin, ancestry, or sex. The power to eject or exclude an occupation licensee or other individual may be exercised for just cause by the licensee or the Board, subject to subsequent hearing by the Board as to the propriety of said exclusion.

(f) The Board is vested with the power to acquire, establish, maintain and operate (or provide by contract to maintain and operate) testing laboratories and related facilities, for the purpose of conducting saliva, blood, urine and other tests on the horses run or to be run in any horse race meeting and to purchase all equipment and supplies deemed necessary or desirable in connection with any such testing laboratories and related facilities and all such tests.

(f-5) The Department of Agriculture is vested with the power to acquire, establish, maintain, and operate (or provide by contract to maintain and operate) testing laboratories and related facilities for the purpose of conducting saliva, blood, urine, and other tests on the horses run or to be run in any county fair horse race meeting and of purchasing all equipment and supplies deemed necessary or desirable in connection with any such testing laboratories and related facilities and all such tests in any county fair horse race.

(g) The Board may require that the records, including financial or other statements of any licensee or any person affiliated with the licensee who is involved directly or indirectly in the activities of any licensee as regulated under this Act to the extent that those financial or other statements relate to such activities be kept in such manner as prescribed by the Board, and that Board employees shall have access to those records during reasonable business hours. Within 120 days of the end of its fiscal year, each licensee shall transmit to the Board an audit of the financial transactions and condition of the licensee's total operations. All audits shall be conducted by certified public accountants. Each certified public accountant must be registered in the State of Illinois under the Illinois Public Accounting Act. The compensation for each certified public accountant shall be paid directly by the licensee to the certified public accountant. A licensee shall also submit any other financial or related information the Board deems necessary to effectively administer this Act and all rules, regulations, and final decisions promulgated under this Act.

(h) The Board shall name and appoint in the manner provided by the rules and regulations of the Board: an Executive Director; a State director of mutuels; State veterinarians and representatives to take saliva, blood, urine and other tests on horses; licensing personnel; revenue inspectors; and State seasonal employees (excluding admission ticket sellers and mutuel clerks). All of those named and appointed as provided in this subsection shall serve during the pleasure of the Board; their compensation shall be determined by the Board and be paid in the same manner as other employees of the Board under this Act.

(i) The Board shall require that there shall be 3 stewards at each horse race meeting, at least 2 of whom shall be named and appointed by the Board. Stewards appointed or approved by the Board, while performing duties required by this Act or by the Board, shall be entitled to the same rights and immunities as granted to Board members and Board employees in Section 10 of this Act.

(j) The Board may discharge any Board employee who fails or refuses for any reason to comply with the rules and regulations of the Board, or who, in the opinion of the Board, is guilty of fraud, dishonesty or who is proven to be incompetent. The Board shall have no right or power to determine who shall be officers, directors or employees of any licensee, or their salaries except the Board may, by rule, require that all or any officials or employees in charge of or whose duties relate to the actual running of races be approved by the Board.

(k) The Board is vested with the power to appoint delegates to execute any of the powers granted to it under this Section for the purpose of administering this Act and any rules or regulations promulgated in accordance with this Act.

(l) The Board is vested with the power to impose civil penalties of up to \$5,000 against an individual and up to \$10,000 against a licensee for each violation of any provision of this Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to horse racing or wagering.

(m) The Board is vested with the power to prescribe a form to be used by licensees as an application for employment for employees of each licensee.

(n) The Board shall have the power to issue a license to any county fair, or its agent, authorizing the conduct of the pari-mutuel system of wagering. The Board is vested with the full power to promulgate reasonable rules, regulations and conditions under which all horse race meetings licensed pursuant to this subsection shall be held and conducted, including rules, regulations and conditions for the conduct of the pari-mutuel system of wagering. The rules, regulations and conditions shall provide for the prevention of practices detrimental to the public interest and for the best interests of horse racing, and

shall prescribe penalties for violations thereof. Any authority granted the Board under this Act shall extend to its jurisdiction and supervision over county fairs, or their agents, licensed pursuant to this subsection. However, the Board may waive any provision of this Act or its rules or regulations which would otherwise apply to such county fairs or their agents.

(o) Whenever the Board is authorized or required by law to consider some aspect of criminal history record information for the purpose of carrying out its statutory powers and responsibilities, then, upon request and payment of fees in conformance with the requirements of Section 2605-400 of the Department of State Police Law (20 ILCS 2605/2605-400), the Department of State Police is authorized to furnish, pursuant to positive identification, such information contained in State files as is necessary to fulfill the request.

(p) To insure the convenience, comfort, and wagering accessibility of race track patrons, to provide for the maximization of State revenue, and to generate increases in purse allotments to the horsemen, the Board shall require any licensee to staff the pari-mutuel department with adequate personnel.

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

(230 ILCS 5/15) (from Ch. 8, par. 37-15)

Sec. 15. (a) The Board shall, in its discretion, issue occupation licenses to horse owners, trainers, harness drivers, jockeys, agents, apprentices, grooms, stable foremen, exercise persons, veterinarians, valets, blacksmiths, concessionaires and others designated by the Board whose work, in whole or in part, is conducted upon facilities within the State. Such occupation licenses will be obtained prior to the persons engaging in their vocation upon such facilities. The Board shall not license pari-mutuel clerks, parking attendants, security guards and employees of concessionaires. No occupation license shall be required of any person who works at facilities within this State as a pari-mutuel clerk, parking attendant, security guard or as an employee of a concessionaire. Concessionaires of the Illinois State Fair and DuQuoin State Fair and employees of the Illinois Department of Agriculture shall not be required to obtain an occupation license by the Board.

(b) Each application for an occupation license shall be on forms prescribed by the Board. Such license, when issued, shall be for the period ending December 31 of each year, except that the Board in its discretion may grant 3-year licenses. The application shall be accompanied by a fee of not more than \$25 per year or, in the case of 3-year occupation license applications, a fee of not more than \$60. Each applicant shall set forth in the application his full name and address, and if he had been issued prior occupation licenses or has been licensed in any other state under any other name, such name, his age, whether or not a permit or license issued to him in any other state has been suspended or revoked and if so whether such suspension or revocation is in effect at the time of the application, and such other information as the Board may require. Fees for registration of stable names shall not exceed \$50.00.

(c) The Board may in its discretion refuse an occupation license to any person:

- (1) who has been convicted of a crime;
- (2) who is unqualified to perform the duties required of such applicant;
- (3) who fails to disclose or states falsely any information called for in the application;
- (4) who has been found guilty of a violation of this Act or of the rules and regulations of the Board; or
- (5) whose license or permit has been suspended, revoked or denied for just cause in any other state.

(d) The Board may suspend or revoke any occupation license:

- (1) for violation of any of the provisions of this Act; or
- (2) for violation of any of the rules or regulations of the Board; or
- (3) for any cause which, if known to the Board, would have justified the Board in refusing to issue such occupation license; or
- (4) for any other just cause.

(e) Each applicant shall submit his or her fingerprints to the Department of State Police in the form and manner prescribed by the Department of State Police. These fingerprints shall be checked against the fingerprint records now and hereafter filed in the Department of State Police and Federal Bureau of Investigation criminal history records databases. The Department of State Police shall charge a fee for conducting the criminal history records check, which shall be deposited in the State Police Services Fund and shall not exceed the actual cost of the records check. The Department of State Police shall furnish, pursuant to positive identification, records of conviction to the Board. Each applicant for licensure shall submit with his occupation license application, on forms provided by the Board, 2 sets of his fingerprints. All such applicants shall appear in person at the location designated by the Board for the purpose of submitting such sets of fingerprints; however, with the prior approval of a State steward, an

applicant may have such sets of fingerprints taken by an official law enforcement agency and submitted to the Board.

(f) The Board may, in its discretion, issue an occupation license without submission of fingerprints ~~if an applicant has been duly licensed in another recognized racing jurisdiction after submitting fingerprints that were subjected to a Federal Bureau of Investigation criminal history background check in that jurisdiction.~~

(Source: P.A. 93-418, eff. 1-1-04.)

(230 ILCS 5/26) (from Ch. 8, par. 37-26)

Sec. 26. Wagering.

(a) Any licensee may conduct and supervise the pari-mutuel system of wagering, as defined in Section 3.12 of this Act, on horse races conducted by an Illinois organization licensee or conducted at a racetrack located in another state or country ~~and televised in Illinois~~ in accordance with subsection (g) of Section 26 of this Act. Subject to the prior consent of the Board, licensees may supplement any pari-mutuel pool in order to guarantee a minimum distribution. Such pari-mutuel method of wagering shall not, under any circumstances if conducted under the provisions of this Act, be held or construed to be unlawful, other statutes of this State to the contrary notwithstanding. Subject to rules for advance wagering promulgated by the Board, any licensee may accept wagers in advance of the day of the race wagered upon occurs.

(b) ~~Except as otherwise provided in Section 56, no~~ ~~no~~ other method of betting, pool making, wagering or gambling shall be used or permitted by the licensee. Each licensee may retain, subject to the payment of all applicable taxes and purses, an amount not to exceed 17% of all money wagered under subsection (a) of this Section, except as may otherwise be permitted under this Act.

(b-5) An individual may place a wager under the pari-mutuel system from any licensed location or via any other method authorized under this Act provided that wager is electronically recorded in the manner described in Section 3.12 of this Act. Any wager made electronically by an individual while physically on the premises of a licensee shall be deemed to have been made at the premises of that licensee. Any wager made via a telephone-type device or electronic means by an individual while not physically on the premises of the licensee (advance deposit wagering) shall be deemed to have been made at the host track at the time at which the race upon which the wager was placed occurs.

(c) Until January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be paid to the Illinois Veterans' Rehabilitation Fund of the State treasury, except as provided in subsection (g) of Section 27 of this Act.

(c-5) Beginning January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date; except that, beginning on the effective date of this amendatory Act of the 95th General Assembly, the sum held by an organization licensee located in a county with a population in excess of 230,000 and that borders the Mississippi River and every inter-track wagering location licensee who derives its license from that organization licensee shall be retained by the organization licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be evenly distributed to the purse account of the organization licensee and the organization licensee.

(d) A pari-mutuel ticket shall be honored until December 31 of the next calendar year, and the licensee shall pay the same and may charge the amount thereof against unpaid money similarly accumulated on account of pari-mutuel tickets not presented for payment.

(e) No licensee shall knowingly permit any minor, other than an employee of such licensee or an owner, trainer, jockey, driver, or employee thereof, to be admitted during a racing program unless accompanied by a parent or guardian, or any minor to be a patron of the pari-mutuel system of wagering conducted or supervised by it. The admission of any unaccompanied minor, other than an employee of the licensee or an owner, trainer, jockey, driver, or employee thereof at a race track is a Class C misdemeanor.

(f) Notwithstanding the other provisions of this Act, an organization licensee may contract with an entity in another state or country to permit any legal wagering entity in another state or country to accept wagers solely within such other state or country on races conducted by the organization licensee in this State. Beginning January 1, 2000, these wagers shall not be subject to State taxation. Until January 1, 2000, when the out-of-State entity conducts a pari-mutuel pool separate from the organization licensee, a privilege tax equal to 7 1/2% of all monies received by the organization licensee from entities in other

states or countries pursuant to such contracts is imposed on the organization licensee, and such privilege tax shall be remitted to the Department of Revenue within 48 hours of receipt of the moneys from the simulcast. When the out-of-State entity conducts a combined pari-mutuel pool with the organization licensee, the tax shall be 10% of all monies received by the organization licensee with 25% of the receipts from this 10% tax to be distributed to the county in which the race was conducted.

An organization licensee may permit one or more of its races to be utilized for pari-mutuel wagering at one or more locations in other states and may transmit audio and visual signals of races the organization licensee conducts to one or more locations outside the State or country and may also permit pari-mutuel pools in other states or countries to be combined with its gross or net wagering pools or with wagering pools established by other states.

(g) A host track may accept interstate simulcast wagers on horse races conducted in other states or countries and shall control the number of signals and types of breeds of racing in its simulcast program, subject to the disapproval of the Board. The Board may prohibit a simulcast program only if it finds that the simulcast program is clearly adverse to the integrity of racing. The host track simulcast program shall include the signal of live racing of all organization licensees. All non-host licensees shall carry the host track simulcast program and accept wagers on all races included as part of the simulcast program upon which wagering is permitted. All advance deposit wagering licensees shall accept wagers on all races conducted by all organization licensees, unless the organization licensee withholds its signal from the advance deposit wagering licensee. The costs and expenses of the host track and non-host licensees associated with interstate simulcast wagering, other than the interstate commission fee, shall be borne by the host track and all non-host licensees incurring these costs. The interstate commission fee shall not exceed 5% of Illinois handle on the interstate simulcast race or races without prior approval of the Board. The Board shall promulgate rules under which it may permit interstate commission fees in excess of 5%. The interstate commission fee and other fees charged by the sending racetrack, including, but not limited to, satellite decoder fees, shall be uniformly applied to the host track and all non-host licensees.

Notwithstanding any other provision of this Act, an organization licensee may maintain a system whereby advance deposit wagering may take place or an organization licensee may contract with another person to carry out a system of advance deposit wagering. All advance deposit wagers placed from within Illinois must be placed through a Board-approved advance deposit wagering licensee; no other entity may accept an advance deposit wager from a person within Illinois. In granting an advance deposit wagering license, the Board must consider each applicant's level of minority persons and female ownership. For the purposes of this subsection (e-10), the terms "minority person" and "female" have the meanings provided in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. All advance deposit wagering is subject to any rules adopted by the Board. An advance deposit wagering licensee may retain an advance deposit wagering fee not to exceed 6.5% of all wagers placed through the system, and, of this 6.5%, 3% of all wagers shall be submitted to the Board to be deposited into the General Revenue Fund. However, an organization licensee licensed as an advance deposit wagering licensee operating and maintaining its own advance deposit wagering system may retain an advance deposit wagering fee not to exceed 6.5% of all wagers placed through the system, subject to approval by the Board, and, of this 6.5%, 3% of all wagers shall be submitted to the Board to be deposited into the General Revenue Fund. Each host track shall pay a share of all source market fees and any breakage to an organization licensee operating at a racetrack located in Madison County, provided that the organization licensee conducted live racing in 2004 and the current year, in an amount equal to the proportion of total moneys wagered in the previous calendar year at the organizational licensee operating at a racetrack located in Madison County and all of its inter-track wagering location licensees as compared to the total statewide moneys wagered, with the exception of moneys wagered from advance deposit wagering, in the previous year. The proportion shall be certified by the Board in writing within 45 days after the end of the calendar year and the host track shall make payment to the organization licensee located in Madison County within 90 days following the end of the calendar year. The first payment under this provision shall be due following the end of the first calendar year in which advance deposit wagers are accepted. The moneys received by an organization licensee operating at a racetrack in Madison County shall be distributed as follows: 50% to the organization licensee operating at a racetrack in Madison County and 50% to the purse account at the racetrack in Madison County. After distributing the moneys to the organization licensee operating at a racetrack in Madison County, the source market fees shall be paid as follows: 50% to the host track and 50% to the purse accounts at the host track. To the extent any fees substantially equivalent to source market fees or other fees deducted from advance deposit wagering conducted in Illinois for wagers in Illinois or other states have been placed in escrow or otherwise withheld from wagers pending a determination of the legality of advance deposit wagering, no action shall be brought to declare such wagers illegal, provided that all

such fees shall be paid to the appropriate host track within 30 days after the effective date of this amendatory Act of the 95th General Assembly.

(1) Between the hours of 6:30 a.m. and 6:30 p.m. an intertrack wagering licensee other than the host track may supplement the host track simulcast program with additional simulcast races or race programs, provided that between January 1 and the third Friday in February of any year, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, only thoroughbred races may be used for supplemental interstate simulcast purposes. The Board shall withhold approval for a supplemental interstate simulcast only if it finds that the simulcast is clearly adverse to the integrity of racing. A supplemental interstate simulcast may be transmitted from an intertrack wagering licensee to its affiliated non-host licensees. The interstate commission fee for a supplemental interstate simulcast shall be paid by the non-host licensee and its affiliated non-host licensees receiving the simulcast.

(2) Between the hours of 6:30 p.m. and 6:30 a.m. an intertrack wagering licensee other than the host track may receive supplemental interstate simulcasts only with the consent of the host track, except when the Board finds that the simulcast is clearly adverse to the integrity of racing. Consent granted under this paragraph (2) to any intertrack wagering licensee shall be deemed consent to all non-host licensees. The interstate commission fee for the supplemental interstate simulcast shall be paid by all participating non-host licensees.

(3) Each licensee conducting interstate simulcast wagering may retain, subject to the payment of all applicable taxes and the purses, an amount not to exceed 17% of all money wagered. If any licensee conducts the pari-mutuel system wagering on races conducted at racetracks in another state or country, each such race or race program shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax of that daily handle as provided in subsection (a) of Section 27. Until January 1, 2000, from the sums permitted to be retained pursuant to this subsection, each intertrack wagering location licensee shall pay 1% of the pari-mutuel handle wagered on simulcast wagering to the Horse Racing Tax Allocation Fund, subject to the provisions of subparagraph (B) of paragraph (11) of subsection (h) of Section 26 of this Act.

(4) A licensee who receives an interstate simulcast may combine its gross or net pools with pools at the sending racetracks pursuant to rules established by the Board. All licensees combining their gross pools at a sending racetrack shall adopt the take-out percentages of the sending racetrack. A licensee may also establish a separate pool and takeout structure for wagering purposes on races conducted at race tracks outside of the State of Illinois. The licensee may permit pari-mutuel wagers placed in other states or countries to be combined with its gross or net wagering pools or other wagering pools.

(5) After the payment of the interstate commission fee (except for the interstate commission fee on a supplemental interstate simulcast, which shall be paid by the host track and by each non-host licensee through the host-track), ~~the advance deposit wagering fee,~~ and all applicable State and local taxes, except as provided in subsection (g) of Section 27 of this Act, the remainder of moneys retained from simulcast wagering pursuant to this subsection (g), and Section 26.2 shall be divided as follows:

(A) For interstate simulcast wagers made at a host track, 50% to the host track and 50% to purses at the host track.

(B) For wagers placed on interstate simulcast races, supplemental simulcasts as defined in subparagraphs (1) and (2), and separately pooled races conducted outside of the State of Illinois made at a non-host licensee, 25% to the host track, 25% to the non-host licensee, and 50% to the purses at the host track.

(6) Notwithstanding any provision in this Act to the contrary, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River may receive supplemental interstate simulcast races at all times subject to Board approval, which shall be withheld only upon a finding that a supplemental interstate simulcast is clearly adverse to the integrity of racing.

(7) Notwithstanding any provision of this Act to the contrary, after payment of all applicable State and local taxes and interstate commission fees, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain 50% of the retention from interstate simulcast wagers and shall pay 50% to purses at the track from which the non-host licensee derives its license as follows:

(A) Between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, when the interstate simulcast is a standardbred race, the purse share to its standardbred purse account;

(B) Between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, and the interstate simulcast is a thoroughbred race, the purse share to its interstate simulcast purse pool to be distributed under paragraph (10) of this subsection (g);

(C) Between January 1 and the third Friday in February, inclusive, if live thoroughbred racing is occurring in Illinois, between 6:30 a.m. and 6:30 p.m. the purse share from wagers made during this time period to its thoroughbred purse account and between 6:30 p.m. and 6:30 a.m. the purse share from wagers made during this time period to its standardbred purse accounts;

(D) Between the third Saturday in February and December 31, when the interstate simulcast occurs between the hours of 6:30 a.m. and 6:30 p.m., the purse share to its thoroughbred purse account;

(E) Between the third Saturday in February and December 31, when the interstate simulcast occurs between the hours of 6:30 p.m. and 6:30 a.m., the purse share to its standardbred purse account.

(7.1) Notwithstanding any other provision of this Act to the contrary, if no standardbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 p.m. and 6:30 a.m. during that calendar year shall be paid as follows:

(A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be paid to its thoroughbred purse account; and

(B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund and shall be paid to purses for standardbred races for Illinois conceived and foaled horses conducted at any county fairgrounds. The moneys deposited into the Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys paid to standardbred purses under this Act, and shall not be commingled with other moneys paid into that Fund. The moneys deposited pursuant to this subparagraph (B) shall be allocated as provided by the Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board.

(7.2) Notwithstanding any other provision of this Act to the contrary, if no thoroughbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 a.m. and 6:30 p.m. during that calendar year shall be deposited as follows:

(A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be deposited into its standardbred purse account; and

(B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund. Moneys deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be paid to Illinois conceived and foaled thoroughbred breeders' programs and to thoroughbred purses for races conducted at any county fairgrounds for Illinois conceived and foaled horses at the discretion of the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board. The moneys deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys paid to thoroughbred purses under this Act, and shall not be commingled with other moneys deposited into that Fund.

(7.3) If no live standardbred racing is conducted at a racetrack located in Madison County in calendar year 2000 or 2001, an organization licensee who is licensed to conduct horse racing at that racetrack shall, before January 1, 2002, pay all moneys derived from simulcast wagering and inter-track wagering in calendar years 2000 and 2001 and paid into the licensee's standardbred purse account as follows:

(A) Eighty percent to that licensee's thoroughbred purse account to be used for thoroughbred purses; and

(B) Twenty percent to the Illinois Colt Stakes Purse Distribution Fund.

Failure to make the payment to the Illinois Colt Stakes Purse Distribution Fund before January 1, 2002 shall result in the immediate revocation of the licensee's organization license,

inter-track wagering license, and inter-track wagering location license.

Moneys paid into the Illinois Colt Stakes Purse Distribution Fund pursuant to this paragraph (7.3) shall be paid to purses for standardbred races for Illinois conceived and foaled horses conducted at any county fairgrounds. Moneys paid into the Illinois Colt Stakes Purse Distribution Fund pursuant to this paragraph (7.3) shall be used as determined by the Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board, shall be in addition to and not in lieu of any other moneys paid to standardbred purses under this Act, and shall not be commingled with any other moneys paid into that Fund.

(7.4) If live standardbred racing is conducted at a racetrack located in Madison County at any time in calendar year 2001 before the payment required under paragraph (7.3) has been made, the organization licensee who is licensed to conduct racing at that racetrack shall pay all moneys derived by that racetrack from simulcast wagering and inter-track wagering during calendar years 2000 and 2001 that (1) are to be used for purses and (2) are generated between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or 2001 to the standardbred purse account at that racetrack to be used for standardbred purses.

(8) Notwithstanding any provision in this Act to the contrary, an organization licensee from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River and its affiliated non-host licensees shall not be entitled to share in any retention generated on racing, inter-track wagering, or simulcast wagering at any other Illinois wagering facility.

(8.1) Notwithstanding any provisions in this Act to the contrary, if 2 organization licensees are conducting standardbred race meetings concurrently between the hours of 6:30 p.m. and 6:30 a.m., after payment of all applicable State and local taxes and interstate commission fees, the remainder of the amount retained from simulcast wagering otherwise attributable to the host track and to host track purses shall be split daily between the 2 organization licensees and the purses at the tracks of the 2 organization licensees, respectively, based on each organization licensee's share of the total live handle for that day, provided that this provision shall not apply to any non-host licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River.

(9) (Blank).

(10) (Blank).

(11) (Blank).

(12) The Board shall have authority to compel all host tracks to receive the simulcast of any or all races conducted at the Springfield or DuQuoin State fairgrounds and include all such races as part of their simulcast programs.

(13) Notwithstanding any other provision of this Act, in the event that the total Illinois pari-mutuel handle on Illinois horse races at all wagering facilities in any calendar year is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at all such wagering facilities for calendar year 1994, then each wagering facility that has an annual total Illinois pari-mutuel handle on Illinois horse races that is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at such wagering facility for calendar year 1994, shall be permitted to receive, from any amount otherwise payable to the purse account at the race track with which the wagering facility is affiliated in the succeeding calendar year, an amount equal to 2% of the differential in total Illinois pari-mutuel handle on Illinois horse races at the wagering facility between that calendar year in question and 1994 provided, however, that a wagering facility shall not be entitled to any such payment until the Board certifies in writing to the wagering facility the amount to which the wagering facility is entitled and a schedule for payment of the amount to the wagering facility, based on: (i) the racing dates awarded to the race track affiliated with the wagering facility during the succeeding year; (ii) the sums available or anticipated to be available in the purse account of the race track affiliated with the wagering facility for purses during the succeeding year; and (iii) the need to ensure reasonable purse levels during the payment period. The Board's certification shall be provided no later than January 31 of the succeeding year. In the event a wagering facility entitled to a payment under this paragraph (13) is affiliated with a race track that maintains purse accounts for both standardbred and thoroughbred racing, the amount to be paid to the wagering facility shall be divided between each purse account pro rata, based on the amount of Illinois handle on Illinois standardbred and thoroughbred racing respectively at the wagering facility during the previous calendar year. Annually, the General Assembly shall appropriate sufficient funds from the General Revenue Fund to the Department of Agriculture for payment into the thoroughbred and standardbred horse racing purse accounts at Illinois pari-mutuel tracks. The amount paid to each purse account shall be the amount certified by the Illinois Racing Board in

January to be transferred from each account to each eligible racing facility in accordance with the provisions of this Section.

(h) The Board may approve and license the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees subject to the following terms and conditions:

(1) Any person licensed to conduct a race meeting (i) at a track where 60 or more days of racing were conducted during the immediately preceding calendar year or where over the 5 immediately preceding calendar years an average of 30 or more days of racing were conducted annually may be issued an inter-track wagering license; (ii) at a track located in a county that is bounded by the Mississippi River, which has a population of less than 150,000 according to the 1990 decennial census, and an average of at least 60 days of racing per year between 1985 and 1993 may be issued an inter-track wagering license; or (iii) at a track located in Madison County that conducted at least 100 days of live racing during the immediately preceding calendar year may be issued an inter-track wagering license, unless a lesser schedule of live racing is the result of (A) weather, unsafe track conditions, or other acts of God; (B) an agreement between the organization licensee and the associations representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting; or (C) a finding by the Board of extraordinary circumstances and that it was in the best interest of the public and the sport to conduct fewer than 100 days of live racing. Any such person having operating control of the racing facility may also receive up to 6 inter-track wagering location licenses. In no event shall more than 6 inter-track wagering locations be established for each eligible race track, except that an eligible race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River may establish up to 7 inter-track wagering locations. An application for said license shall be filed with the Board prior to such dates as may be fixed by the Board. With an application for an inter-track wagering location license there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$500. The application shall be on forms prescribed and furnished by the Board. The application shall comply with all other rules, regulations and conditions imposed by the Board in connection therewith.

(2) The Board shall examine the applications with respect to their conformity with this Act and the rules and regulations imposed by the Board. If found to be in compliance with the Act and rules and regulations of the Board, the Board may then issue a license to conduct inter-track wagering and simulcast wagering to such applicant. All such applications shall be acted upon by the Board at a meeting to be held on such date as may be fixed by the Board.

(3) In granting licenses to conduct inter-track wagering and simulcast wagering, the Board shall give due consideration to the best interests of the public, of horse racing, and of maximizing revenue to the State.

(4) Prior to the issuance of a license to conduct inter-track wagering and simulcast wagering, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$50,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon (i) the payment by the licensee of all taxes due under Section 27 or 27.1 and any other monies due and payable under this Act, and (ii) distribution by the licensee, upon presentation of the winning ticket or tickets, of all sums payable to the patrons of pari-mutuel pools.

(5) Each license to conduct inter-track wagering and simulcast wagering shall specify the person to whom it is issued, the dates on which such wagering is permitted, and the track or location where the wagering is to be conducted.

(6) All wagering under such license is subject to this Act and to the rules and regulations from time to time prescribed by the Board, and every such license issued by the Board shall contain a recital to that effect.

(7) An inter-track wagering licensee or inter-track wagering location licensee may accept wagers at the track or location where it is licensed, or as otherwise provided under this Act.

(8) Inter-track wagering or simulcast wagering shall not be conducted at any track less than 5 miles from a track at which a racing meeting is in progress.

(8.1) Inter-track wagering location licensees who derive their licenses from a particular organization licensee shall conduct inter-track wagering and simulcast wagering only at locations which are either within 90 miles of that race track where the particular organization licensee is licensed to conduct racing, or within 135 miles of that race track where the particular organization licensee is licensed to conduct racing in the case of race tracks in counties of less than 400,000 that were operating on or before June 1, 1986. However, inter-track wagering and simulcast wagering shall not be conducted by those licensees at any location within 5 miles of any race track at which a horse



race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time application is made.

(8.2) Inter-track wagering or simulcast wagering shall not be conducted by an inter-track wagering location licensee at any location within 500 feet of an existing church or existing school, nor within 500 feet of the residences of more than 50 registered voters without receiving written permission from a majority of the registered voters at such residences. Such written permission statements shall be filed with the Board. The distance of 500 feet shall be measured to the nearest part of any building used for worship services, education programs, residential purposes, or conducting inter-track wagering by an inter-track wagering location licensee, and not to property boundaries. However, inter-track wagering or simulcast wagering may be conducted at a site within 500 feet of a church, school or residences of 50 or more registered voters if such church, school or residences have been erected or established, or such voters have been registered, after the Board issues the original inter-track wagering location license at the site in question. Inter-track wagering location licensees may conduct inter-track wagering and simulcast wagering only in areas that are zoned for commercial or manufacturing purposes or in areas for which a special use has been approved by the local zoning authority. However, no license to conduct inter-track wagering and simulcast wagering shall be granted by the Board with respect to any inter-track wagering location within the jurisdiction of any local zoning authority which has, by ordinance or by resolution, prohibited the establishment of an inter-track wagering location within its jurisdiction. However, inter-track wagering and simulcast wagering may be conducted at a site if such ordinance or resolution is enacted after the Board licenses the original inter-track wagering location licensee for the site in question.

(9) (Blank).

(10) An inter-track wagering licensee or an inter-track wagering location licensee may retain, subject to the payment of the privilege taxes and the purses, an amount not to exceed 17% of all money wagered. Each program of racing conducted by each inter-track wagering licensee or inter-track wagering location licensee shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax or pari-mutuel tax on such daily handle as provided in Section 27.

(10.1) Except as provided in subsection (g) of Section 27 of this Act, inter-track wagering location licensees shall pay 1% of the pari-mutuel handle at each location to the municipality in which such location is situated and 1% of the pari-mutuel handle at each location to the county in which such location is situated. In the event that an inter-track wagering location licensee is situated in an unincorporated area of a county, such licensee shall pay 2% of the pari-mutuel handle from such location to such county.

(10.2) Notwithstanding any other provision of this Act, with respect to intertrack wagering at a race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River ("the first race track"), or at a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, on races conducted at the first race track or on races conducted at another Illinois race track and simultaneously televised to the first race track or to a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, those moneys shall be allocated as follows:

(A) That portion of all moneys wagered on standardbred racing that is required under this Act to be paid to purses shall be paid to purses for standardbred races.

(B) That portion of all moneys wagered on thoroughbred racing that is required under this Act to be paid to purses shall be paid to purses for thoroughbred races.

(11) (A) After payment of the privilege or pari-mutuel tax, any other applicable taxes, and the costs and expenses in connection with the gathering, transmission, and dissemination of all data necessary to the conduct of inter-track wagering, the remainder of the monies retained under either Section 26 or Section 26.2 of this Act by the inter-track wagering licensee on inter-track wagering shall be allocated with 50% to be split between the 2 participating licensees and 50% to purses, except that an intertrack wagering licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the Illinois organization licensee that provides the race or races, and an intertrack wagering licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with that organization licensee.

(B) From the sums permitted to be retained pursuant to this Act each inter-track wagering location licensee shall pay (i) the privilege or pari-mutuel tax to the State; (ii) 4.75% of the pari-mutuel handle on intertrack wagering at such location on races as purses, except that an intertrack wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain all purse moneys for its own purse account consistent with distribution set forth in this subsection (h), and intertrack wagering location licensees that accept wagers on races conducted by an organization licensee located in a county with a population in excess of 230,000 and that borders the Mississippi River shall distribute all purse moneys to purses at the operating host track; (iii) until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, 1% of the pari-mutuel handle wagered on inter-track wagering and simulcast wagering at each inter-track wagering location licensee facility to the Horse Racing Tax Allocation Fund, provided that, to the extent the total amount collected and distributed to the Horse Racing Tax Allocation Fund under this subsection (h) during any calendar year exceeds the amount collected and distributed to the Horse Racing Tax Allocation Fund during calendar year 1994, that excess amount shall be redistributed (I) to all inter-track wagering location licensees, based on each licensee's pro-rata share of the total handle from inter-track wagering and simulcast wagering for all inter-track wagering location licensees during the calendar year in which this provision is applicable; then (II) the amounts redistributed to each inter-track wagering location licensee as described in subpart (I) shall be further redistributed as provided in subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 provided first, that the shares of those amounts, which are to be redistributed to the host track or to purses at the host track under subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 shall be redistributed based on each host track's pro rata share of the total inter-track wagering and simulcast wagering handle at all host tracks during the calendar year in question, and second, that any amounts redistributed as described in part (I) to an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall be further redistributed as provided in subparagraphs (D) and (E) of paragraph (7) of subsection (g) of this Section 26, with the portion of that further redistribution allocated to purses at that organization licensee to be divided between standardbred purses and thoroughbred purses based on the amounts otherwise allocated to purses at that organization licensee during the calendar year in question; and (iv) 8% of the pari-mutuel handle on inter-track wagering wagered at such location to satisfy all costs and expenses of conducting its wagering. The remainder of the monies retained by the inter-track wagering location licensee shall be allocated 40% to the location licensee and 60% to the organization licensee which provides the Illinois races to the location, except that an intertrack wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee that provides the race or races and an intertrack wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee. Notwithstanding the provisions of clauses (ii) and (iv) of this paragraph, in the case of the additional inter-track wagering location licenses authorized under paragraph (1) of this subsection (h) by this amendatory Act of 1991, those licensees shall pay the following amounts as purses: during the first 12 months the licensee is in operation, 5.25% of the pari-mutuel handle wagered at the location on races; during the second 12 months, 5.25%; during the third 12 months, 5.75%; during the fourth 12 months, 6.25%; and during the fifth 12 months and thereafter, 6.75%. The following amounts shall be retained by the licensee to satisfy all costs and expenses of conducting its wagering: during the first 12 months the licensee is in operation, 8.25% of the pari-mutuel handle wagered at the location; during the second 12 months, 8.25%; during the third 12 months, 7.75%; during the fourth 12 months, 7.25%; and during the fifth 12 months and thereafter, 6.75%. For additional intertrack wagering location licensees authorized under this amendatory Act of 1995, purses for the first 12 months the licensee is in operation shall be 5.75% of the pari-mutuel wagered at the location, purses for the second 12 months the licensee is in operation shall be 6.25%, and purses thereafter shall be 6.75%. For additional intertrack location licensees authorized under this amendatory Act of 1995, the licensee shall be allowed to retain to satisfy all costs and expenses: 7.75% of the pari-mutuel handle wagered at the location during its first 12 months of operation, 7.25% during its second 12 months of operation, and 6.75% thereafter.

(C) There is hereby created the Horse Racing Tax Allocation Fund which shall remain in existence until December 31, 1999. Moneys remaining in the Fund after December 31, 1999 shall be paid into the General Revenue Fund. Until January 1, 2000, all monies paid into the Horse Racing Tax

Allocation Fund pursuant to this paragraph (11) by inter-track wagering location licensees located in park districts of 500,000 population or less, or in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, and operating on May 1, 1994 shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve as chairman; 2 representatives of organization licensees conducting thoroughbred race meetings in this State, recommended by those licensees; 2 representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; a representative of the Horsemen's Benevolent and Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

Four-sevenths to park districts or municipalities that do not have a park district of 500,000 population or less for museum purposes (if an inter-track wagering location licensee is located in such a park district) or to conservation districts for museum purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, except that if the conservation district does not maintain a museum, the monies shall be allocated equally between the county and the municipality in which the inter-track wagering location licensee is located for general purposes) or to a municipal recreation board for park purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district and park maintenance is the function of the municipal recreation board and the municipality has a 1990 population of 9,302 according to the United States Bureau of the Census); provided that the monies are distributed to each park district or conservation district or municipality that does not have a park district in an amount equal to four-sevenths of the amount collected by each inter-track wagering location licensee within the park district or conservation district or municipality for the Fund. Monies that were paid into the Horse Racing Tax Allocation Fund before the effective date of this amendatory Act of 1991 by an inter-track wagering location licensee located in a municipality that is not included within any park district but is included within a conservation district as provided in this paragraph shall, as soon as practicable after the effective date of this amendatory Act of 1991, be allocated and paid to that conservation district as provided in this paragraph. Any park district or municipality not maintaining a museum may deposit the monies in the corporate fund of the park district or municipality where the inter-track wagering location is located, to be used for general purposes; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967. Until January 1, 2000, all other monies paid into the Horse Racing Tax Allocation Fund pursuant to this paragraph (11) shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve as

chairman; 2 representatives of organization licensees conducting thoroughbred race meetings in this State, recommended by those licensees; 2 representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; a representative of the Horsemen's Benevolent and Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

Four-sevenths to museums and aquariums located in park districts of over 500,000 population; provided that the monies are distributed in accordance with the previous year's distribution of the maintenance tax for such museums and aquariums as provided in Section 2 of the Park District Aquarium and Museum Act; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967. This subparagraph (C) shall be inoperative and of no force and effect on and after January 1, 2000.

(D) Except as provided in paragraph (11) of this subsection (h), with respect to purse allocation from intertrack wagering, the monies so retained shall be divided as follows:

(i) If the inter-track wagering licensee, except an intertrack wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is not conducting its own race meeting during the same dates, then the entire purse allocation shall be to purses at the track where the races wagered on are being conducted.

(ii) If the inter-track wagering licensee, except an intertrack wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is also conducting its own race meeting during the same dates, then the purse allocation shall be as follows: 50% to purses at the track where the races wagered on are being conducted; 50% to purses at the track where the inter-track wagering licensee is accepting such wagers.

(iii) If the inter-track wagering is being conducted by an inter-track wagering location licensee, except an intertrack wagering location licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, the entire purse allocation for Illinois races shall be to purses at the track where the race meeting being wagered on is being held.

(12) The Board shall have all powers necessary and proper to fully supervise and control the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees, including, but not limited to the following:

(A) The Board is vested with power to promulgate reasonable rules and regulations for the purpose of administering the conduct of this wagering and to prescribe reasonable rules, regulations and conditions under which such wagering shall be held and conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of said wagering and to impose penalties for violations thereof.

(B) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities of any licensee to determine whether there has been compliance with the provisions of this Act and the rules and regulations relating to the conduct of such wagering.

(C) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any licensee's facilities, any person whose conduct or reputation is such that his presence on such premises may, in the opinion of the Board, call into the question the honesty and integrity of, or interfere with the orderly conduct of such wagering; provided, however, that no

person shall be excluded or ejected from such premises solely on the grounds of race, color, creed, national origin, ancestry, or sex.

(D) (Blank).

(E) The Board is vested with the power to appoint delegates to execute any of the powers granted to it under this Section for the purpose of administering this wagering and any rules and regulations promulgated in accordance with this Act.

(F) The Board shall name and appoint a State director of this wagering who shall be a representative of the Board and whose duty it shall be to supervise the conduct of inter-track wagering as may be provided for by the rules and regulations of the Board; such rules and regulation shall specify the method of appointment and the Director's powers, authority and duties.

(G) The Board is vested with the power to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 against licensees for each violation of any provision of this Act relating to the conduct of this wagering, any rules adopted by the Board, any order of the Board or any other action which in the Board's discretion, is a detriment or impediment to such wagering.

(13) The Department of Agriculture may enter into agreements with licensees authorizing such licensees to conduct inter-track wagering on races to be held at the licensed race meetings conducted by the Department of Agriculture. Such agreement shall specify the races of the Department of Agriculture's licensed race meeting upon which the licensees will conduct wagering. In the event that a licensee conducts inter-track pari-mutuel wagering on races from the Illinois State Fair or DuQuoin State Fair which are in addition to the licensee's previously approved racing program, those races shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege or pari-mutuel tax on that daily handle as provided in Sections 27 and 27.1. Such agreements shall be approved by the Board before such wagering may be conducted. In determining whether to grant approval, the Board shall give due consideration to the best interests of the public and of horse racing. The provisions of paragraphs (1), (8), (8.1), and (8.2) of subsection (h) of this Section which are not specified in this paragraph (13) shall not apply to licensed race meetings conducted by the Department of Agriculture at the Illinois State Fair in Sangamon County or the DuQuoin State Fair in Perry County, or to any wagering conducted on those race meetings.

(i) Notwithstanding the other provisions of this Act, the conduct of wagering at wagering facilities is authorized on all days, except as limited by subsection (b) of Section 19 of this Act.

(Source: P.A. 91-40, eff. 6-25-99; 92-211, eff. 8-2-01.)

(230 ILCS 5/26.2) (from Ch. 8, par. 37-26.2)

Sec. 26.2. In addition to the amount retained by licensees pursuant to Section 26, each licensee may retain an additional amount up to 3 1/2% of the amount wagered on all multiple wagers plus an additional amount up to 8% of the amount wagered on any other multiple wager that involves a single betting interest on 3 or more horses. Amounts retained by organization licensees and inter-track wagering licensees on all forms of wagering shall be allocated, after payment of applicable State and local taxes and advance deposit wagering fees, if applicable, among organization licensees, inter-track wagering licensees, and purses as set forth in paragraph (5) of subsection (g) of Section 26, subparagraph (A) of paragraph (11) of subsection (h) of Section 26, and subsection (a) of Section 29 of this Act. Amounts retained by intertrack wagering location licensees under this Section on all forms of wagering shall be allocated, after payment of applicable State and local taxes, among organization licensees, intertrack wagering location licensees, and purses as set forth in paragraph 5 of subsection (g) of Section 26 and subparagraph (B) of paragraph (11) of subsection (h) of Section 26.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/27) (from Ch. 8, par. 37-27)

Sec. 27. (a) In addition to the organization license fee provided by this Act, until January 1, 2000, a graduated privilege tax is hereby imposed for conducting the pari-mutuel system of wagering permitted under this Act. Until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, all of the breakage of each racing day held by any licensee in the State shall be paid to the State. Until January 1, 2000, such daily graduated privilege tax shall be paid by the licensee from the amount permitted to be retained under this Act. Until January 1, 2000, each day's graduated privilege tax, breakage, and Horse Racing Tax Allocation funds shall be remitted to the Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes. The privilege tax hereby imposed, until January 1, 2000, shall be a flat tax at the rate of 2% of the daily pari-mutuel handle except as provided in Section 27.1.

In addition, every organization licensee, except as provided in Section 27.1 of this Act, which conducts multiple wagering shall pay, until January 1, 2000, as a privilege tax on multiple wagers an amount equal to 1.25% of all moneys wagered each day on such multiple wagers, plus an additional

amount equal to 3.5% of the amount wagered each day on any other multiple wager which involves a single betting interest on 3 or more horses. The licensee shall remit the amount of such taxes to the Department of Revenue within 48 hours after the close of the racing day on which it is assessed or within such other time as the Board prescribes.

This subsection (a) shall be inoperative and of no force and effect on and after January 1, 2000.

(a-5) Beginning on January 1, 2000, a flat pari-mutuel tax at the rate of 1.5% of the daily pari-mutuel handle, other than from advance deposit wagering from a location other than a wagering facility, which shall be subject to a pari-mutuel tax at the rate of 0.5%, is imposed at all pari-mutuel wagering facilities, except as otherwise provided for in this subsection (a-5). Beginning on the effective date of this amendatory Act of the 94th General Assembly and until moneys deposited pursuant to Section 54 are distributed and received, a pari-mutuel tax at the rate of 0.25% of the daily pari-mutuel handle is imposed at a pari-mutuel facility whose license is derived from a track located in a county that borders the Mississippi River and conducted live racing in the previous year. After moneys deposited pursuant to Section 54 are distributed and received, a pari-mutuel tax at the rate of 1.5% of the daily pari-mutuel handle is imposed at a pari-mutuel facility whose license is derived from a track located in a county that borders the Mississippi River and conducted live racing in the previous year. The pari-mutuel tax imposed by this subsection (a-5) shall be remitted to the Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes.

(b) On or before December 31, 1999, in the event that any organization licensee conducts 2 separate programs of races on any day, each such program shall be considered a separate racing day for purposes of determining the daily handle and computing the privilege tax on such daily handle as provided in subsection (a) of this Section.

(c) Licensees shall at all times keep accurate books and records of all monies wagered on each day of a race meeting and of the taxes paid to the Department of Revenue under the provisions of this Section. The Board or its duly authorized representative or representatives shall at all reasonable times have access to such records for the purpose of examining and checking the same and ascertaining whether the proper amount of taxes is being paid as provided. The Board shall require verified reports and a statement of the total of all monies wagered daily at each wagering facility upon which the taxes are assessed and may prescribe forms upon which such reports and statement shall be made.

(d) Any licensee failing or refusing to pay the amount of any tax due under this Section shall be guilty of a business offense and upon conviction shall be fined not more than \$5,000 in addition to the amount found due as tax under this Section. Each day's violation shall constitute a separate offense. All fines paid into Court by a licensee hereunder shall be transmitted and paid over by the Clerk of the Court to the Board.

(e) No other license fee, privilege tax, excise tax, or racing fee, except as provided in this Act, shall be assessed or collected from any such licensee by the State.

(f) No other license fee, privilege tax, excise tax or racing fee shall be assessed or collected from any such licensee by units of local government except as provided in paragraph 10.1 of subsection (h) and subsection (f) of Section 26 of this Act. However, any municipality that has a Board licensed horse race meeting at a race track wholly within its corporate boundaries or a township that has a Board licensed horse race meeting at a race track wholly within the unincorporated area of the township may charge a local amusement tax not to exceed 10¢ per admission to such horse race meeting by the enactment of an ordinance. However, any municipality or county that has a Board licensed inter-track wagering location facility wholly within its corporate boundaries may each impose an admission fee not to exceed \$1.00 per admission to such inter-track wagering location facility, so that a total of not more than \$2.00 per admission may be imposed. Except as provided in subparagraph (g) of Section 27 of this Act, the inter-track wagering location licensee shall collect any and all such fees and within 48 hours remit the fees to the Board, which shall, pursuant to rule, cause the fees to be distributed to the county or municipality.

(g) Notwithstanding any provision in this Act to the contrary, if in any calendar year the total taxes and fees from wagering on live racing and from inter-track wagering required to be collected from licensees and distributed under this Act to all State and local governmental authorities exceeds the amount of such taxes and fees distributed to each State and local governmental authority to which each State and local governmental authority was entitled under this Act for calendar year 1994, then the first \$11 million of that excess amount shall be allocated at the earliest possible date for distribution as purse money for the succeeding calendar year. Upon reaching the 1994 level, and until the excess amount of taxes and fees exceeds \$11 million, the Board shall direct all licensees to cease paying the subject taxes and fees and the Board shall direct all licensees to allocate any such excess amount for purses as follows:

(i) the excess amount shall be initially divided between thoroughbred and standardbred

purses based on the thoroughbred's and standardbred's respective percentages of total Illinois live wagering in calendar year 1994;

(ii) each thoroughbred and standardbred organization licensee issued an organization licensee in that succeeding allocation year shall be allocated an amount equal to the product of its percentage of total Illinois live thoroughbred or standardbred wagering in calendar year 1994 (the total to be determined based on the sum of 1994 on-track wagering for all organization licensees issued organization licenses in both the allocation year and the preceding year) multiplied by the total amount allocated for standardbred or thoroughbred purses, provided that the first \$1,500,000 of the amount allocated to standardbred purses under item (i) shall be allocated to the Department of Agriculture to be expended with the assistance and advice of the Illinois Standardbred Breeders Funds Advisory Board for the purposes listed in subsection (g) of Section 31 of this Act, before the amount allocated to standardbred purses under item (i) is allocated to standardbred organization licensees in the succeeding allocation year.

To the extent the excess amount of taxes and fees to be collected and distributed to State and local governmental authorities exceeds \$11 million, that excess amount shall be collected and distributed to State and local authorities as provided for under this Act.

(Source: P.A. 94-805, eff. 5-26-06.)

(230 ILCS 5/28) (from Ch. 8, par. 37-28)

Sec. 28. Except as provided in subsection (g) of Section 27 of this Act, moneys collected shall be distributed according to the provisions of this Section 28.

(a) Thirty per cent of the total of all monies received by the State as privilege taxes shall be paid into the Metropolitan Exposition Auditorium and Office Building Fund in the State Treasury.

(b) In addition, 4.5% of the total of all monies received by the State as privilege taxes shall be paid into the State treasury into a special Fund to be known as the Metropolitan Exposition, Auditorium, and Office Building Fund.

(c) Fifty per cent of the total of all monies received by the State as privilege taxes under the provisions of this Act shall be paid into the Agricultural Premium Fund.

(d) Seven per cent of the total of all monies received by the State as privilege taxes shall be paid into the Fair and Exposition Fund in the State treasury; provided, however, that when all bonds issued prior to July 1, 1984 by the Metropolitan Fair and Exposition Authority shall have been paid or payment shall have been provided for upon a refunding of those bonds, thereafter 1/12 of \$1,665,662 of such monies shall be paid each month into the Build Illinois Fund, and the remainder into the Fair and Exposition Fund. All excess monies shall be allocated to the Department of Agriculture for distribution to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act.

(e) The monies provided for in Section 30 shall be paid into the Illinois Thoroughbred Breeders Fund.

(f) The monies provided for in Section 31 shall be paid into the Illinois Standardbred Breeders Fund.

(g) Until January 1, 2000, that part representing 1/2 of the total breakage in Thoroughbred, Harness, Appaloosa, Arabian, and Quarter Horse racing in the State shall be paid into the Illinois Race Track Improvement Fund as established in Section 32.

(h) All other monies received by the Board under this Act shall be paid into the General Revenue Fund of the State.

(i) The salaries of the Board members, secretary, stewards, directors of mutuels, veterinarians, representatives, accountants, clerks, stenographers, inspectors and other employees of the Board, and all expenses of the Board incident to the administration of this Act, including, but not limited to, all expenses and salaries incident to the taking of saliva and urine samples in accordance with the rules and regulations of the Board shall be paid out of the Agricultural Premium Fund.

(j) The Agricultural Premium Fund shall also be used:

(1) for the expenses of operating the Illinois State Fair and the DuQuoin State Fair, including the payment of prize money or premiums;

(2) for the distribution to county fairs, vocational agriculture section fairs, agricultural societies, and agricultural extension clubs in accordance with the Agricultural Fair Act, as amended;

(3) for payment of prize monies and premiums awarded and for expenses incurred in connection with the International Livestock Exposition and the Mid-Continent Livestock Exposition held in Illinois, which premiums, and awards must be approved, and paid by the Illinois Department of Agriculture;

(4) for personal service of county agricultural advisors and county home advisors;

(5) for distribution to agricultural home economic extension councils in accordance with "An Act in relation to additional support and finance for the Agricultural and Home Economic

Extension Councils in the several counties in this State and making an appropriation therefor", approved July 24, 1967, as amended;

(6) for research on equine disease, including a development center therefor;

(7) for training scholarships for study on equine diseases to students at the

University of Illinois College of Veterinary Medicine;

(8) for the rehabilitation, repair and maintenance of the Illinois and DuQuoin State

Fair Grounds and the structures and facilities thereon and the construction of permanent improvements on such Fair Grounds, including such structures, facilities and property located on such State Fair Grounds which are under the custody and control of the Department of Agriculture;

(9) for the expenses of the Department of Agriculture under Section 5-530 of the Departments of State Government Law (20 ILCS 5/5-530);

(10) for the expenses of the Department of Commerce and Economic Opportunity under Sections 605-620, 605-625, and 605-630 of the Department of Commerce and Economic Opportunity Law (20 ILCS 605/605-620, 605/605-625, and 605/605-630);

(11) for remodeling, expanding, and reconstructing facilities destroyed by fire of any Fair and Exposition Authority in counties with a population of 1,000,000 or more inhabitants;

(12) for the purpose of assisting in the care and general rehabilitation of disabled veterans of any war and their surviving spouses and orphans;

(13) for expenses of the Department of State Police for duties performed under this Act;

(14) for the Department of Agriculture for soil surveys and soil and water conservation purposes;

(15) for the Department of Agriculture for grants to the City of Chicago for conducting the Chicagofest;

(16) for the State Comptroller for grants and operating expenses authorized by the Illinois Global Partnership Act; -

(17) for drug testing as authorized in Section 34.3 of this Act.

(k) To the extent that monies paid by the Board to the Agricultural Premium Fund are in the opinion of the Governor in excess of the amount necessary for the purposes herein stated, the Governor shall notify the Comptroller and the State Treasurer of such fact, who, upon receipt of such notification, shall transfer such excess monies from the Agricultural Premium Fund to the General Revenue Fund.

(Source: P.A. 94-91, Sections 55-135 and 90-10, eff. 7-1-05.)

(230 ILCS 5/28.1)

Sec. 28.1. Payments.

(a) Beginning on January 1, 2000, moneys collected by the Department of Revenue and the Racing Board pursuant to Section 26 or Section 27 of this Act shall be deposited into the Horse Racing Fund, which is hereby created as a special fund in the State Treasury.

(b) Appropriations, as approved by the General Assembly, may be made from the Horse Racing Fund to the Board to pay the salaries of the Board members, secretary, stewards, directors of mutuels, veterinarians, representatives, accountants, clerks, stenographers, inspectors and other employees of the Board, and all expenses of the Board incident to the administration of this Act, including, but not limited to, all expenses and salaries incident to the taking of saliva and urine samples in accordance with the rules and regulations of the Board.

(c) Appropriations, as approved by the General Assembly, shall be made from the Horse Racing Fund to the Department of Agriculture for the purposes identified in paragraphs (2), (2.5), (4), (6), (7), (8), and (9) of subsection (g) of Section 30, subsection (e) of Section 30.5, and paragraphs (1), (2), (3), (5), and (8) of subsection (g) of Section 31 and for standardbred bonus programs for owners of horses that win multiple stakes races that are limited to Illinois conceived and foaled horses. From Beginning on January 1, 2000 until the effective date of this amendatory Act of the 95th General Assembly, the Board shall transfer the remainder of the funds generated pursuant to Sections 26 and 27 from the Horse Racing Fund into the General Revenue Fund.

(d) Beginning January 1, 2000, payments to all programs in existence on the effective date of this amendatory Act of 1999 that are identified in Sections 26(c), 26(f), 26(h)(11)(C), and ~~28, subsections (a), (b), (c), (d), (e), (f), (g), and (h) of Section 30, and subsections (a), (b), (c), (d), (e), (f), (g), and (h) of Section 31~~ shall be made from the General Revenue Fund at the funding levels determined by amounts paid under this Act in calendar year 1998. Beginning on the effective date of this amendatory Act of the 93rd General Assembly, payments to the Peoria Park District shall be made from the General Revenue Fund at the funding level determined by amounts paid to that park district for museum purposes under this Act in calendar year 1994. Beginning on the effective date of this amendatory Act of the 94th General Assembly, in lieu of payments to the Champaign Park District for museum purposes, payments

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to the Urbana Park District shall be made from the General Revenue Fund at the funding level determined by amounts paid to the Champaign Park District for museum purposes under this Act in calendar year 2005.

(e) Beginning July 1, 2006, the payment authorized under subsection (d) to museums and aquariums located in park districts of over 500,000 population shall be paid to museums, aquariums, and zoos in amounts determined by Museums in the Park, an association of museums, aquariums, and zoos located on Chicago Park District property.

(f) Notwithstanding any other provision of this Act to the contrary, appropriations, as approved by the General Assembly, may be made from the Fair and Exposition Fund to the Department of Agriculture for distribution to Illinois county fairs to supplement premiums offered in junior classes.

(Source: P.A. 93-869, eff. 8-6-04; 94-813, eff. 5-26-06.)

(230 ILCS 5/29) (from Ch. 8, par. 37-29)

Sec. 29. (a) After the privilege or pari-mutuel tax established in Sections 26(f), 27, and 27.1 is paid to the State from the monies from wagering other than advance deposit wagering retained by the organization licensee pursuant to Sections 26, 26.2, and 26.3, the remainder of those monies retained pursuant to Sections 26 and 26.2, except as provided in subsection (g) of Section 27 of this Act, shall be allocated evenly to the organization licensee and as purses. Monies from advance deposit wagering shall be allocated as provided in subsection (g) of Section 26.

(b) (Blank).

(c) (Blank).

(d) Each organization licensee and inter-track wagering licensee from the money retained for purses as set forth in subsection (a) of this Section, shall pay to an organization representing the largest number of horse owners and trainers which has negotiated a contract with the organization licensee for such purpose an amount equal to at least 1% of the organization licensee's and inter-track wagering licensee's retention of the pari-mutuel handle for the racing season. Each inter-track wagering location licensee, from the 4% of its handle required to be paid as purses under paragraph (11) of subsection (h) of Section 26 of this Act, shall pay to the contractually established representative organization 2% of that 4%, provided that the payments so made to the organization shall not exceed a total of \$125,000 in any calendar year. Such contract shall be negotiated and signed prior to the beginning of the racing season.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 5/30) (from Ch. 8, par. 37-30)

Sec. 30. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of thoroughbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality thoroughbred horses to participate in thoroughbred racing meetings in this State, and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Act.

(b) Each organization licensee conducting a thoroughbred racing meeting pursuant to this Act shall provide at least two races each day limited to Illinois conceived and foaled horses or Illinois foaled horses or both. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled or Illinois foaled horses or both. Subject to the daily availability of horses, one of the 6 races scheduled per week that are limited to Illinois conceived and foaled or Illinois foaled horses or both shall be limited to Illinois conceived and foaled or Illinois foaled maidens. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

(c) Conditions of races under subsection (b) shall be commensurate with past performance, quality, and class of Illinois conceived and foaled and Illinois foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.

(d) There is hereby created a special fund of the State Treasury to be known as the Illinois Thoroughbred Breeders Fund.

Except as provided in subsection (g) of Section 27 of this Act, 8.5% of all the monies received by the State as privilege taxes on Thoroughbred racing meetings shall be paid into the Illinois Thoroughbred Breeders Fund.

(e) The Illinois Thoroughbred Breeders Fund shall be administered by the Department of Agriculture with the advice and assistance of the Advisory Board created in subsection (f) of this Section.

(f) The Illinois Thoroughbred Breeders Fund Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; a member of the Illinois Racing Board, designated by it; 2 representatives of the organization licensees conducting thoroughbred racing meetings, recommended by them; 2 representatives of the Illinois Thoroughbred Breeders and Owners

Foundation, recommended by it; and 2 representatives of the Horsemen's Benevolent Protective Association or any successor organization established in Illinois comprised of the largest number of owners and trainers, recommended by it, with one representative of the Horsemen's Benevolent and Protective Association to come from its Illinois Division, and one from its Chicago Division. Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives of the organization licensees conducting thoroughbred racing meetings, the Illinois Thoroughbred Breeders and Owners Foundation, and the Horsemen's Benevolent Protection Association have not been recommended by January 1, of each odd numbered year, the Director of the Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) ~~Moneys No monies~~ shall be expended from the Illinois Thoroughbred Breeders Fund ~~except~~ as appropriated by the General Assembly pursuant to this Act, the Riverboat and Casino Gambling Act, or both. Monies appropriated from the Illinois Thoroughbred Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, for the following purposes only:

(1) To provide purse supplements to owners of horses participating in races limited to Illinois conceived and foaled and Illinois foaled horses. Any such purse supplements shall not be included in and shall be paid in addition to any purses, stakes, or breeders' awards offered by each organization licensee as determined by agreement between such organization licensee and an organization representing the horsemen. No monies from the Illinois Thoroughbred Breeders Fund shall be used to provide purse supplements for claiming races in which the minimum claiming price is less than \$7,500.

(2) To provide stakes and awards to be paid to the owners of the winning horses in certain races limited to Illinois conceived and foaled and Illinois foaled horses designated as stakes races.

(2.5) To provide an award to the owner or owners of an Illinois conceived and foaled or Illinois foaled horse that wins a maiden special weight, an allowance, overnight handicap race, or claiming race with claiming price of \$10,000 or more providing the race is not restricted to Illinois conceived and foaled or Illinois foaled horses. Awards shall also be provided to the owner or owners of Illinois conceived and foaled and Illinois foaled horses that place second or third in those races. To the extent that additional moneys are required to pay the minimum additional awards of 40% of the purse the horse earns for placing first, second or third in those races for Illinois foaled horses and of 60% of the purse the horse earns for placing first, second or third in those races for Illinois conceived and foaled horses, those moneys shall be provided from the purse account at the track where earned.

(3) To provide stallion awards to the owner or owners of any stallion that is duly registered with the Illinois Thoroughbred Breeders Fund Program ~~prior to the effective date of this amendatory Act of 1995~~ whose duly registered Illinois conceived and foaled offspring wins a race conducted at an Illinois thoroughbred racing meeting other than a claiming race , provided (i) that the stallion stood for service within Illinois at the time the offspring was conceived and (ii) that the stallion did not stand for service outside of Illinois at any time during the year in which the offspring was conceived. ~~Such award shall not be paid to the owner or owners of an Illinois stallion that served outside this State at any time during the calendar year in which such race was conducted.~~

(4) To provide \$75,000 annually for purses to be distributed to county fairs that provide for the running of races during each county fair exclusively for the thoroughbreds conceived and foaled in Illinois. The conditions of the races shall be developed by the county fair association and reviewed by the Department with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board. There shall be no wagering of any kind on the running of Illinois conceived and foaled races at county fairs.

(4.1) ~~(Blank). To provide purse money for an Illinois stallion stakes program.~~

(5) No less than 80% of all monies appropriated ~~to from~~ the Illinois Thoroughbred Breeders Fund shall be expended for the purposes in (1), (2), (2.5), (3), (4), (4.1), and (5) as shown above.

(6) To provide for educational programs regarding the thoroughbred breeding industry.

(7) To provide for research programs concerning the health, development and care of the thoroughbred horse.

(8) To provide for a scholarship and training program for students of equine veterinary medicine.

(9) To provide for dissemination of public information designed to promote the breeding

of thoroughbred horses in Illinois.

(10) To provide for all expenses incurred in the administration of the Illinois Thoroughbred Breeders Fund.

(h) ~~(Blank). Whenever the Governor finds that the amount in the Illinois Thoroughbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Thoroughbred Breeders Fund to the General Revenue Fund.~~

(i) A sum equal to 12 1/2% of the first prize money of every purse won by an Illinois foaled or an Illinois conceived and foaled horse in races not limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization licensee conducting the horse race meeting. Such sum shall be paid from the organization licensee's share of the money wagered as follows: 11 1/2% to the breeder of the winning horse and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this subsection (i) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies. Such payments shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards under this subsection to verify accuracy of payments and assure proper distribution of breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

(j) A sum equal to 12 1/2% of the first prize money won in each race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid in the following manner by the organization licensee conducting the horse race meeting, from the organization licensee's share of the money wagered: 11 1/2% to the breeders of the horses in each such race which are the official first, second, third and fourth finishers and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this subsection (j) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies.

The 11 1/2% paid to the breeders in accordance with this subsection shall be distributed as follows:

- (1) 60% of such sum shall be paid to the breeder of the horse which finishes in the official first position;
- (2) 20% of such sum shall be paid to the breeder of the horse which finishes in the official second position;
- (3) 15% of such sum shall be paid to the breeder of the horse which finishes in the official third position; and
- (4) 5% of such sum shall be paid to the breeder of the horse which finishes in the official fourth position.

Such payments shall not reduce any award to the owners of a horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

(k) The term "breeder", as used herein, means the owner of the mare at the time the foal is dropped.

An "Illinois foaled horse" is a foal dropped by a mare which enters this State on or before December 1, in the year in which the horse is bred, provided the mare remains continuously in this State until its foal is born. An "Illinois foaled horse" also means a foal born of a mare in the same year as the mare enters this State on or before March 1, and remains in this State at least 30 days after foaling, is bred back during the season of the foaling to an Illinois Registered Stallion (unless a veterinarian certifies that the mare should not be bred for health reasons), and is not bred to a stallion standing in any other state during the season of foaling. An "Illinois foaled horse" also means a foal born in Illinois of a mare purchased at public auction subsequent to the mare entering this State prior to ~~March 1~~ February 1 of the foaling year providing the mare is owned solely by one or more Illinois residents or an Illinois entity that is entirely owned by one or more Illinois residents.

(l) The Department of Agriculture shall, by rule, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board:

(1) Qualify stallions for Illinois breeding; such stallions to stand for service within the State of Illinois at the time of a foal's conception. Such stallion must not stand for service at any place outside the State of Illinois during the calendar year in which the foal is conceived. The Department of Agriculture may assess and collect an application fee of \$500 ~~fees~~ for the registration of each Illinois-eligible stallion ~~stallions~~. All fees collected are to be paid into the Illinois Thoroughbred Breeders Fund and used by the Illinois Thoroughbred Breeders Fund Advisory Board for stallion awards.

(2) Provide for the registration of Illinois conceived and foaled horses and Illinois foaled horses. No such horse shall compete in the races limited to Illinois conceived and foaled horses or Illinois foaled horses or both unless registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as are necessary to determine the eligibility of such horses. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible foals. All fees collected are to be paid into the Illinois Thoroughbred Breeders Fund. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information.

(m) The Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, shall provide that certain races limited to Illinois conceived and foaled and Illinois foaled horses be stakes races and determine the total amount of stakes and awards to be paid to the owners of the winning horses in such races.

In determining the stakes races and the amount of awards for such races, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, organization licensees' contributions, availability of stakes caliber horses as demonstrated by past performances, whether the race can be coordinated into the proposed racing dates within organization licensees' racing dates, opportunity for colts and fillies and various age groups to race, public wagering on such races, and the previous racing schedule.

(n) The Board and the organizational licensee shall notify the Department of the conditions and minimum purses for races limited to Illinois conceived and foaled and Illinois foaled horses conducted for each organizational licensee conducting a thoroughbred racing meeting. The Department of Agriculture with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, the number of races that may occur, and the organizational licensee's purse structure.

~~(o) (Blank). In order to improve the breeding quality of thoroughbred horses in the State, the General Assembly recognizes that existing provisions of this Section to encourage such quality breeding need to be revised and strengthened. As such, a Thoroughbred Breeder's Program Task Force is to be appointed by the Governor by September 1, 1999 to make recommendations to the General Assembly by no later than March 1, 2000. This task force is to be composed of 2 representatives from the Illinois Thoroughbred Breeders and Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's Association, 3 from Illinois race tracks operating thoroughbred race meets for an average of at least 30 days in the past 3 years, the Director of Agriculture, the Executive Director of the Racing Board, who shall serve as Chairman.~~

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 5/31) (from Ch. 8, par. 37-31)

Sec. 31. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of standardbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality standardbred horses to participate in harness racing

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meetings in this State, and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Section of this Act.

(b) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide for at least two races each race program limited to Illinois conceived and foaled horses. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled horses. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

(c) Conditions of races under subsection (b) shall be commensurate with past performance, quality and class of Illinois conceived and foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.

(d) There is hereby created a special fund of the State Treasury to be known as the Illinois Standardbred Breeders Fund.

During the calendar year 1981, and each year thereafter, except as provided in subsection (g) of Section 27 of this Act, eight and one-half per cent of all the monies received by the State as privilege taxes on harness racing meetings shall be paid into the Illinois Standardbred Breeders Fund.

(e) The Illinois Standardbred Breeders Fund shall be administered by the Department of Agriculture with the assistance and advice of the Advisory Board created in subsection (f) of this Section.

(f) The Illinois Standardbred Breeders Fund Advisory Board is hereby created. The Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; the Superintendent of the Illinois State Fair; a member of the Illinois Racing Board, designated by it; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by it; a representative of the Illinois Association of Agricultural Fairs, recommended by it, such representative to be from a fair at which Illinois conceived and foaled racing is conducted; a representative of the organization licensees conducting harness racing meetings, recommended by them and a representative of the Illinois Harness Horsemen's Association, recommended by it. Advisory Board members shall serve for 2 years commencing January 1, of each odd numbered year. If representatives of the Illinois Standardbred Owners and Breeders Associations, the Illinois Association of Agricultural Fairs, the Illinois Harness Horsemen's Association, and the organization licensees conducting harness racing meetings have not been recommended by January 1, of each odd numbered year, the Director of the Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) No monies shall be expended from the Illinois Standardbred Breeders Fund except as appropriated by the General Assembly pursuant to this Act, the Riverboat and Casino Gambling Act, or both. Monies appropriated from the Illinois Standardbred Breeders Fund shall be expended by the Department of Agriculture, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board for the following purposes only:

1. To provide purses for races limited to Illinois conceived and foaled horses at the State Fair and the DuQuoin State Fair.
2. To provide purses for races limited to Illinois conceived and foaled horses at county fairs.
3. To provide purse supplements for races limited to Illinois conceived and foaled horses conducted by associations conducting harness racing meetings.
4. No less than 75% of all monies in the Illinois Standardbred Breeders Fund shall be expended for purses in 1, 2 and 3 as shown above.
5. In the discretion of the Department of Agriculture to provide awards to harness breeders of Illinois conceived and foaled horses which win races conducted by organization licensees conducting harness racing meetings. A breeder is the owner of a mare at the time of conception. No more than 10% of all monies appropriated from the Illinois Standardbred Breeders Fund shall be expended for such harness breeders awards. No more than 25% of the amount expended for harness breeders awards shall be expended for expenses incurred in the administration of such harness breeders awards.
6. To pay for the improvement of racing facilities located at the State Fair and County fairs.
7. To pay the expenses incurred in the administration of the Illinois Standardbred Breeders Fund.
8. To promote the sport of harness racing, including grants up to a maximum of \$7,500 per fair per

year for the cost of a totalizer system to be used for conducting pari-mutuel wagering during the advertised dates of a county fair.

(h) Whenever the Governor finds that the amount in the Illinois Standardbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Standardbred Breeders Fund to the General Revenue Fund.

(i) A sum equal to 12 1/2% of the first prize money of every purse won by an Illinois conceived and foaled horse shall be paid by the organization licensee conducting the horse race meeting to the breeder of such winning horse from the organization licensee's share of the money wagered. Such payment shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Such payment shall be delivered by the organization licensee at the end of each ~~month race meeting~~.

(j) The Department of Agriculture shall, by rule, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board:

1. Qualify stallions for Illinois Standardbred Breeders Fund breeding; such stallion shall be owned by a resident of the State of Illinois or by an Illinois corporation all of whose shareholders, directors, officers and incorporators are residents of the State of Illinois. Such stallion shall stand for service at and within the State of Illinois at the time of a foal's conception, and such stallion must not stand for service at any place, ~~nor may semen from such stallion be transported~~, outside the State of Illinois during that calendar year in which the foal is conceived and that the owner of the stallion was for the 12 months prior, a resident of Illinois. The articles of agreement of any partnership, joint venture, limited partnership, syndicate, association or corporation and any bylaws and stock certificates must contain a restriction that provides that the ownership or transfer of interest by any one of the persons a party to the agreement can only be made to a person who qualifies as an Illinois resident. Foals conceived outside the State of Illinois from shipped semen from a stallion qualified for breeders' awards under this Section are not eligible to participate in the Illinois conceived and foaled program.

2. Provide for the registration of Illinois conceived and foaled horses and no such horse shall compete in the races limited to Illinois conceived and foaled horses unless registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as may be necessary to determine the eligibility of such horses. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information. A mare (dam) must be in the state at least 30 days prior to foaling or remain in the State at least 30 days at the time of foaling. Beginning with the 1996 breeding season and for foals of 1997 and thereafter, a foal conceived in the State of Illinois by transported fresh semen may be eligible for Illinois conceived and foaled registration provided all breeding and foaling requirements are met. The stallion must be qualified for Illinois Standardbred Breeders Fund breeding at the time of conception and the mare must be inseminated within the State of Illinois. The foal must be dropped in Illinois and properly registered with the Department of Agriculture in accordance with this Act.

3. Provide that at least a 5 day racing program shall be conducted at the State Fair each year, which program shall include at least the following races limited to Illinois conceived and foaled horses: (a) a two year old Trot and Pace, and Filly Division of each; (b) a three year old Trot and Pace, and Filly Division of each; (c) an aged Trot and Pace, and Mare Division of each.

4. Provide for the payment of nominating, sustaining and starting fees for races promoting the sport of harness racing and for the races to be conducted at the State Fair as provided in subsection (j) 3 of this Section provided that the nominating, sustaining and starting payment required from an entrant shall not exceed 2% of the purse of such race. All nominating, sustaining and starting payments shall be held for the benefit of entrants and shall be paid out as part of the respective purses for such races. Nominating, sustaining and starting fees shall be held in trust accounts for the purposes as set forth in this Act and in accordance with Section 205-15 of the Department of Agriculture Law (20 ILCS 205/205-15).

5. Provide for the registration with the Department of Agriculture of Colt Associations or county fairs desiring to sponsor races at county fairs.

(k) The Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board, may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Standardbred Breeders Fund program, the number of races that may occur, and an organizational licensee's purse structure. The organizational licensee shall notify the Department of Agriculture of the conditions and minimum purses for races limited to Illinois conceived and foaled horses to be conducted by each organizational licensee conducting a harness racing meeting for which purse supplements have been

negotiated.

(l) All races held at county fairs and the State Fair which receive funds from the Illinois Standardbred Breeders Fund shall be conducted in accordance with the rules of the United States Trotting Association unless otherwise modified by the Department of Agriculture.

(m) At all standardbred race meetings held or conducted under authority of a license granted by the Board, and at all standardbred races held at county fairs which are approved by the Department of Agriculture or at the Illinois or DuQuoin State Fairs, no one shall jog, train, warm up or drive a standardbred horse unless he or she is wearing a protective safety helmet, with the chin strap fastened and in place, which meets the standards and requirements as set forth in the 1984 Standard for Protective Headgear for Use in Harness Racing and Other Equestrian Sports published by the Snell Memorial Foundation, or any standards and requirements for headgear the Illinois Racing Board may approve. Any other standards and requirements so approved by the Board shall equal or exceed those published by the Snell Memorial Foundation. Any equestrian helmet bearing the Snell label shall be deemed to have met those standards and requirements.

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

(230 ILCS 5/31.2 new)

Sec. 31.2. Racing Industry Workers' Fund: advisory board.

(a) The General Assembly finds that backstretch workers play a critical role in the success and prosperity of the racing industry. The General Assembly finds that there is a need to improve the quality and viability of live racing in Illinois by providing new resources to increase purse sizes and to improve race track facilities. The General Assembly finds that there is a concomitant responsibility and duty to address the human service and housing needs of backstretch workers.

(b) There is hereby created in the State treasury a special fund to be known as the Racing Industry Workers' Fund. The Fund shall consist of moneys paid into it under subsection (b) of Section 54.5 of the Illinois Horse Racing Act of 1975.

(c) The Illinois Racing Board is authorized to use funds in the Racing Industry Workers' Fund to fund programs and initiatives that improve the quality of life of backstretch workers. Initiatives funded by the Illinois Racing Board shall address needs such as illiteracy, substance dependence, primary health care, child care, housing, and any other social service need determined by the Illinois Racing Board.

(d) On December 31st of each year the Board shall report to the General Assembly and the Governor on the programs funded by the Board during the preceding fiscal year, the number of persons served, and the working and living conditions of backstretch workers.

(e) The Board shall appoint a Backstretch Programs Advisory Board, who shall report to and advise the Board on matters concerning backstretch conditions and needs. The Backstretch Programs Advisory Board shall consist of the following 7 members:

(1) 2 persons who represent the interests of an organization licensee;

(2) one person who represents the interests of standardbred horsemen;

(3) one person who represents the interests of thoroughbred horsemen;

(4) one person who is or was a backstretch worker;

(5) one person who advocates on behalf of backstretch workers; and

(6) one person who has significant experience in administering social services.

(f) The Board shall hire, in its sole discretion, a backstretch workers' Program Coordinator who shall serve under the direction of the Board to supervise and coordinate the programs funded by the Racing Industry Workers' Fund. The Program Coordinator shall be paid from the Racing Industry Workers' Fund.

(230 ILCS 5/36) (from Ch. 8, par. 37-36)

Sec. 36. (a) Whoever administers or conspires to administer to any horse a hypnotic, narcotic, stimulant, depressant or any chemical substance which may affect the speed of a horse at any time, except those chemical substances permitted by ruling of the Board, internally, externally or by hypodermic method in a race or prior thereto, or whoever knowingly enters a horse in any race within a period of 24 hours after any hypnotic, narcotic, stimulant, depressant or any other chemical substance which may affect the speed of a horse at any time, except those chemical substances permitted by ruling of the Board, has been administered to such horse either internally or externally or by hypodermic method for the purpose of increasing or retarding the speed of such horse shall be guilty of a Class 4 felony. The Board shall suspend or revoke such violator's license.

(b) The term "hypnotic" as used in this Section includes all barbituric acid preparations and derivatives.

(c) The term "narcotic" as used in this Section includes opium and all its alkaloids, salts, preparations and derivatives, cocaine and all its salts, preparations and derivatives and substitutes.

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(d) The provisions of this Section 36 and the treatment authorized herein apply to horses entered in and competing in race meetings as defined in Section 3.47 of this Act and to horses entered in and competing at any county fair.

(e) Drug testing for horses entered in and competing at any county fair shall be conducted by the Department of Agriculture, with the advice and assistance of the Board. The Department of Agriculture, with the assistance of the Board, shall adopt rules for drug testing, for horses entered in and competing at any county fair.

(Source: P.A. 79-1185.)

(230 ILCS 5/54.5)

(Section scheduled to be repealed on May 26, 2008)

Sec. 54.5. Horse Racing Equity Trust Fund.

(a) There is created a Fund to be known as the Horse Racing Equity Trust Fund, which is a non-appropriated trust fund held separate and apart from State moneys. The Fund shall consist of moneys paid into it by owners licensees under the Riverboat Gambling Act for the purposes described in this Section. The Fund shall be administered by the Board. Moneys in the Fund shall be distributed as directed and certified by the Board in accordance with the provisions of subsection (b).

(b) An amount equal to \$2,000,000 shall be distributed annually from the Horse Racing Equity Trust Fund to the Racing Industry Workers' Fund. The remaining moneys deposited into the Fund, plus any accrued interest on those moneys, shall be distributed within 10 days after those moneys are deposited into the Fund as follows:

(1) Sixty percent of all moneys distributed under this subsection shall be distributed to organization licensees to be distributed at their race meetings as purses. Fifty-seven percent of the amount distributed under this paragraph (1) shall be distributed for thoroughbred race meetings and 43% shall be distributed for standardbred race meetings. Within each breed, moneys shall be allocated to each organization licensee's purse fund in accordance with the ratio between the purses generated for that breed by that licensee during the prior calendar year and the total purses generated throughout the State for that breed during the prior calendar year by licensees in the current calendar year.

(2) The remaining 40% of the moneys distributed under this subsection (b) shall be distributed as follows:

(A) 13% ~~44%~~ shall be distributed to any person (or its successors or assigns) who had operating control of a racetrack that conducted live racing in 2002 at a racetrack in a county with at least 230,000 inhabitants that borders the Mississippi River and is a licensee in the current year; and

(B) the remaining 87% ~~89%~~ shall be distributed pro rata according to the aggregate proportion of total handle from wagering on live races conducted in Illinois (irrespective of where the wagers are placed) for calendar years 2004 and 2005 to any person (or its successors or assigns) who (i) had majority operating control of a racing facility at which live racing was conducted in calendar year 2002, (ii) is a licensee in the current year, and (iii) is not eligible to receive moneys under subparagraph (A) of this paragraph (2).

The moneys received by an organization licensee under this paragraph (2) shall be used by each organization licensee to improve, maintain, market, and otherwise operate its racing facilities to conduct live racing, which shall include backstretch services and capital improvements related to live racing and the backstretch. Any organization licensees sharing common ownership may pool the moneys received and spent at all racing facilities commonly owned in order to meet these requirements.

If any person identified in this paragraph (2) becomes ineligible to receive moneys from the Fund, such amount shall be redistributed among the remaining persons in proportion to their percentages otherwise calculated.

(c) The Board shall monitor organization licensees to ensure that moneys paid to organization licensees under this Section are distributed by the organization licensees as provided in subsection (b).

~~(d) This Section is repealed 2 years after the effective date of this amendatory Act of the 94th General Assembly.~~

(Source: P.A. 94-804, eff. 5-26-06.)

Section 945. The Riverboat Gambling Act is amended by changing Sections 1, 2, 3, 4, 5, 6, 7.1, 7.3, 7.4, 8, 9, 10, 11, 11.1, 12, 13, 14, 18, and 20, by reenacting and changing Sections 7 and 23, and by adding Sections 5.2, 7.6, 7.7, 7.10, 7.15, and 7.20 as follows:

(230 ILCS 10/1) (from Ch. 120, par. 2401)

Sec. 1. Short title. This Act shall be known and may be cited as the Riverboat and Casino Gambling Act.

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(Source: P.A. 86-1029.)

(230 ILCS 10/2) (from Ch. 120, par. 2402)

Sec. 2. Legislative Intent.

(a) This Act is intended to benefit the people of the State of Illinois by assisting economic development and promoting Illinois tourism and by increasing the amount of revenues available to the State to assist and support education.

(b) While authorization of riverboat and casino gambling will enhance investment, development and tourism in Illinois, it is recognized that it will do so successfully only if public confidence and trust in the credibility and integrity of the gambling operations and the regulatory process is maintained. Therefore, regulatory provisions of this Act are designed to strictly regulate the facilities, persons, associations and practices related to gambling operations pursuant to the police powers of the State, including comprehensive law enforcement supervision.

(c) The Illinois Gaming Board established under this Act should, as soon as possible, inform each applicant for an owners license of the Board's intent to grant or deny a license.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/3) (from Ch. 120, par. 2403)

Sec. 3. ~~Riverboat~~ Gambling Authorized.

(a) Riverboat and casino gambling operations ~~and the system of wagering incorporated therein~~, as defined in this Act, are hereby authorized to the extent that they are carried out in accordance with the provisions of this Act.

(b) This Act does not apply to the pari-mutuel system of wagering used or intended to be used in connection with the horse-race meetings as authorized under the Illinois Horse Racing Act of 1975, lottery games authorized under the Illinois Lottery Law, bingo authorized under the Bingo License and Tax Act, charitable games authorized under the Charitable Games Act or pull tabs and jar games conducted under the Illinois Pull Tabs and Jar Games Act.

(c) Riverboat gambling conducted pursuant to this Act may be authorized upon any water within the State of Illinois or any water other than Lake Michigan which constitutes a boundary of the State of Illinois. Notwithstanding any provision in this subsection (c) to the contrary, a licensee that receives its license pursuant to subsection (e-5) of Section 7 authorizing its holder to conduct riverboat gambling from a home dock in any county North of Cook County may conduct riverboat gambling on Lake Michigan from a home dock located on Lake Michigan. Notwithstanding any provision in this subsection (c) to the contrary, a licensee may conduct gambling at its home dock facility as provided in Sections 7 and 11. A licensee may conduct riverboat gambling authorized under this Act regardless of whether it conducts excursion cruises. A licensee may permit the continuous ingress and egress of passengers for the purpose of gambling.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 10/4) (from Ch. 120, par. 2404)

Sec. 4. Definitions. As used in this Act:

"Authority" means the Illinois Casino Development Authority created under the Illinois Casino Development Authority Act.

~~(\*)~~ "Board" means the Illinois Gaming Board.

"Casino" means a land-based facility located within a municipality with a population of more than 500,000 inhabitants at which lawful gambling is authorized and licensed as provided in this Act. "Casino" includes any temporary land-based or river-based facility at which lawful gambling is authorized and licensed as provided in this Act. "Casino" does not include any ancillary facilities such as hotels, restaurants, retail facilities, conference rooms, parking areas, entertainment venues, or other facilities at which gambling operations are not conducted.

"Casino operator" means any person or entity that manages casino gambling operations conducted by the Authority under subsection (e-6) of Section 7.

"Casino operators license" means a license issued by the Board to a person or entity to manage casino gambling operations conducted by the Authority pursuant to subsection (e-6) of Section 7.

~~(\*)~~ "Occupational license" means a license issued by the Board to a person or entity to perform an occupation which the Board has identified as requiring a license to engage in riverboat or casino gambling in Illinois.

~~(\*)~~ "Gambling game" includes, but is not limited to, baccarat, twenty-one, poker, electronic poker, craps, slot machine, video game of chance, roulette wheel, klondike table, punchboard, faro layout, keno layout, numbers ticket, push card, jar ticket, or pull tab which is authorized by the Board as a wagering device under this Act.

~~(\*)~~ "Riverboat" means a self-propelled excursion boat, a permanently moored barge, or permanently

moored barges that are permanently fixed together to operate as one vessel, on which lawful gambling is authorized and licensed as provided in this Act.

(e) "Managers license" means a license issued by the Board to a person or entity to manage gambling operations conducted by the State pursuant to Section ~~7.3~~ ~~7.2~~.

(f) "Dock" means the location where a riverboat moors for the purpose of embarking passengers for and disembarking passengers from the riverboat.

(g) "~~Whole gaming~~ ~~Gross~~ receipts" means the total amount of money exchanged for the purchase of chips, tokens or electronic cards by riverboat or casino patrons.

(h) "~~Gross gaming~~ ~~Adjusted gross~~ receipts" means the whole gaming ~~gross~~ receipts less winnings paid to wagerers.

(i) "Cheat" means to alter the selection of criteria which determine the result of a gambling game or the amount or frequency of payment in a gambling game.

(j) "Department" means the Department of Revenue.

(k) "Gambling operation" means the conduct of ~~authorized~~ gambling games authorized under this Act upon a riverboat or in a casino.

(l) "License bid" means the lump sum amount of money that an applicant bids and agrees to pay the State or which is paid by the Authority, in return for an owners license that is re-issued on or after July 1, 2003.

(m) The terms "minority person" and "female" shall have the same meaning as defined in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

"Owners license" means a license to conduct riverboat gambling operations or casino gambling operations.

"Licensed owner" means a person who holds an owners license.

(Source: P.A. 92-600, eff. 6-28-02; 93-28, eff. 6-20-03; revised 1-28-04.)

(230 ILCS 10/5) (from Ch. 120, par. 2405)

Sec. 5. Gaming Board.

(a) (1) There is hereby established within the Department of Revenue an Illinois Gaming Board which shall have the powers and duties specified in this Act, and all other powers necessary and proper to fully and effectively execute this Act for the purpose of administering, regulating, and enforcing the system of riverboat and casino gambling established by this Act. Its jurisdiction shall extend under this Act to every person, association, corporation, partnership and trust involved in riverboat and casino gambling operations in the State of Illinois.

(2) The Board shall consist of 5 members to be appointed by the Governor with the advice and consent of the Senate, one of whom shall be designated by the Governor to be chairperson ~~chairman~~. Each member shall have a reasonable knowledge of the practice, procedure and principles of gambling operations. Each member shall either be a resident of Illinois or shall certify that he or she will become a resident of Illinois before taking office. At least one member shall be experienced in law enforcement and criminal investigation, at least one member shall be a certified public accountant experienced in accounting and auditing, and at least one member shall be a lawyer licensed to practice law in Illinois.

(3) The terms of office of the Board members shall be 3 years, except that the terms of office of the initial Board members appointed pursuant to this Act will commence from the effective date of this Act and run as follows: one for a term ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for a term ending July 1, 1993. Upon the expiration of the foregoing terms, the successors of such members shall serve a term for 3 years and until their successors are appointed and qualified for like terms. Vacancies in the Board shall be filled for the unexpired term in like manner as original appointments. Each member of the Board shall be eligible for reappointment at the discretion of the Governor with the advice and consent of the Senate.

(4) Each member of the Board shall receive \$300 for each day the Board meets and for each day the member conducts any hearing pursuant to this Act. Each member of the Board shall also be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of official duties.

(5) No person shall be appointed a member of the Board or continue to be a member of the Board who is, or whose spouse, child or parent is, a member of the board of directors of, or a person financially interested in, any gambling operation subject to the jurisdiction of this Board, or any race track, race meeting, racing association or the operations thereof subject to the jurisdiction of the Illinois Racing Board. No Board member shall hold any other public office for which he shall receive compensation other than necessary travel or other incidental expenses. No person shall be a member of the Board who is not of good moral character or who has been convicted of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States.

(6) Any member of the Board may be removed by the Governor for neglect of duty, misfeasance,

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malfesance, or nonfesance in office.

(7) Before entering upon the discharge of the duties of his office, each member of the Board shall take an oath that he will faithfully execute the duties of his office according to the laws of the State and the rules and regulations adopted therewith and shall give bond to the State of Illinois, approved by the Governor, in the sum of \$25,000. Every such bond, when duly executed and approved, shall be recorded in the office of the Secretary of State. Whenever the Governor determines that the bond of any member of the Board has become or is likely to become invalid or insufficient, he shall require such member forthwith to renew his bond, which is to be approved by the Governor. Any member of the Board who fails to take oath and give bond within 30 days from the date of his appointment, or who fails to renew his bond within 30 days after it is demanded by the Governor, shall be guilty of neglect of duty and may be removed by the Governor. The cost of any bond given by any member of the Board under this Section shall be taken to be a part of the necessary expenses of the Board.

(8) Upon the request of the Board, the Department shall employ such personnel as may be necessary to carry out the functions of the Board. No person shall be employed to serve the Board who is, or whose spouse, parent or child is, an official of, or has a financial interest in or financial relation with, any operator engaged in gambling operations within this State or any organization engaged in conducting horse racing within this State. Any employee violating these prohibitions shall be subject to termination of employment.

(9) An Administrator shall perform any and all duties that the Board shall assign him. The salary of the Administrator shall be determined by the Board and approved by the Director of the Department and, in addition, he shall be reimbursed for all actual and necessary expenses incurred by him in discharge of his official duties. The Administrator shall keep records of all proceedings of the Board and shall preserve all records, books, documents and other papers belonging to the Board or entrusted to its care. The Administrator shall devote his full time to the duties of the office and shall not hold any other office or employment.

(b) The Board shall have general responsibility for the implementation of this Act. Its duties include, without limitation, the following:

(1) To decide promptly and in reasonable order all license applications. Any party aggrieved by an action of the Board denying, suspending, revoking, restricting or refusing to renew a license may request a hearing before the Board. A request for a hearing must be made to the Board in writing within 5 days after service of notice of the action of the Board. Notice of the action of the Board shall be served either by personal delivery or by certified mail, postage prepaid, to the aggrieved party. Notice served by certified mail shall be deemed complete on the business day following the date of such mailing. The Board shall conduct all requested hearings promptly and in reasonable order;

(2) To conduct all hearings pertaining to civil violations of this Act or rules and regulations promulgated hereunder;

(3) To promulgate such rules and regulations as in its judgment may be necessary to protect or enhance the credibility and integrity of gambling operations authorized by this Act and the regulatory process hereunder;

(4) To provide for the establishment and collection of all license and registration fees and taxes imposed by this Act and the rules and regulations issued pursuant hereto. All such fees and taxes shall be deposited into the State Gaming Fund;

(5) To provide for the levy and collection of penalties and fines for the violation of provisions of this Act and the rules and regulations promulgated hereunder. All such fines and penalties shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois;

(6) To be present through its inspectors and agents any time gambling operations are conducted on any riverboat or in any casino for the purpose of certifying the revenue thereof, receiving complaints from the public, and conducting such other investigations into the conduct of the gambling games and the maintenance of the equipment as from time to time the Board may deem necessary and proper;

(7) To review and rule upon any complaint by a licensee regarding any investigative procedures of the State which are unnecessarily disruptive of gambling operations. The need to inspect and investigate shall be presumed at all times. The disruption of a licensee's operations shall be proved by clear and convincing evidence, and establish that: (A) the procedures had no reasonable law enforcement purposes, and (B) the procedures were so disruptive as to unreasonably inhibit gambling operations;

(8) To hold at least one meeting each quarter of the fiscal year. In addition, special

meetings may be called by the ~~chairperson~~ ~~Chairman~~ or any 2 Board members upon 72 hours written notice to each member. All Board meetings shall be subject to the Open Meetings Act. Three members of the Board shall constitute a quorum, and 3 votes shall be required for any final determination by the Board. The Board shall keep a complete and accurate record of all its meetings. A majority of the members of the Board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power which this Act requires the Board members to transact, perform or exercise en banc, except that, upon order of the Board, one of the Board members or an administrative law judge designated by the Board may conduct any hearing provided for under this Act or by Board rule and may recommend findings and decisions to the Board. The Board member or administrative law judge conducting such hearing shall have all powers and rights granted to the Board in this Act. The record made at the time of the hearing shall be reviewed by the Board, or a majority thereof, and the findings and decision of the majority of the Board shall constitute the order of the Board in such case;

(9) To maintain records which are separate and distinct from the records of any other State board or commission. Such records shall be available for public inspection and shall accurately reflect all Board proceedings;

(10) To file a written annual report with the Governor on or before March 1 each year and such additional reports as the Governor may request. The annual report shall include a statement of receipts and disbursements by the Board, actions taken by the Board, and any additional information and recommendations which the Board may deem valuable or which the Governor may request;

(11) (Blank); and

(12) To assume responsibility for the administration and enforcement of the Bingo License and Tax Act, the Charitable Games Act, and the Pull Tabs and Jar Games Act if such responsibility is delegated to it by the Director of Revenue.

(c) The Board shall have jurisdiction over and shall supervise all gambling operations governed by this Act. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.

(2) To have jurisdiction and supervision over all ~~riverboat~~ gambling operations authorized under this Act in this State and all

persons in places ~~on riverboats~~ where gambling operations are conducted.

(3) To promulgate rules and regulations for the purpose of administering the provisions of this Act and to prescribe rules, regulations and conditions under which all ~~riverboat~~ gambling operations subject to this Act in the State shall be conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of ~~riverboat~~ gambling, including rules and regulations regarding the inspection of ~~such~~ riverboats and casinos and the review of any permits or licenses necessary to operate a riverboat or casino under any laws or regulations applicable to riverboats or casinos, and to impose penalties for violations thereof.

(4) To enter the office, riverboats, casinos, and other facilities ~~;~~ or other places of business of an owners ~~a~~

licensee, where evidence of the compliance or noncompliance with the provisions of this Act is likely to be found.

(5) To investigate alleged violations of this Act or the rules of the Board and to take appropriate disciplinary action against a licensee or a holder of an occupational license for a violation, or institute appropriate legal action for enforcement, or both.

(6) To adopt standards for the licensing of all persons under this Act, as well as for electronic or mechanical gambling games, and to establish fees for such licenses.

(7) To adopt appropriate standards for all riverboats, casinos, and other facilities authorized under this Act.

(8) To require that the records, including financial or other statements of any licensee under this Act, shall be kept in such manner as prescribed by the Board and that any such licensee involved in the ownership or management of gambling operations submit to the Board an annual balance sheet and profit and loss statement, list of the stockholders or other persons having a 1% or greater beneficial interest in the gambling activities of each licensee, and any other information the Board deems necessary in order to effectively administer this Act and all rules, regulations, orders and final decisions promulgated under this Act.

(9) To conduct hearings, issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with the Illinois Administrative Procedure Act, and to administer oaths and affirmations to the witnesses, when, in the judgment of the Board, it is necessary to administer or enforce this Act or the Board rules.

(10) To prescribe a form to be used by any licensee involved in the ownership or management of gambling operations as an application for employment for their employees.

(11) To revoke or suspend licenses, other than the license issued to the Authority, as the Board may see fit and in compliance with

applicable laws of the State regarding administrative procedures, and to review applications for the renewal of licenses. The Board may suspend an owners license (other than the license issued to the Authority), without notice or hearing, upon a determination that the safety or health of patrons or employees is jeopardized by continuing a gambling operation conducted under that license ~~at~~ riverboat's operation. The suspension may remain in effect until the Board determines that the cause for suspension has been abated. The Board may revoke the owners license (other than the license issued to the Authority) upon a determination that the licensee owner has not made satisfactory progress toward abating the hazard.

(12) To eject or exclude or authorize the ejection or exclusion of, any person from riverboat gambling facilities where that such person is in violation of this Act, rules and regulations thereunder, or final orders of the Board, or where such person's conduct or reputation is such that his or her presence within the riverboat gambling facilities may, in the opinion of the Board, call into question the honesty and integrity of the gambling operations or interfere with the orderly conduct thereof; provided that the propriety of such ejection or exclusion is subject to subsequent hearing by the Board.

(13) To require all licensees of gambling operations to utilize a cashless wagering system whereby all players' money is converted to tokens, electronic cards, or chips which shall be used only for wagering in the gambling establishment.

(14) (Blank).

(15) To suspend, revoke or restrict licenses (other than the license issued to the Authority), to require the removal of a licensee or

an employee of a licensee for a violation of this Act or a Board rule or for engaging in a fraudulent practice, and to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 or an amount equal to the daily whole gaming gross receipts, whichever is larger, against licensees for each violation of any provision of the Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to riverboat gambling operations.

(16) To hire employees to gather information, conduct investigations and carry out any other tasks contemplated under this Act.

(17) To establish minimum levels of insurance to be maintained by licensees.

(18) To authorize a licensee to sell or serve alcoholic liquors, wine or beer as defined in the Liquor Control Act of 1934 on board a riverboat or in a casino and to have exclusive authority to establish the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino, notwithstanding any provision of the Liquor Control Act of 1934 or any local ordinance, and regardless of whether the riverboat or in a casino makes excursions. The establishment of the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino is an exclusive power and function of the State. A home rule unit may not establish the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino. This subdivision (18) amendatory Act of 1991 is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(19) After consultation with the U.S. Army Corps of Engineers, to establish binding emergency orders upon the concurrence of a majority of the members of the Board regarding the navigability of water, relative to excursions, in the event of extreme weather conditions, acts of God or other extreme circumstances.

(20) To delegate the execution of any of its powers under this Act for the purpose of administering and enforcing this Act and its rules and regulations hereunder.

(21) To make rules concerning the conduct of electronic poker.

(22) ~~(21)~~ To take any other action as may be reasonable or appropriate to enforce this Act and rules and regulations hereunder.

(d) The Board may seek and shall receive the cooperation of the Department of State Police in conducting background investigations of applicants and in fulfilling its responsibilities under this

Section. Costs incurred by the Department of State Police as a result of such cooperation shall be paid by the Board in conformance with the requirements of Section 2605-400 of the Department of State Police Law (20 ILCS 2605/2605-400).

(e) The Board must authorize to each investigator and to any other employee of the Board exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Board and (ii) contains a unique identifying number. No other badge shall be authorized by the Board.

(Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00; 91-883, eff. 1-1-01.)

(230 ILCS 10/5.2 new)

Sec. 5.2. Enforcement and investigations. Notwithstanding any provision in this Act to the contrary, all duties related to investigations under this Act and the enforcement of this Act shall be divided equally between employees of the Department of State Police and investigators employed by the Department of Revenue.

(230 ILCS 10/6) (from Ch. 120, par. 2406)

Sec. 6. Application for Owners License.

(a) A qualified person, other than the Authority, may apply to the Board for an owners license to conduct a riverboat gambling operation as provided in this Act. The application shall be made on forms provided by the Board and shall contain such information as the Board prescribes, including but not limited to the identity of the riverboat on which such gambling operation is to be conducted and the exact location where such riverboat will be docked, a certification that the riverboat will be registered under this Act at all times during which gambling operations are conducted on board, detailed information regarding the ownership and management of the applicant, and detailed personal information regarding the applicant. Any application for an owners license to be re-issued on or after June 1, 2003 shall also include the applicant's license bid in a form prescribed by the Board. Information provided on the application shall be used as a basis for a thorough background investigation which the Board shall conduct with respect to each applicant. An incomplete application shall be cause for denial of a license by the Board.

(a-5) In addition to any other information required under this Section, each application for an owners license must include the following information:

(1) The history and success of the applicant and each person and entity disclosed under subsection (c) of this Section in developing tourism facilities ancillary to gaming, if applicable.

(2) The likelihood that granting a license to the applicant will lead to the creation of quality, living wage jobs and permanent, full-time jobs for residents of the State and residents of the unit of local government that is designated as the home dock of the proposed facility where gambling is to be conducted by the applicant.

(3) The projected number of jobs that would be created if the license is granted and the projected number of new employees at the proposed facility where gambling is to be conducted by the applicant.

(4) The record of the applicant and its developer in meeting commitments to local agencies, community-based organizations, and employees at other locations where the applicant or its developer has performed similar functions as they would perform if the applicant were granted a license.

(5) Identification of adverse effects that might be caused by the proposed facility where gambling is to be conducted by the applicant, including the costs of meeting increased demand for public health care, child care, public transportation, affordable housing, and social services, and a plan to mitigate those adverse effects.

(6) The record of the applicant and its developer regarding compliance with:

(A) Federal, State, and local discrimination, wage and hour, disability, and occupational and environmental health and safety laws.

(B) State and local labor relations and employment laws.

(7) The applicant's record in dealing with its employees and their representatives at other locations.

(8) A plan concerning the utilization of minority person-owned and female-owned businesses and concerning the hiring of minorities and females. For the purposes of this item (8), the terms "minority person" and "female" have the meanings provided in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(b) Applicants shall submit with their application all documents, resolutions, and letters of support from the governing body that represents the municipality or county wherein the licensee will dock. A governing body providing documents, resolutions, or letters of support for an applicant for a license authorized under subsection (e-6) or item (1) of subsection (e-5) of Section 7 must also issue similar items of support for no less than 2 other applicants. The Board, subject to rule, may waive this requirement if there is a showing of good faith effort by the governing body to comply.

(c) Each applicant shall disclose the identity of every person, association, trust or corporation having a greater than 1% direct or indirect pecuniary interest in the riverboat gambling operation with respect to which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a partnership, the names and addresses of all partners, both general and limited.

(d) An application shall be filed with the Board by January 1 of the year preceding any calendar year for which an applicant seeks an owners license; however, applications for an owners license permitting operations on January 1, 1991 shall be filed by July 1, 1990. An application fee of \$50,000 shall be paid at the time of filing to defray the costs associated with the background investigation conducted by the Board. If the costs of the investigation exceed \$50,000, the applicant shall pay the additional amount to the Board. If the costs of the investigation are less than \$50,000, the applicant shall receive a refund of the remaining amount. All information, records, interviews, reports, statements, memoranda or other data supplied to or used by the Board in the course of its review or investigation of an application for a license under this Act shall be privileged, strictly confidential and shall be used only for the purpose of evaluating an applicant. Such information, records, interviews, reports, statements, memoranda or other data shall not be admissible as evidence, nor discoverable in any action of any kind in any court or before any tribunal, board, agency or person, except for any action deemed necessary by the Board.

(e) The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. These fees shall be paid into the State Police Services Fund.

(f) The licensed owner shall be the person primarily responsible for the boat itself. Only one riverboat gambling operation may be authorized by the Board on any riverboat. The applicant must identify each riverboat it intends to use and certify that the riverboat: (1) has the authorized capacity required in this Act; (2) is accessible to disabled persons; and (3) is fully registered and licensed in accordance with any applicable laws.

(g) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/7) (from Ch. 120, par. 2407)

Sec. 7. Owners Licenses.

(a) The Board shall issue owners licenses to persons, firms or corporations which apply for such licenses upon payment to the Board of the non-refundable license fee set by the Board, upon payment of a \$25,000 license fee for the first year of operation and a \$5,000 license fee for each succeeding year and upon a determination by the Board that the applicant is eligible for an owners license pursuant to this Act and the rules of the Board. No application under this Section shall be required from the Authority. The Authority is not required to pay the fees imposed under this Section. From May 26, 2006 ( For a period of 2 years beginning on the effective date of Public Act 94-804) until the effective date of this amendatory Act of the 95th General Assembly this amendatory Act of the 94th General Assembly, as a condition of licensure and as an alternative source of payment for those funds payable under subsection (c-5) of Section 13 of the Riverboat and Casino Gambling Act, any owners licensee that holds or receives its owners license on or after the effective date of this amendatory Act of the 94th General Assembly, other than an owners licensee operating a riverboat with adjusted gross receipts in calendar year 2004 of less than \$200,000,000, must pay into the Horse Racing Equity Trust Fund, in addition to any other payments required under this Act, an amount equal to 3% of the adjusted gross receipts received by the owners licensee. Beginning on the effective date of this amendatory Act of the 95th General Assembly, as a condition of licensure and as an alternative source of payment for those funds payable under subsection (c-5) of Section 13, any owners licensee that holds or receives its owners license on or after the effective date of this amendatory Act of the 95th General Assembly must pay into the Horse Racing Equity Trust Fund, in addition to any other payments required under this Act, based on the gross gaming receipts received by a licensed owner from gambling games authorized under this Act, an amount based on the following rates:

0.5% for owners licensees with annual gross gaming receipts up to and including \$50,000,000;

1% for owners licensees with annual gross gaming receipts in excess of \$50,000,000 but not exceeding \$100,000,000;

1.5% for owners licensees with annual gross gaming receipts in excess of \$100,000,000 but not exceeding \$250,000,000;

3.5% for owners licensees with annual gross gaming receipts in excess of \$250,000,000.

Beginning on the effective date of this amendatory Act of the 95th General Assembly, as a condition of licensure, the owners licensee whose license is authorized under subsection (e-6) must pay into the

Depressed Communities and Economic Development Fund, in addition to any other payments required under this Act, an amount equal to 0.5% of its gross gaming receipts.

The payments required under this Section shall be made by the owners licensee to the State Treasurer no later than 3:00 o'clock p.m. of the day after the day when the ~~adjusted~~ gross gaming receipts were received by the owners licensee. A person, firm or corporation is ineligible to receive an owners license if:

- (1) the person has been convicted of a felony under the laws of this State, any other state, or the United States;
  - (2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961, or substantially similar laws of any other jurisdiction;
  - (3) the person has submitted an application for a license under this Act which contains false information;
  - (4) the person is a member of the Board;
  - (5) a person defined in (1), (2), (3) or (4) is an officer, director or managerial employee of the firm or corporation;
  - (6) the firm or corporation employs a person defined in (1), (2), (3) or (4) who participates in the management or operation of gambling operations authorized under this Act;
  - (7) (blank); or
  - (8) a license of the person, firm or corporation issued under this Act, or a license to own or operate gambling facilities in any other jurisdiction, has been revoked.
- (b) In determining whether to grant an owners license to an applicant, the Board shall consider:
- (1) the character, reputation, experience and financial integrity of the applicants and of any other or separate person that either:
    - (A) controls, directly or indirectly, such applicant, or
    - (B) is controlled, directly or indirectly, by such applicant or by a person which controls, directly or indirectly, such applicant;
  - (2) the facilities or proposed facilities for the conduct of riverboat gambling;
  - (3) the highest prospective total revenue to be derived by the State from the conduct of riverboat gambling;
  - (4) the extent to which the ownership of the applicant reflects the diversity of the State by including minority persons and females and the good faith affirmative action plan of each applicant to recruit, train and upgrade minority persons and females in all employment classifications;
  - (5) the financial ability of the applicant to purchase and maintain adequate liability and casualty insurance;
  - (6) whether the applicant has adequate capitalization to provide and maintain, for the duration of a license, a riverboat;
  - (7) the extent to which the applicant exceeds or meets other standards for the issuance of an owners license which the Board may adopt by rule; and
  - (8) The amount of the applicant's license bid.
- (c) Each owners license shall specify the place where riverboats shall operate and dock.
- (d) Each applicant shall submit with his application, on forms provided by the Board, 2 sets of his fingerprints.
- (e) In addition to the licenses authorized under subsections (e-5) and (e-6), the ~~The~~ Board may issue up to 10 licenses authorizing the holders of such licenses to own riverboats. In the application for an owners license, the applicant shall state the dock at which the riverboat is based and the water on which the riverboat will be located. The Board shall issue 5 licenses to become effective not earlier than January 1, 1991. Three of such licenses shall authorize riverboat gambling on the Mississippi River, or, with approval by the municipality in which the riverboat was docked on August 7, 2003 and with Board approval, be authorized to relocate to a new location, in a municipality that (1) borders on the Mississippi River or is within 5 miles of the city limits of a municipality that borders on the Mississippi River and (2), on August 7, 2003, had a riverboat conducting riverboat gambling operations pursuant to a license issued under this Act; one of which shall authorize riverboat gambling from a home dock in the city of East St. Louis. One other license shall authorize riverboat gambling on the Illinois River south of Marshall County. The Board shall issue one additional license to become effective not earlier than March 1, 1992, which shall authorize riverboat gambling on the Des Plaines River in Will County. The Board may issue 4 additional licenses to become effective not earlier than March 1, 1992. In determining the water upon which riverboats will operate, the Board shall consider the economic benefit which riverboat gambling confers on the State, and shall seek to assure that all regions of the State share in the economic benefits of riverboat gambling.



(e-5) In addition to the licenses authorized under subsections (e) and (e-6), the Board may issue 3 additional licenses authorizing riverboat gambling.

(1) One of the licenses issued under this subsection (e-5) shall authorize its holder to conduct riverboat gambling from a home dock located in a municipality that (A) has a population of at least 75,000 inhabitants, (B) is bordered on the East by Lake Michigan, and (C) is located in a county, the entirety of which is located to the North of Cook County, and may authorize its holder to conduct riverboat gambling on Lake Michigan.

(2) One license issued under this subsection (e-5) shall authorize its holder to conduct riverboat gambling in Cook County from a home dock located in the area bordered on the North by the southern corporate limit of the City of Chicago, on the South by Route 30, and on the West by Interstate 57 and that is within 8 miles of the Indiana border.

(3) One license issued under this subsection (e-5) shall authorize its holder to conduct riverboat gambling operations from a home dock located within 5 miles of any portion of O'Hare International Airport.

Licenses authorized under this subsection (e-5) shall be awarded pursuant to a process of competitive bidding to the highest bidder that is eligible to hold an owners license under this Act. The minimum bid for an owners license under this subsection (e-5) shall be \$365,000,000, except that the Board may declare a lower minimum bid for a specific license if it finds a lower minimum bid to be necessary or appropriate.

(e-6) In addition to the licenses authorized under subsections (e) and (e-5), the Board may, upon written request of the Authority and upon payment by the Authority to the Board on or before June 30, 2008 of a fee of \$800,000,000, issue an owners license to the Authority authorizing the conduct of gambling operations in a casino located in a municipality with a population of more than 500,000 inhabitants. Until completion of a permanent casino, the Authority's license shall authorize it to conduct gambling operations in one or more land-based or riverboat temporary casinos within the municipality, provided that the total number of gaming positions is limited to 4,000. The license issued to the Authority shall be perpetual and may not be revoked, suspended, or limited by the Board. Casino gambling operations shall be conducted by a casino operator on behalf of the Authority. The Authority shall conduct a competitive bidding process for the selection of casino operators to develop and operate the casino and one or more temporary casinos and riverboats. Any such casino operators shall be subject to licensing by, and full jurisdiction of, the Board.

(e-10) In granting all licenses, the Board may give favorable consideration to economically depressed areas of the State, to applicants presenting plans which provide for significant economic development over a large geographic area, and to applicants who currently operate non-gambling riverboats in Illinois. The Board shall review all applications for owners licenses, and shall inform each applicant of the Board's decision. The Board may grant an owners license to an applicant that has not submitted the highest license bid, but if it does not select the highest bidder, the Board shall issue a written decision explaining why another applicant was selected and identifying the factors set forth in this Section that favored the winning bidder.

In granting all licenses, the Board must give favorable consideration to applicants based on each applicant's level of minority persons and female ownership. For the purposes of this subsection (e-10), the terms "minority person" and "female" have the meanings provided in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act

(e-15) In addition to any other revocation powers granted to the Board under this Act, the Board may revoke the owners license of a licensee which fails to begin conducting gambling within 15 months of receipt of the Board's approval of the application if the Board determines that license revocation is in the best interests of the State.

(f) Owners ~~The first 10 owners~~ licenses issued under this Act shall permit the holder to own up to 2 riverboats and equipment thereon for a period of 3 years after the effective date of the license. Holders of the first 10 owners licenses must pay the annual license fee for each of the 3 years during which they are authorized to own riverboats.

(g) Upon the termination, expiration, or revocation of each ~~owners license of the first 10 licenses~~, which shall be issued for a 3 year period, all licenses are renewable annually upon payment of the fee and a determination by the Board that the licensee continues to meet all of the requirements of this Act and the Board's rules. However, for licenses renewed on or after May 1, 1998, renewal shall be for a period of 4 years, unless the Board sets a shorter period. ~~The Authority's license shall be perpetual and shall not be subject to renewal.~~

(h) An owners license, ~~other than an owners license authorized under subsection (e-6)~~, shall entitle the licensee to operate up to 2,000 gaming positions. An owners license issued under subsection (e-6) shall

entitle the licensee to operate up to 4,000 gaming positions. Electronic poker positions shall not be included when determining the number of gaming positions for the purposes of the limitations contained in this subsection (h). For licenses issued before the effective date of this amendatory Act of the 95th General Assembly, any positions operated in excess of 1,200, up to 2,000 positions, shall be subject to a one-time fee of \$30,000 per position. ~~own up to 2 riverboats.~~

(h-5) In addition to the 2,000 gaming positions authorized by an owners license authorized under subsections (e) and (e-5), a licensee may operate gaming positions that it acquires pursuant to the competitive bidding process established under this subsection (h-5). For each 4-year license period, a licensee shall certify to the Board the total number of gaming positions it will use during the license period. If a licensee certifies that it will use a given number of gaming positions during its license period and, in the Board's determination, fails to use some or all of those gaming positions, then the unused gaming positions shall become the property of the Board. If a licensee certifies that it will use fewer than 2,000 gaming positions, then the authorized but unused gaming positions shall become the property of the Board. The Board shall establish, by rule, a method for licensees to competitively bid for the right to use gaming positions that become the property of the Board under this subsection (h-5). A licensee may not bid for additional gaming positions under this subsection (h-5) unless it uses all 2,000 gaming positions authorized by its license.

(h-6) An owners licensee that obtains in excess of 1,200 positions, other than the owners licensee that received a license under subsection (e-5) or (e-6), may conduct riverboat gambling operations from a land-based facility within or attached to its home dock facility or from a temporary facility, as the term "temporary facility" is defined by Board rule, that is attached to the licensee's home dock, with Board approval. Gaming positions located in a land-based facility must be located in an area that is accessible only to persons who are at least 21 years of age. A licensee may not conduct gambling at a land-based facility unless the admission tax imposed under Section 12 has been paid for all persons who enter the land-based facility. The Board shall adopt rules concerning the conduct of gambling from land-based facilities, including rules concerning the number of gaming positions that may be located at a temporary facility.

A licensee shall limit the number of gambling participants to 1,200 for any such owners license. A licensee may operate both of its riverboats concurrently, provided that the total number of gambling participants on both riverboats does not exceed 1,200. Riverboats licensed to operate on the Mississippi River and the Illinois River south of Marshall County shall have an authorized capacity of at least 500 persons. Any other riverboat licensed under this Act shall have an authorized capacity of at least 400 persons.

(i) A licensed owner is authorized to apply to the Board for and, if approved therefor, to receive all licenses from the Board necessary for the operation of a riverboat, including a liquor license, a license to prepare and serve food for human consumption, and other necessary licenses. All use, occupation and excise taxes which apply to the sale of food and beverages in this State and all taxes imposed on the sale or use of tangible personal property apply to such sales aboard the riverboat or in the casino.

(j) The Board may issue or re-issue a license authorizing a riverboat to dock in a municipality or approve a relocation under Section 11.2 only if, prior to the issuance or re-issuance of the license or approval, the governing body of the municipality in which the riverboat will dock has by a majority vote approved the docking of riverboats in the municipality. The Board may issue or re-issue a license authorizing a riverboat to dock in areas of a county outside any municipality or approve a relocation under Section 11.2 only if, prior to the issuance or re-issuance of the license or approval, the governing body of the county has by a majority vote approved of the docking of riverboats within such areas.

(Source: P.A. 93-28, eff. 6-20-03; 93-453, eff. 8-7-03; 94-667, eff. 8-23-05; 94-804, eff. 5-26-06.)  
(230 ILCS 10/7.1)

Sec. 7.1. Re-issuance of revoked or non-renewed owners licenses.

(a) If an owners license terminates or expires without renewal or the Board revokes or determines not to renew an owners license (including, without limitation, an owners license for a licensee that was not conducting riverboat gambling operations on January 1, 1998) and that revocation or determination is final, the Board may re-issue such license to a qualified applicant pursuant to an open and competitive bidding process, as set forth in Section 7.5, and subject to the maximum number of authorized licenses set forth in subsections (e), (e-5), and (e-6) of Section 7 ~~Section 7(e)~~. The Board may not re-issue a license authorized under subsection (e) in a manner that would authorize the conduct of gambling in a municipality any portion of which is within 25 miles of a municipality in which a riverboat authorized under subsections (e-5) or (e-10) is located.

(b) To be a qualified applicant, a person, firm, or corporation cannot be ineligible to receive an owners license under Section 7(a) and must submit an application for an owners license that complies with

Section 6. Each such applicant must also submit evidence to the Board that minority persons and females hold ownership interests in the applicant of at least 16% and 4% respectively.

(c) Notwithstanding anything to the contrary in subsections (e), (e-5), or (e-6) of Section 7, Section 7(e), an applicant may apply to the Board for approval of relocation of a re-issued license to a new home dock location authorized under Section 3(c) upon receipt of the approval from the municipality or county, as the case may be, pursuant to Section 7(j).

(d) In determining whether to grant a re-issued owners license to an applicant, the Board shall consider all of the factors set forth in Section Sections 7(b) and in Section 7(e) or (e-5), whichever is applicable, (e) as well as the amount of the applicant's license bid. The Board may grant the re-issued owners license to an applicant that has not submitted the highest license bid, but if it does not select the highest bidder, the Board shall issue a written decision explaining why another applicant was selected and identifying the factors set forth in Section Sections 7(b) and in Section 7(e) or (e-5), whichever is applicable, (e) that favored the winning bidder.

(e) Re-issued owners licenses shall be subject to annual license fees as provided for in Section 7(a) and shall be governed by the provisions of Sections 7(f), (g), (h), and (i).

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/7.3)

Sec. 7.3. State conduct of gambling operations.

(a) If, after reviewing each application for a re-issued license, the Board determines that the highest prospective total revenue to the State would be derived from State conduct of the gambling operation in lieu of re-issuing the license, the Board shall inform each applicant of its decision. The Board shall thereafter have the authority, without obtaining an owners license, to conduct riverboat gambling operations as previously authorized by the terminated, expired, revoked, or nonrenewed license through a licensed manager selected pursuant to an open and competitive bidding process as set forth in Section 7.5 and as provided in Section 7.4.

(b) The Board may locate any riverboat on which a gambling operation is conducted by the State in any home dock location authorized by Section 3(c) upon receipt of approval from a majority vote of the governing body of the municipality or county, as the case may be, in which the riverboat will dock.

(c) The Board shall have jurisdiction over and shall supervise all gambling operations conducted by the State provided for in this Act and shall have all powers necessary and proper to fully and effectively execute the provisions of this Act relating to gambling operations conducted by the State.

(d) The maximum number of owners licenses authorized under Section 7 7(e) shall be reduced by one for each instance in which the Board authorizes the State to conduct a riverboat gambling operation under subsection (a) in lieu of re-issuing a license to an applicant under Section 7.1.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/7.4)

Sec. 7.4. Managers and casino operators licenses.

(a) A qualified person may apply to the Board for a managers license to operate and manage any gambling operation conducted by the State or the Authority. The application shall be made on forms provided by the Board and shall contain such information as the Board prescribes, including but not limited to information required in Sections 6(a), (b), and (c) and information relating to the applicant's proposed price to manage State or Authority gambling operations and to provide the riverboat or casino, gambling equipment, and supplies necessary to conduct State or Authority gambling operations.

(b) Each applicant must submit evidence to the Board that minority persons and females hold ownership interests in the applicant of at least 16% and 4%, respectively.

(c) A person, firm, or corporation is ineligible to receive a managers license or a casino operators license if:

- (1) the person has been convicted of a felony under the laws of this State, any other state, or the United States;
- (2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961, or substantially similar laws of any other jurisdiction;
- (3) the person has submitted an application for a license under this Act which contains false information;
- (4) the person is a member of the Board;
- (5) a person defined in (1), (2), (3), or (4) is an officer, director, or managerial employee of the firm or corporation;
- (6) the firm or corporation employs a person defined in (1), (2), (3), or (4) who participates in the management or operation of gambling operations authorized under this Act; or
- (7) a license of the person, firm, or corporation issued under this Act, or a license

to own or operate gambling facilities in any other jurisdiction, has been revoked.

(d) Each applicant shall submit with his or her application, on forms prescribed by the Board, 2 sets of his or her fingerprints.

(e) The Board shall charge each applicant a fee, set by the Board, to defray the costs associated with the background investigation conducted by the Board.

(f) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(g) The managers license to manage any gambling operation conducted by the State shall be for a term not to exceed 10 years, shall be renewable at the Board's option, and shall contain such terms and provisions as the Board deems necessary to protect or enhance the credibility and integrity of State gambling operations, achieve the highest prospective total revenue to the State, and otherwise serve the interests of the citizens of Illinois. The initial term of a casino operators license to manage the Authority's gambling operations shall be 4 years. Upon expiration of the initial term and of each renewal term, the casino operators license shall be renewed for a period of 4 years, provided that the casino operator continues to meet all of the requirements of this Act and the Board's rules.

(h) Issuance of a managers license shall be subject to an open and competitive bidding process. The Board may select an applicant other than the lowest bidder by price. If it does not select the lowest bidder, the Board shall issue a notice of who the lowest bidder was and a written decision as to why another bidder was selected.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/7.6 new)

Sec. 7.6. Electronic poker.

(a) An owner licensee may apply to the Illinois Gaming Board for authorization to operate up to 100 electronic poker positions on its riverboats or in its casinos. The authorization that the Illinois Gaming Board issues to the owner licensee shall specify the number of electronic poker positions the owner licensee may operate, which shall not be counted against the limit on the number of gaming positions under subsection (h) of Section 7.

(b) The Illinois Gaming Board must adopt rules for the authorization and administration of the conduct of electronic poker.

(230 ILCS 10/7.7 new)

Sec. 7.7. Home rule. The regulation of electronic poker is an exclusive power and function of the State. A home rule unit may not regulate electronic poker. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(230 ILCS 10/7.10 new)

Sec. 7.10. Legislative financial interest in owners licensee prohibited.

(a) A member of the General Assembly or his or her spouse, a child, either natural or adopted, of the member or his or her spouse, or a parent of the member or his or her spouse may not, directly or indirectly, own any financial interest in, have any beneficial interest in, be the creditor of or hold any debt instrument issued by, or hold or have any interest in any contractual or service relationship with an owners licensee whose owners license is issued on or after the effective date of this Section.

(b) Any person who knows or reasonably should know that he or she is in violation of this Section must divest himself or herself from the interest in the licensee within 30 days. If the person does not divest his or her interest within the 30-day period, then he or she shall be deemed guilty of a Class A misdemeanor.

(230 ILCS 10/7.15 new)

Sec. 7.15. Undue economic concentration.

(a) In addition to considering all other requirements under this Act, in deciding whether to approve direct or indirect ownership or control of an owner's license, the Board shall consider the impact of any economic concentration of the ownership or control. No direct or indirect ownership or control shall be approved and no owner's license shall be issued or transferred to or held by any person or entity if the Board determines that approval, issuance, transfer, or holding shall result in undue economic concentration in the direct or indirect ownership or control of riverboat gambling operations in Illinois.

(b) For the purposes of this Section, "undue economic concentration" means that a person or entity would have actual or potential domination of riverboat gambling in Illinois sufficient to:

(1) substantially impede or suppress competition among holders of owner's licenses;

(2) adversely impact the economic stability of the riverboat casino industry in Illinois; or

(3) negatively impact the purposes of this Act, including tourism, economic development, benefits to local communities, and State and local revenues. The Board may not amend or add to the "undue

economic concentration", except by a unanimous vote of the Board.

(c) In determining whether the issuance, transfer, or holding, directly or indirectly, of an owner's license shall result in undue economic concentration, the Board shall consider the following criteria:

(1) The percentage share of the market presently owned or controlled by a person or entity, directly or indirectly, in each of the following categories:

(A) The total number of licensed riverboat casinos in Illinois.

(B) Total riverboat casino square footage.

(C) Number of persons employed in the riverboat gambling operation and any affiliated hotel operation.

(D) Number of guest rooms in an affiliated hotel.

(E) Number of electronic gaming devices.

(F) Number of table games.

(G) Net revenue and adjusted gross receipts.

(H) Table win.

(I) Electronic gaming device win.

(J) Table drop.

(K) Electronic gaming device drop.

(2) The estimated increase in the market shares in the categories in item (1) of this subsection (c) if the person or entity is approved, or is issued or permitted to hold the owner's license.

(3) The relative position of other persons or entities that own or control Owner's licenses in Illinois, as evidenced by the market shares of each license in the categories in item (1) of this subsection (c).

(4) The current and projected financial condition of the riverboat gaming industry.

(5) Current market conditions, including proximity and level of competition, consumer demand, market concentration, and any other relevant characteristics of the market.

(6) Whether the licenses to be issued, transferred or held, directly or indirectly, by the person or entity have separate organizational structures or other independent obligations.

(7) The potential impact on the projected future growth and development of the riverboat gambling industry, the local communities in which licenses are located, and the State of Illinois.

(8) The barriers to entry into the riverboat gambling industry, including the licensure requirements of this Act and its rules, and whether the issuance or transfer to, or holding, directly or indirectly, of, an owner's license by the person or entity will operate as a barrier to new companies and individuals desiring to enter the market.

(9) Whether the issuance or transfer to or holding, directly or indirectly, of the license by the person or entity will adversely impact on consumer interests, or whether such issuance, transfer or holding is likely to result in enhancing the quality and customer appeal of products and services offered by riverboat casinos in order to maintain or increase their respective market shares.

(10) Whether a restriction on the issuance or transfer of a license to, or holding, directly or indirectly, of, an additional license by the person is necessary in order to encourage and preserve competition in casino operations.

(11) Any other information deemed relevant by the Board.

(230 ILCS 10/7.20 new)

Sec. 7.20. Annual report. Each owners licensee shall prepare a report to be submitted to the Illinois Gaming Board each year. The report shall identify the owners licensee's utilization of minority person-owned and female-owned businesses and the percentage of minority persons and women employed by the owners licensee in each occupational licensee category. The gaming board shall consider each submitted report when reviewing each owners licensee's application for renewal. For the purposes of this Section, the terms "minority person" and "female" have the meanings provided in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(230 ILCS 10/8) (from Ch. 120, par. 2408)

Sec. 8. Suppliers licenses.

(a) The Board may issue a suppliers license to such persons, firms or corporations which apply therefor upon the payment of a non-refundable application fee set by the Board, upon a determination by the Board that the applicant is eligible for a suppliers license and upon payment of a \$5,000 annual license fee.

(b) The holder of a suppliers license is authorized to sell or lease, and to contract to sell or lease, gambling equipment and supplies to any licensee involved in the ownership or management of gambling operations.

(c) Gambling supplies and equipment may not be distributed unless supplies and equipment conform to standards adopted by rules of the Board.

(d) A person, firm or corporation is ineligible to receive a suppliers license if:

- (1) the person has been convicted of a felony under the laws of this State, any other state, or the United States;
- (2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961, or substantially similar laws of any other jurisdiction;
- (3) the person has submitted an application for a license under this Act which contains false information;
- (4) the person is a member of the Board;
- (5) the firm or corporation is one in which a person defined in (1), (2), (3) or (4), is an officer, director or managerial employee;
- (6) the firm or corporation employs a person who participates in the management or operation of riverboat gambling authorized under this Act;
- (7) the license of the person, firm or corporation issued under this Act, or a license to own or operate gambling facilities in any other jurisdiction, has been revoked.

(e) Any person that supplies any equipment, devices, or supplies to a licensed riverboat or casino gambling operation must first obtain a suppliers license. A supplier shall furnish to the Board a list of all equipment, devices and supplies offered for sale or lease in connection with gambling games authorized under this Act. A supplier shall keep books and records for the furnishing of equipment, devices and supplies to gambling operations separate and distinct from any other business that the supplier might operate. A supplier shall file a quarterly return with the Board listing all sales and leases. A supplier shall permanently affix its name to all its equipment, devices, and supplies for gambling operations. Any supplier's equipment, devices or supplies which are used by any person in an unauthorized gambling operation shall be forfeited to the State. A holder of an owners license, including the Authority, licensed owner may own its own equipment, devices and supplies. Each holder of an owners license , including the Authority, under the Act shall file an annual report listing its inventories of gambling equipment, devices and supplies.

(f) Any person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(g) Any gambling equipment, devices and supplies provided by any licensed supplier may either be repaired on the riverboat or at the casino or removed from the riverboat or the casino to a ~~an on shore~~ facility owned by the holder of an owners license for repair.

(Source: P.A. 86-1029; 87-826.)

(230 ILCS 10/9) (from Ch. 120, par. 2409)

Sec. 9. Occupational licenses.

(a) The Board may issue an occupational license to an applicant upon the payment of a non-refundable fee set by the Board, upon a determination by the Board that the applicant is eligible for an occupational license and upon payment of an annual license fee in an amount to be established. To be eligible for an occupational license, an applicant must:

(1) be at least 21 years of age if the applicant will perform any function involved in gaming by patrons. Any applicant seeking an occupational license for a non-gaming function shall be at least 18 years of age;

(2) not have been convicted of a felony offense, a violation of Article 28 of the Criminal Code of 1961, or a similar statute of any other jurisdiction, or a crime involving dishonesty or moral turpitude;

(3) have demonstrated a level of skill or knowledge which the Board determines to be necessary in order to operate gambling aboard a riverboat or in a casino; and

(4) have met standards for the holding of an occupational license as adopted by rules of the Board. Such rules shall provide that any person or entity seeking an occupational license to manage gambling operations hereunder shall be subject to background inquiries and further requirements similar to those required of applicants for an owners license. Furthermore, such rules shall provide that each such entity shall be permitted to manage gambling operations for only one licensed owner.

(b) Each application for an occupational license shall be on forms prescribed by the Board and shall contain all information required by the Board. The applicant shall set forth in the application: whether he has been issued prior gambling related licenses; whether he has been licensed in any other state under any other name, and, if so, such name and his age; and whether or not a permit or license issued to him in any other state has been suspended, restricted or revoked, and, if so, for what period of time.

(c) Each applicant shall submit with his application, on forms provided by the Board, 2 sets of his fingerprints. The Board shall charge each applicant a fee set by the Department of State Police to defray

the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. These fees shall be paid into the State Police Services Fund.

(d) The Board may in its discretion refuse an occupational license to any person: (1) who is unqualified to perform the duties required of such applicant; (2) who fails to disclose or states falsely any information called for in the application; (3) who has been found guilty of a violation of this Act or whose prior gambling related license or application therefor has been suspended, restricted, revoked or denied for just cause in any other state; or (4) for any other just cause.

(e) The Board may suspend, revoke or restrict any occupational licensee: (1) for violation of any provision of this Act; (2) for violation of any of the rules and regulations of the Board; (3) for any cause which, if known to the Board, would have disqualified the applicant from receiving such license; or (4) for default in the payment of any obligation or debt due to the State of Illinois; or (5) for any other just cause.

(f) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(g) Any license issued pursuant to this Section shall be valid for a period of one year from the date of issuance.

(h) Nothing in this Act shall be interpreted to prohibit a licensed owner or organization licensee from entering into an agreement with a school approved under the Private Business and Vocational Schools Act for the training of any occupational licensee. Any training offered by such a school shall be in accordance with a written agreement between the licensed owner or organization licensee and the school.

(i) Any training provided for occupational licensees may be conducted either at the site of the gambling facility on the riverboat or at a school with which a licensed owner or organization licensee has entered into an agreement pursuant to subsection (h).

(Source: P.A. 86-1029; 87-826.)

(230 ILCS 10/10) (from Ch. 120, par. 2410)

Sec. 10. Bond of licensee. Before an owners license, other than the Authority's license, is issued or re-issued or a managers license or casino operators license is issued, the licensee shall post a bond in the sum of \$200,000 to the State of Illinois. The bond shall be used to guarantee that the licensee faithfully makes the payments, keeps his books and records and makes reports, and conducts his games of chance in conformity with this Act and the rules adopted by the Board. The bond shall not be canceled by a surety on less than 30 days notice in writing to the Board. If a bond is canceled and the licensee fails to file a new bond with the Board in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/11) (from Ch. 120, par. 2411)

Sec. 11. Conduct of gambling. Gambling may be conducted by licensed owners or licensed managers on behalf of the State or by casino operators on behalf of the Authority aboard riverboats or in a casino. Gambling in the form of electronic poker may be conducted as authorized by the Illinois Gambling Board by licensed owners aboard riverboats or in casinos. If authorized by the Board by rule, an owners licensee may move gaming positions to a "temporary facility" as that term is defined in Section 7(h-6) and use those gaming positions to conduct gambling as provided in Section 7(h-6). Gambling authorized under this Section shall be subject to the following standards:

(1) A licensee may conduct riverboat gambling authorized under this Act regardless of whether it conducts excursion cruises. A licensee may permit the continuous ingress and egress of patrons passengers for the purpose of gambling.

(2) (Blank).

(3) Minimum and maximum wagers on games shall be set by the licensee.

(4) Agents of the Board and the Department of State Police may board and inspect any riverboat or enter and inspect any portion of a casino at any time for the purpose of determining whether this Act is being complied with. Every riverboat, if under way and being hailed by a law enforcement officer or agent of the Board, must stop immediately and lay to.

(5) Employees of the Board shall have the right to be present on the riverboat or in the casino or on adjacent facilities under the control of the licensee.

(6) Gambling equipment and supplies customarily used in conducting riverboat gambling games must be

purchased or leased only from suppliers licensed for such purpose under this Act.

(7) Persons licensed under this Act shall permit no form of wagering on gambling games

except as permitted by this Act.

(8) Wagers may be received only from a person present on a licensed riverboat or in a casino. No person present on a licensed riverboat or in a casino shall place or attempt to place a wager on behalf of another person who is not present on the riverboat or in the casino.

(9) Wagering shall not be conducted with money or other negotiable currency.

(10) A person under age 21 shall not be permitted on an area of a riverboat or casino where gambling is being conducted, except for a person at least 18 years of age who is an employee of the riverboat or casino gambling operation. No employee under age 21 shall perform any function involved in gambling by the patrons. No person under age 21 shall be permitted to make a wager under this Act.

(11) Gambling excursion cruises are permitted only when the waterway for which the riverboat is licensed is navigable, as determined by the Board in consultation with the U.S. Army Corps of Engineers. This paragraph (11) does not limit the ability of a licensee to conduct gambling authorized under this Act when gambling excursion cruises are not permitted.

(12) All tokens, chips or electronic cards used to make wagers must be purchased from a licensed owner or manager, in the case of a riverboat or of a casino either aboard the a riverboat or at the casino or, in the case of a riverboat, at an onshore facility which has been approved by the Board and which is located where the riverboat docks. The tokens, chips or electronic cards may be purchased by means of an agreement under which the owner or manager extends credit to the patron. Such tokens, chips or electronic cards may be used while aboard the riverboat or in the casino only for the purpose of making wagers on gambling games.

(13) Notwithstanding any other Section of this Act, in addition to the other licenses authorized under this Act, the Board may issue special event licenses allowing persons who are not otherwise licensed to conduct riverboat gambling to conduct such gambling on a specified date or series of dates. Riverboat gambling under such a license may take place on a riverboat not normally used for riverboat gambling. The Board shall establish standards, fees and fines for, and limitations upon, such licenses, which may differ from the standards, fees, fines and limitations otherwise applicable under this Act. All such fees shall be deposited into the State Gaming Fund. All such fines shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(14) In addition to the above, gambling must be conducted in accordance with all rules adopted by the Board.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

Sec. 11.1. Collection of amounts owing under credit agreements. Notwithstanding any applicable statutory provision to the contrary, a licensed owner, ~~or~~ manager, or organization licensee who extends credit to a riverboat or casino gambling patron pursuant to Section 11 (a) (12) of this Act is expressly authorized to institute a cause of action to collect any amounts due and owing under the extension of credit, as well as the owner's or manager's costs, expenses and reasonable attorney's fees incurred in collection.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/12) (from Ch. 120, par. 2412)

Sec. 12. Admission tax; fees.

(a) A tax is hereby imposed upon admissions to riverboats and casinos operated by licensed owners and upon admissions to casinos and riverboats operated by casino operators on behalf of the Authority authorized pursuant to this Act. Until July 1, 2002, the rate is \$2 per person admitted. From July 1, 2002 until July 1, 2003, the rate is \$3 per person admitted. From July 1, 2003 until the effective date of this amendatory Act of the 94th General Assembly, for a licensee that admitted 1,000,000 persons or fewer in the previous calendar year, the rate is \$3 per person admitted; for a licensee that admitted more than 1,000,000 but no more than 2,300,000 persons in the previous calendar year, the rate is \$4 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 per person admitted. Beginning on August 23, 2005 (the effective date of Public Act 94-673) and until the effective date of this amendatory Act of the 95th General Assembly ~~this amendatory Act of the 94th General Assembly~~, for a licensee that admitted 1,000,000 persons or fewer in calendar year 2004, the rate is \$2 per person admitted, and for all other licensees the rate is \$3 per person admitted. Beginning on the effective date of this amendatory Act of the 95th General Assembly, for a licensee that conducted riverboat gambling operations in calendar year 2003 and (i) admitted 1,000,000 persons or fewer in the calendar year 2003, the rate is \$1 per person admitted; (ii) admitted more than 1,000,000 persons but fewer than 1,500,000 persons, the rate is \$2 per person admitted; and (iii) admitted

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1,500,000 persons or more, the rate is \$3 per person admitted. This admission tax is imposed upon the licensed owner conducting gambling.

(1) The admission tax shall be paid for each admission, except that a person who exits a riverboat gambling facility or a casino and reenters that riverboat gambling facility or casino within the same gaming day, as the term "gaming day" is defined by the Board by rule, shall be subject only to the initial admission tax. The Board shall establish, by rule, a procedure to determine whether a person admitted to a riverboat gambling facility or casino has paid the admission tax.

(2) (Blank).

(3) An owners licensee and the Authority ~~The riverboat licensee~~ may issue tax-free passes to actual and necessary officials and employees of the licensee or other persons actually working on the riverboat or in the casino.

(4) The number and issuance of tax-free passes is subject to the rules of the Board, and a list of all persons to whom the tax-free passes are issued shall be filed with the Board.

(a-5) A fee is hereby imposed upon admissions operated by licensed managers on behalf of the State pursuant to Section 7.3 at the rates provided in this subsection (a-5). For a licensee that admitted 1,000,000 persons or fewer in the previous calendar year, the rate is \$3 per person admitted; for a licensee that admitted more than 1,000,000 but no more than 2,300,000 persons in the previous calendar year, the rate is \$4 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 per person admitted.

(1) The admission fee shall be paid for each admission.

(2) (Blank).

(3) The licensed manager may issue fee-free passes to actual and necessary officials and employees of the manager or other persons actually working on the riverboat.

(4) The number and issuance of fee-free passes is subject to the rules of the Board, and a list of all persons to whom the fee-free passes are issued shall be filed with the Board.

(b) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), a municipality shall receive from the State \$1 for each person embarking on a riverboat docked within the municipality or entering a casino located within the municipality, and a county shall receive \$1 for each person entering a casino or embarking on a riverboat docked within the county but outside the boundaries of any municipality. The municipality's or county's share shall be collected by the Board on behalf of the State and remitted quarterly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund. For each admission in excess of 1,500,000 in a year, from the tax imposed under this Section, the county in which the licensee's home dock or casino is located shall receive, subject to appropriation, \$0.15, which shall be in addition to any other moneys paid to the county under this Section, and \$0.20 shall be paid into the Agricultural Premium Fund.

(c) The licensed owner and the licensed casino operator conducting gambling operations on behalf of the Authority shall pay the entire admission tax to the Board and the licensed manager shall pay the entire admission fee to the Board. Such payments shall be made daily. Accompanying each payment shall be a return on forms provided by the Board which shall include other information regarding admissions as the Board may require. Failure to submit either the payment or the return within the specified time may result in suspension or revocation of the owners or managers license.

(d) The Board shall administer and collect the admission tax imposed by this Section, to the extent practicable, in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

(Source: P.A. 93-27, eff. 6-20-03; 93-28, eff. 6-20-03; 94-673, eff. 8-23-05.)

(230 ILCS 10/13) (from Ch. 120, par. 2413)

Sec. 13. Wagering tax; rate; distribution.

(a) Until January 1, 1998, a tax is imposed on the ~~adjusted~~ gross gaming receipts received from gambling games authorized under this Act at the rate of 20%.

(a-1) From January 1, 1998 until July 1, 2002, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, based on the ~~adjusted~~ gross gaming receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual ~~adjusted~~ gross gaming receipts up to and including \$25,000,000;

20% of annual ~~adjusted~~ gross gaming receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

25% of annual ~~adjusted~~ gross gaming receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

30% of annual ~~adjusted~~ gross gaming receipts in excess of \$75,000,000 but not exceeding

\$100,000,000;

35% of annual ~~adjusted~~ gross gaming receipts in excess of \$100,000,000.

(a-2) From July 1, 2002 until July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the ~~adjusted~~ gross gaming receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual ~~adjusted~~ gross gaming receipts up to and including \$25,000,000;

22.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual ~~adjusted~~ gross gaming receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual ~~adjusted~~ gross gaming receipts in excess of \$200,000,000.

(a-3) Beginning July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the ~~adjusted~~ gross gaming receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual ~~adjusted~~ gross gaming receipts up to and including \$25,000,000;

27.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$25,000,000 but not exceeding \$37,500,000;

32.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$37,500,000 but not exceeding \$50,000,000;

37.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

45% of annual ~~adjusted~~ gross gaming receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

50% of annual ~~adjusted~~ gross gaming receipts in excess of \$100,000,000 but not exceeding \$250,000,000;

70% of annual ~~adjusted~~ gross gaming receipts in excess of \$250,000,000.

An amount equal to the amount of wagering taxes collected under this subsection (a-3) that are in addition to the amount of wagering taxes that would have been collected if the wagering tax rates under subsection (a-2) were in effect shall be paid into the Common School Fund.

The privilege tax imposed under this subsection (a-3) shall no longer be imposed beginning on the earlier of (i) July 1, 2005; (ii) the first date after June 20, 2003 that riverboat gambling operations are conducted pursuant to a dormant license; or (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act. For the purposes of this subsection (a-3), the term "dormant license" means an owners license that is authorized by this Act under which no riverboat gambling operations are being conducted on June 20, 2003.

(a-4) Beginning on the first day on which the tax imposed under subsection (a-3) is no longer imposed, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State or the Authority, based on the ~~adjusted~~ gross gaming receipts received by a licensed owner or by the Authority from gambling games authorized under this Act at the following rates:

15% of annual ~~adjusted~~ gross gaming receipts up to and including \$25,000,000;

22.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual ~~adjusted~~ gross gaming receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual ~~adjusted~~ gross gaming receipts in excess of \$150,000,000 but not exceeding

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\$200,000,000;

50% of annual ~~adjusted~~ gross gaming receipts in excess of \$200,000,000.

(a-5) A privilege tax is imposed on the owners licensee of the license authorized under subsection (e-6) of Section 7 at the rate of 50% of annual gross gaming receipts.

(a-6) A privilege tax is imposed on persons engaged in the business of conducting electronic poker based on the gross gaming receipts received from gambling games authorized under this Act at the following rates:

15% of annual gross gaming receipts up to and including \$25,000,000;

22.5% of annual gross gaming receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual gross gaming receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual gross gaming receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual gross gaming receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual gross gaming receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual gross gaming receipts in excess of \$200,000,000.

(a-8) Riverboat gambling operations conducted by a licensed manager on behalf of the State are not subject to the tax imposed under this Section.

(a-10) The taxes imposed by this Section shall be paid by the licensed owner, or by the casino operator on behalf of the Authority in the case of a license issued to the Authority, to the Board not later than 3:00 o'clock p.m. of the day after the day when the wagers were made.

(a-15) If the privilege tax imposed under subsection (a-3) is no longer imposed pursuant to item (i) of the last paragraph of subsection (a-3), then by June 15 of each year, each owners licensee, other than an owners licensee that admitted 1,000,000 persons or fewer in calendar year 2004, must, in addition to the payment of all amounts otherwise due under this Section, pay to the Board a reconciliation payment in the amount, if any, by which the licensed owner's base amount exceeds the amount of net privilege tax paid by the licensed owner to the Board in the then current State fiscal year. A licensed owner's net privilege tax obligation due for the balance of the State fiscal year shall be reduced up to the total of the amount paid by the licensed owner in its June 15 reconciliation payment. The obligation imposed by this subsection (a-15) is binding on any person, firm, corporation, or other entity that acquires an ownership interest in any such owners license. The obligation imposed under this subsection (a-15) terminates on the earliest of: (i) July 1, 2007, (ii) the first day after the effective date of this amendatory Act of the 94th General Assembly that riverboat gambling operations are conducted pursuant to a dormant license, (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act, or (iv) the first day that a licensee under the Illinois Horse Racing Act of 1975 conducts gaming operations with slot machines or other electronic gaming devices. The Board must reduce the obligation imposed under this subsection (a-15) by an amount the Board deems reasonable for any of the following reasons: (A) an act or acts of God, (B) an act of bioterrorism or terrorism or a bioterrorism or terrorism threat that was investigated by a law enforcement agency, or (C) a condition beyond the control of the owners licensee that does not result from any act or omission by the owners licensee or any of its agents and that poses a hazardous threat to the health and safety of patrons. If an owners licensee pays an amount in excess of its liability under this Section, the Board shall apply the overpayment to future payments required under this Section.

For purposes of this subsection (a-15):

"Act of God" means an incident caused by the operation of an extraordinary force that cannot be foreseen, that cannot be avoided by the exercise of due care, and for which no person can be held liable.

"Base amount" means the following:

For a riverboat in Alton, \$31,000,000.

For a riverboat in East Peoria, \$43,000,000.

For the Empress riverboat in Joliet, \$86,000,000.

For a riverboat in Metropolis, \$45,000,000.

For the Harrah's riverboat in Joliet, \$114,000,000.

For a riverboat in Aurora, \$86,000,000.

For a riverboat in East St. Louis, \$48,500,000.

For a riverboat in Elgin, \$198,000,000.

"Dormant license" has the meaning ascribed to it in subsection (a-3).

"Net privilege tax" means all privilege taxes paid by a licensed owner to the Board under this Section, less all payments made from the State Gaming Fund pursuant to subsection (b) of this Section.

The changes made to this subsection (a-15) by ~~Public Act 94-839~~ this amendatory Act of the 94th General Assembly are intended to restate and clarify the intent of Public Act 94-673 with respect to the

amount of the payments required to be made under this subsection by an owners licensee to the Board.

(b) Until January 1, 1998, 25% of the tax revenue deposited in the State Gaming Fund under this Section shall be paid, subject to appropriation by the General Assembly, to the unit of local government which is designated as the home dock of the riverboat. Except as otherwise provided in this subsection (b), beginning ~~Beginning~~ January 1, 1998, from the tax revenue ~~from riverboat and casino gambling~~ deposited in the State Gaming Fund under this Section, an amount equal to 5% of ~~adjusted~~ gross gaming receipts generated by a riverboat and an amount equal to 20% of gross gaming receipts generated by a casino shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat or the municipality in which the casino is located. From the tax revenue deposited in the State Gaming Fund pursuant to riverboat gambling operations conducted by a licensed manager on behalf of the State, an amount equal to 5% of ~~adjusted~~ gross gaming receipts generated pursuant to those riverboat gambling operations shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat upon which those riverboat gambling operations are conducted.

(b-5) An amount equal to 1% of the moneys in the State Gaming Fund shall be transferred monthly to the Depressed Communities Economic Development Fund, which is created in the State treasury. The Department of Commerce and Economic Opportunity shall administer the Fund and use moneys in the Fund to make grants in accordance with the recommendations of the Depressed Communities Economic Development Board.

(b-10) Beginning on the effective date of this amendatory Act of the 95th General Assembly, from the tax revenue from electronic poker into the State Gaming Fund under this Section, an amount equal to one-twelfth of \$3,000,000 shall be paid monthly into the Illinois Colt Stakes Purse Distribution Fund to be used for horse racing purses at the Illinois State Fair and DuQuoin State Fair and for bonus programs to pay owners of horses that win multiple stake races that are restricted to Illinois conceived and foaled horses.

(b-15) Beginning on the effective date of this amendatory Act of the 95th General Assembly, from the tax revenue from electronic poker deposited into the State Gaming Fund under this Section, an amount equal to one-twelfth of \$100,000 shall be transferred monthly to the Agricultural Premium Fund to be used for drug testing of horses at county fairs authorized in Section 34.3 of the Illinois Horse Racing Act of 1975.

(c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Department of Revenue and the Department of State Police for the administration and enforcement of this Act, or to the Department of Human Services for the administration of programs to treat problem gambling.

(c-5) (Blank). Before the effective date of this amendatory Act of the 94th General Assembly and beginning 2 years after the effective date of this amendatory Act of the 94th General Assembly, after the payments required under subsections (b) and (c) have been made, an amount equal to 15% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid from the State Gaming Fund into the Horse Racing Equity Fund.

(c-10) (Blank). Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid into the Horse Racing Equity Fund pursuant to subsection (c-5) in the prior calendar year.

(c-15) (Blank). After the payments required under subsections (b), (c), and (c-5) have been made, an amount equal to 2% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to each home rule county with a population of over 3,000,000 inhabitants for the purpose of enhancing the county's criminal justice system.

(c-20) (Blank). Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid to each home rule county with a population of over 3,000,000 inhabitants pursuant to subsection (c-15) in the prior calendar year.

(c-25) (Blank). After the payments required under subsections (b), (c), (c-5) and (c-15) have been made, an amount equal to 2% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an

owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid from the State Gaming Fund to Chicago State University.

(c-30) After the payments required under subsections (b), (b-5), (c), and (c-25) have been made, an aggregate amount equal to 3% of the gross gaming receipts of owners licensees, but in no event more than \$75,000,000 in any year, shall be paid monthly, subject to appropriation by the General Assembly, from the State Gaming Fund into the School Infrastructure Fund for the purpose of funding school construction program grants.

(c-33) After the payments required under subsections (b), (b-5), (c), (c-25), and (c-30) have been made, an aggregate amount equal to 3% of the gross gaming receipts of owners licensees, but in no event more than \$75,000,000 in any year, shall be paid monthly, subject to appropriation by the General Assembly, from the State Gaming Fund into the School Construction Fund for the purpose of funding school construction program grants.

(c-35) After the payments required under subsections (b), (b-5), (c), (c-30), and (c-33) have been made, an amount equal to 1% of the gross gaming receipts from gaming positions acquired under subsection (h-5) of Section 7 of an owners licensee that docks on the Mississippi River, the Illinois River, or the Ohio River shall be paid, subject to appropriation by the General Assembly, from the State Gaming Fund to qualifying municipalities within 50 miles of the home dock of the riverboat. The amount paid under this subsection (c-35) to each qualifying municipality shall be based on the proportion that the number of persons living at or below the poverty level in the qualifying municipality bears to the total number of persons living at or below the poverty level in qualifying municipalities that are within 50 miles of the owners licensee's home dock. If 2 or more owners licensees that dock on the Mississippi River, the Illinois River, or the Ohio River are within 50 miles of each other, payments required under this subsection (c-35) from the gross gaming receipts of those owners licensees shall be commingled and paid to qualifying municipalities that are within 50 miles of at least one of those owners licensee's home docks. For the purposes of this subsection (c-35), the term "qualifying municipality" means a municipality, other than a municipality in which a riverboat docks, in which the poverty rate as determined by using the most recent data released by the United States Census Bureau is at least 3% greater than the State poverty rate as determined by using the most recent data released by the United States Census Bureau.

For the purposes of this subsection (c-35), the gross gaming receipts from the gaming positions acquired under subsection (h-5) of Section 7 shall be the difference between the gross gaming receipts in a particular month from the gross gaming receipts for the corresponding month in calendar year 2006.

(c-40) After the payments required under subsections (b), (b-5), (c), (c-30), (c-33), and (c-35) have been made, an amount equal to 1% of the gross gaming receipts (i) of the gaming positions authorized under subsection (h-5) of Section 7 of an owners licensee that docks on the Fox River or the Des Plaines River or (ii) of an owners licensee that is authorized under subsection (e-5) of Section 7, shall be paid, subject to appropriation by the General Assembly, from the State Gaming Fund to qualifying municipalities within 20 miles of the home dock of the riverboat. The amount paid under this subsection (c-40) to each qualifying municipality shall be based on the proportion that the number of persons living at or below the poverty level in the qualifying municipality bears to the total number of persons living at or below the poverty level in qualifying municipalities that are within 20 miles of the owners licensee's home dock. If the home docks of 2 or more owners licensees that (i) dock on the Fox River or the Des Plaines River or (ii) are authorized under subsection (e-5) of Section 7 are within 20 miles of each other, payments required under this subsection (c-40) from the gross gaming receipts of those owners licensees shall be commingled and paid to qualifying municipalities that are within 20 miles of at least one of those owners licensee's home docks. For the purposes of this subsection (c-40), the term "qualifying municipality" means a municipality, other than the City of Chicago or a municipality in which a riverboat docks, in which the poverty rate as determined by using the most recent data released by the United States Census Bureau is at least 3% greater than the State poverty rate as determined by using the most recent data released by the United States Census Bureau.

For the purposes of this subsection (c-40), the gross gaming receipts from the gaming positions acquired under subsection (h-5) of Section 7 shall be calculated in the same manner as provided in subsection (c-30).

(c-45) After the payments required under subsections (b), (b-5), (c), (c-30), (c-33), (c-35), and (c-40) have been made, an amount equal to 1% of the gross gaming receipts of an owners licensee that is authorized under subsection (e-6) of Section 7, shall be paid, subject to appropriation by the General Assembly, from the State Gaming Fund to qualifying municipalities within 10 miles of the casino. The amount paid under this subsection (c-45) to each qualifying municipality shall be based on the

proportion that the number of persons living at or below the poverty level in the qualifying municipality bears to the total number of persons living at or below the poverty level in qualifying municipalities that are within 10 miles of the casino. For the purposes of this subsection (c-45), the term "qualifying municipality" means a municipality, other than the City of Chicago, a municipality in which a riverboat docks, or a municipality that received payment under subsection (c-35) or (c-40), in which the poverty rate as determined by using the most recent data released by the United States Census Bureau is at least 3% greater than the State poverty rate as determined by using the most recent data released by the United States Census Bureau.

(c-60) After the payments required under subsections (b), (b-5), (c), (c-30), (c-33), (c-35), (c-40), and (c-45) have been made, an amount equal to 0.93% of the gross gaming receipts from owners licensees authorized under Sections 7(e-5) and 7(e-6), but in no case more than \$3,750,000 per year, shall be reserved for the Board and may be used by the Board, subject to appropriation, for the administration and enforcement of this Act. Moneys reserved for the Board under this subsection (c-60) shall not be deposited into the Education Assistance Fund.

(c-65) After the payments required under subsections (b), (b-5), (c), (c-30), (c-33), (c-35), (c-40), (c-45), and (c-60) have been made, an amount equal to 8% of the gross gaming receipts from owners licensees authorized under Sections 7(e-5) and 7(e-6), but in no case more than \$200,000,000 per year, shall be transferred from the State Gaming Fund to the General Obligation Bond Retirement and Interest Fund.

(c-70) After payments required under subsections (b), (b-5), (c), (c-30), (c-33), (c-35), (c-40), (c-45), (c-60), and (c-65) have been made, an amount equal to 1.5% of the gross gaming receipts from owners licenses issued on or after the effective date of this amendatory Act of the 95th General Assembly authorizing riverboat gambling in Cook County shall be paid monthly, subject to appropriation by the General Assembly, to Cook County.

(c-75) After payments required under subsections (b), (b-5), (c), (c-30), (c-33), (c-35), (c-40), (c-45), (c-60), (c-65), and (c-70) have been made, an amount equal to 1% of the gross gaming receipts from owners licenses issued on or after the effective date of this amendatory Act of the 95th General Assembly authorizing riverboat gambling in Cook County shall be paid monthly, subject to appropriation by the General Assembly, to the Chicago Convention and Tourism Bureau.

(c-80) After payments required under subsections (b), (b-5), (c), (c-30), (c-33), (c-35), (c-40), (c-45), (c-60), (c-65), (c-70), and (c-75) have been made, an amount equal to 2% of the gross gaming receipts from owners licenses issued on or after the effective date of this amendatory Act of the 95th General Assembly and 2% of the gross gaming receipts from the gaming positions acquired under subsection (h-5) of Section 7 by owners licensees whose license was issued before the effective date of this amendatory Act, shall be paid monthly, subject to appropriation by the General Assembly, to public universities in this State to be distributed as follows: 25% shall be distributed to Chicago State University and 75% shall be divided among the other public universities in this State in the proportion of the number of campuses of the public university to the number of campuses of all these other public universities. For the purposes of this subsection (c-80), the gross gaming receipts from the gaming positions acquired under subsection (h-5) shall be calculated in the same manner as provided in subsection (c-30).

(c-90) After the payments required under subsections (b), (b-5), (c), (c-30), (c-33), (c-35), (c-40), (c-45), (c-60), (c-70), (c-75), and (c-80) have been made, the remainder of the gross gaming receipts from owners licensees authorized under Sections 7(e-5) and 7(e-6) shall be transferred from the State Gaming Fund to the General Revenue Fund.

(d) From time to time, the Board shall transfer the remainder of the funds generated by this Act into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(e) Nothing in this Act shall prohibit the unit of local government designated as the home dock of the riverboat, or the municipality in which the casino is located, from entering into agreements with other units of local government in this State or in other states to share its portion of the tax revenue.

(f) To the extent practicable, the Board shall administer and collect the wagering taxes imposed by this Section in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

(Source: P.A. 93-27, eff. 6-20-03; 93-28, eff. 6-20-03; 94-673, eff. 8-23-05; 94-804, eff. 5-26-06; 94-839, eff. 6-6-06; revised 8-3-06.)

(230 ILCS 10/14) (from Ch. 120, par. 2414)

Sec. 14. Licensees - Records - Reports - Supervision.

(a) A Licensed owners, including the Authority, ~~owner~~ shall keep their ~~his~~ books and records so as to

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clearly show the following:

- (1) The amount received daily from admission fees.
- (2) The total amount of whole gaming gross receipts.
- (3) The total amount of the adjusted gross gaming receipts.

(b) ~~The Licensed owners, including the Authority, owner~~ shall furnish to the Board reports and information as the Board may require with respect to its activities on forms designed and supplied for such purpose by the Board.

(c) The books and records kept by a licensed owner as provided by this Section are public records and the examination, publication, and dissemination of the books and records are governed by the provisions of The Freedom of Information Act.

(Source: P.A. 86-1029.)

(230 ILCS 10/18) (from Ch. 120, par. 2418)

Sec. 18. Prohibited Activities - Penalty.

(a) A person is guilty of a Class A misdemeanor for doing any of the following:

(1) Conducting gambling where wagering is used or to be used without a license or authorization issued

by the Board.

(2) Conducting gambling where wagering is permitted other than in the manner specified by Section 11.

(b) A person is guilty of a Class B misdemeanor for doing any of the following:

- (1) permitting a person under 21 years to make a wager; or
- (2) violating paragraph (12) of subsection (a) of Section 11 of this Act.

(c) A person wagering or accepting a wager at any location outside the riverboat or casino in violation of paragraph ~~is subject to the penalties in paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the Criminal Code of 1961 is subject to the penalties provided in that Section.

(d) A person commits a Class 4 felony and, in addition, shall be barred for life from gambling operations riverboats under the jurisdiction of the Board, if the person does any of the following:

(1) Offers, promises, or gives anything of value or benefit to a person who is connected with a riverboat or casino owner including, but not limited to, an officer or employee of a licensed owner or holder of an occupational license pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.

(2) Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with a riverboat or casino including, but not limited to, an officer or employee of a licensed owner, or the holder of an occupational license, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.

(3) Uses or possesses with the intent to use a device to assist:

- (i) In projecting the outcome of the game.
- (ii) In keeping track of the cards played.
- (iii) In analyzing the probability of the occurrence of an event relating to the gambling game.

(iv) In analyzing the strategy for playing or betting to be used in the game except as permitted by the Board.

(4) Cheats at a gambling game.

(5) Manufactures, sells, or distributes any cards, chips, dice, game or device which is intended to be used to violate any provision of this Act.

(6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before it is revealed to the players.

(7) Places a bet after acquiring knowledge, not available to all players, of the outcome of the gambling game which is subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome.

(8) Claims, collects, or takes, or attempts to claim, collect, or take, money or anything of value in or from the gambling games, with intent to defraud, without having made a wager contingent on winning a gambling game, or claims, collects, or takes an amount of money or thing of value of greater value than the amount won.

(9) Uses counterfeit chips or tokens in a gambling game.

(10) Possesses any key or device designed for the purpose of opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or mechanical device connected with the gambling game or for removing coins, tokens, chips or other contents of a gambling game. This paragraph (10) does not apply to a gambling licensee or employee of a gambling licensee acting in furtherance of the employee's employment.

(e) The possession of more than one of the devices described in subsection (d), paragraphs (3), (5) or (10) permits a rebuttable presumption that the possessor intended to use the devices for cheating.

An action to prosecute any crime occurring on a riverboat or in a casino shall be tried in the county of the dock at which the riverboat is based or in the county in which the casino is located.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 10/20) (from Ch. 120, par. 2420)

Sec. 20. Prohibited activities - civil penalties. Any person who conducts a gambling operation without first obtaining a license to do so, or who continues to conduct such games after revocation of his license, or any licensee who conducts or allows to be conducted any unauthorized gambling games on a riverboat or in a casino where it is authorized to conduct its ~~riverboat~~ gambling operation, in addition to other penalties provided, shall be subject to a civil penalty equal to the amount of whole gaming gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted on that day as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games.

(Source: P.A. 86-1029.)

(230 ILCS 10/23) (from Ch. 120, par. 2423)

Sec. 23. The State Gaming Fund. On or after the effective date of this Act, except as provided for payments into the Horse Racing Equity Trust Fund under subsection (a) of Section 7, all of the fees and taxes collected pursuant to this Act shall be deposited into the State Gaming Fund, a special fund in the State Treasury, which is hereby created. The ~~adjusted gross~~ gaming receipts of any riverboat gambling operations conducted by a licensed manager on behalf of the State remaining after the payment of the fees and expenses of the licensed manager shall be deposited into the State Gaming Fund. Fines and penalties collected pursuant to this Act shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(Source: P.A. 93-28, eff. 6-20-03; 94-804, eff. 5-26-06.)

Section 950. The Liquor Control Act of 1934 is amended by changing Sections 5-1 and 6-30 as follows:

(235 ILCS 5/5-1) (from Ch. 43, par. 115)

Sec. 5-1. Licenses issued by the Illinois Liquor Control Commission shall be of the following classes:

(a) Manufacturer's license - Class 1. Distiller, Class 2. Rectifier, Class 3. Brewer, Class 4. First Class Wine Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6. First Class Winemaker, Class 7. Second Class Winemaker, Class 8. Limited Wine Manufacturer,

(b) Distributor's license,

(c) Importing Distributor's license,

(d) Retailer's license,

(e) Special Event Retailer's license (not-for-profit),

(f) Railroad license,

(g) Boat license,

(h) Non-Beverage User's license,

(i) Wine-maker's premises license,

(j) Airplane license,

(k) Foreign importer's license,

(l) Broker's license,

(m) Non-resident dealer's license,

(n) Brew Pub license,

(o) Auction liquor license,

(p) Caterer retailer license,

(q) Special use permit license.

No person, firm, partnership, corporation, or other legal business entity that is engaged in the manufacturing of wine may concurrently obtain and hold a wine-maker's license and a wine manufacturer's license.

(a) A manufacturer's license shall allow the manufacture, importation in bulk, storage, distribution and sale of alcoholic liquor to persons without the State, as may be permitted by law and to licensees in this

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State as follows:

Class 1. A Distiller may make sales and deliveries of alcoholic liquor to distillers, rectifiers, importing distributors, distributors and non-beverage users and to no other licensees.

Class 2. A Rectifier, who is not a distiller, as defined herein, may make sales and deliveries of alcoholic liquor to rectifiers, importing distributors, distributors, retailers and non-beverage users and to no other licensees.

Class 3. A Brewer may make sales and deliveries of beer to importing distributors, distributors, and to non-licensees, and to retailers provided the brewer obtains an importing distributor's license or distributor's license in accordance with the provisions of this Act.

Class 4. A first class wine-manufacturer may make sales and deliveries of up to 50,000 gallons of wine to manufacturers, importing distributors and distributors, and to no other licensees.

Class 5. A second class Wine manufacturer may make sales and deliveries of more than 50,000 gallons of wine to manufacturers, importing distributors and distributors and to no other licensees.

Class 6. A first-class wine-maker's license shall allow the manufacture of up to 50,000 gallons of wine per year, and the storage and sale of such wine to distributors in the State and to persons without the State, as may be permitted by law. A first-class wine-maker's license shall allow the sale of no more than 5,000 gallons of the licensee's wine to retailers. The State Commission shall issue only one first-class wine-maker's license to any person, firm, partnership, corporation, or other legal business entity that is engaged in the making of less than 50,000 gallons of wine annually that applies for a first-class wine-maker's license. No subsidiary or affiliate thereof, nor any officer, associate, member, partner, representative, employee, agent, or shareholder may be issued an additional wine-maker's license by the State Commission.

Class 7. A second-class wine-maker's license shall allow the manufacture of between 50,000 and 100,000 gallons of wine per year, and the storage and sale of such wine to distributors in this State and to persons without the State, as may be permitted by law. A second-class wine-maker's license shall allow the sale of no more than 10,000 gallons of the licensee's wine directly to retailers. The State Commission shall issue only one second-class wine-maker's license to any person, firm, partnership, corporation, or other legal business entity that is engaged in the making of less than 100,000 gallons of wine annually that applies for a second-class wine-maker's license. No subsidiary or affiliate thereof, or any officer, associate, member, partner, representative, employee, agent, or shareholder may be issued an additional wine-maker's license by the State Commission.

Class 8. A limited wine-manufacturer may make sales and deliveries not to exceed 40,000 gallons of wine per year to distributors, and to non-licensees in accordance with the provisions of this Act.

(a-1) A manufacturer which is licensed in this State to make sales or deliveries of alcoholic liquor and which enlists agents, representatives, or individuals acting on its behalf who contact licensed retailers on a regular and continual basis in this State must register those agents, representatives, or persons acting on its behalf with the State Commission.

Registration of agents, representatives, or persons acting on behalf of a manufacturer is fulfilled by submitting a form to the Commission. The form shall be developed by the Commission and shall include the name and address of the applicant, the name and address of the manufacturer he or she represents, the territory or areas assigned to sell to or discuss pricing terms of alcoholic liquor, and any other questions deemed appropriate and necessary. All statements in the forms required to be made by law or by rule shall be deemed material, and any person who knowingly misstates any material fact under oath in an application is guilty of a Class B misdemeanor. Fraud, misrepresentation, false statements, misleading statements, evasions, or suppression of material facts in the securing of a registration are grounds for suspension or revocation of the registration.

(b) A distributor's license shall allow the wholesale purchase and storage of alcoholic liquors and sale of alcoholic liquors to licensees in this State and to persons without the State, as may be permitted by law.

(c) An importing distributor's license may be issued to and held by those only who are duly licensed distributors, upon the filing of an application by a duly licensed distributor, with the Commission and the Commission shall, without the payment of any fee, immediately issue such importing distributor's license to the applicant, which shall allow the importation of alcoholic liquor by the licensee into this State from any point in the United States outside this State, and the purchase of alcoholic liquor in barrels, casks or other bulk containers and the bottling of such alcoholic liquors before resale thereof, but all bottles or containers so filled shall be sealed, labeled, stamped and otherwise made to comply with all provisions, rules and regulations governing manufacturers in the preparation and bottling of alcoholic liquors. The importing distributor's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers and foreign importers only.

(d) A retailer's license shall allow the licensee to sell and offer for sale at retail, only in the premises specified in the license, alcoholic liquor for use or consumption, but not for resale in any form. Provided that any retail license issued to a manufacturer shall only permit the manufacturer to sell beer at retail on the premises actually occupied by the manufacturer. For the purpose of further describing the type of business conducted at a retail licensed premises, a retailer's licensee may be designated by the State Commission as (i) an on premise consumption retailer, (ii) an off premise sale retailer, or (iii) a combined on premise consumption and off premise sale retailer.

Notwithstanding any other provision of this subsection (d), a retail licensee may sell alcoholic liquors to a special event retailer licensee for resale to the extent permitted under subsection (e).

(e) A special event retailer's license (not-for-profit) shall permit the licensee to purchase alcoholic liquors from an Illinois licensed distributor (unless the licensee purchases less than \$500 of alcoholic liquors for the special event, in which case the licensee may purchase the alcoholic liquors from a licensed retailer) and shall allow the licensee to sell and offer for sale, at retail, alcoholic liquors for use or consumption, but not for resale in any form and only at the location and on the specific dates designated for the special event in the license. An applicant for a special event retailer license must (i) furnish with the application: (A) a resale number issued under Section 2c of the Retailers' Occupation Tax Act or evidence that the applicant is registered under Section 2a of the Retailers' Occupation Tax Act, (B) a current, valid exemption identification number issued under Section 1g of the Retailers' Occupation Tax Act, and a certification to the Commission that the purchase of alcoholic liquors will be a tax-exempt purchase, or (C) a statement that the applicant is not registered under Section 2a of the Retailers' Occupation Tax Act, does not hold a resale number under Section 2c of the Retailers' Occupation Tax Act, and does not hold an exemption number under Section 1g of the Retailers' Occupation Tax Act, in which event the Commission shall set forth on the special event retailer's license a statement to that effect; (ii) submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance in the maximum limits; and (iii) show proof satisfactory to the State Commission that the applicant has obtained local authority approval.

(f) A railroad license shall permit the licensee to import alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on a club, buffet, lounge or dining car operated on an electric, gas or steam railway in this State; and provided further, that railroad licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. A railroad license shall also permit the licensee to sell or dispense alcoholic liquors on any club, buffet, lounge or dining car operated on an electric, gas or steam railway regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A license shall be obtained for each car in which such sales are made.

(g) A boat license shall allow the sale of alcoholic liquor in individual drinks, on any passenger boat regularly operated as a common carrier on navigable waters in this State or on any riverboat operated under the Riverboat and Casino Gambling Act, which boat or riverboat maintains a public dining room or restaurant thereon.

(h) A non-beverage user's license shall allow the licensee to purchase alcoholic liquor from a licensed manufacturer or importing distributor, without the imposition of any tax upon the business of such licensed manufacturer or importing distributor as to such alcoholic liquor to be used by such licensee solely for the non-beverage purposes set forth in subsection (a) of Section 8-1 of this Act, and such licenses shall be divided and classified and shall permit the purchase, possession and use of limited and stated quantities of alcoholic liquor as follows:

Class 1, not to exceed .....	500 gallons
Class 2, not to exceed .....	1,000 gallons
Class 3, not to exceed .....	5,000 gallons
Class 4, not to exceed .....	10,000 gallons
Class 5, not to exceed .....	50,000 gallons

(i) A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license not more than 50,000 gallons of the first-class wine-maker's wine that is made at the first-class wine-maker's licensed premises per year for use or consumption, but not for resale in any form. A wine-maker's premises license shall allow a licensee who concurrently holds a second-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license up to 100,000 gallons of the

second-class wine-maker's wine that is made at the second-class wine-maker's licensed premises per year for use or consumption but not for resale in any form. A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license or a second-class wine-maker's license to sell and offer for sale at retail at the premises specified in the wine-maker's premises license, for use or consumption but not for resale in any form, any beer, wine, and spirits purchased from a licensed distributor. Upon approval from the State Commission, a wine-maker's premises license shall allow the licensee to sell and offer for sale at (i) the wine-maker's licensed premises and (ii) at up to 2 additional locations for use and consumption and not for resale. Each location shall require additional licensing per location as specified in Section 5-3 of this Act.

(j) An airplane license shall permit the licensee to import alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on an airplane; and provided further, that airplane licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. An airplane licensee shall also permit the sale or dispensing of alcoholic liquors on any passenger airplane regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A single airplane license shall be required of an airline company if liquor service is provided on board aircraft in this State. The annual fee for such license shall be as determined in Section 5-3.

(k) A foreign importer's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers only, and to import alcoholic liquor other than in bulk from any point outside the United States and to sell such alcoholic liquor to Illinois licensed importing distributors and to no one else in Illinois; provided that the foreign importer registers with the State Commission every brand of alcoholic liquor that it proposes to sell to Illinois licensees during the license period and provided further that the foreign importer complies with all of the provisions of Section 6-9 of this Act with respect to registration of such Illinois licensees as may be granted the right to sell such brands at wholesale.

(l) (i) A broker's license shall be required of all persons who solicit orders for, offer to sell or offer to supply alcoholic liquor to retailers in the State of Illinois, or who offer to retailers to ship or cause to be shipped or to make contact with distillers, rectifiers, brewers or manufacturers or any other party within or without the State of Illinois in order that alcoholic liquors be shipped to a distributor, importing distributor or foreign importer, whether such solicitation or offer is consummated within or without the State of Illinois.

No holder of a retailer's license issued by the Illinois Liquor Control Commission shall purchase or receive any alcoholic liquor, the order for which was solicited or offered for sale to such retailer by a broker unless the broker is the holder of a valid broker's license.

The broker shall, upon the acceptance by a retailer of the broker's solicitation of an order or offer to sell or supply or deliver or have delivered alcoholic liquors, promptly forward to the Illinois Liquor Control Commission a notification of said transaction in such form as the Commission may by regulations prescribe.

(ii) A broker's license shall be required of a person within this State, other than a retail licensee, who, for a fee or commission, promotes, solicits, or accepts orders for alcoholic liquor, for use or consumption and not for resale, to be shipped from this State and delivered to residents outside of this State by an express company, common carrier, or contract carrier. This Section does not apply to any person who promotes, solicits, or accepts orders for wine as specifically authorized in Section 6-29 of this Act.

A broker's license under this subsection (1) shall not entitle the holder to buy or sell any alcoholic liquors for his own account or to take or deliver title to such alcoholic liquors.

This subsection (1) shall not apply to distributors, employees of distributors, or employees of a manufacturer who has registered the trademark, brand or name of the alcoholic liquor pursuant to Section 6-9 of this Act, and who regularly sells such alcoholic liquor in the State of Illinois only to its registrants thereunder.

Any agent, representative, or person subject to registration pursuant to subsection (a-1) of this Section shall not be eligible to receive a broker's license.

(m) A non-resident dealer's license shall permit such licensee to ship into and warehouse alcoholic liquor into this State from any point outside of this State, and to sell such alcoholic liquor to Illinois licensed foreign importers and importing distributors and to no one else in this State; provided that said non-resident dealer shall register with the Illinois Liquor Control Commission each and every brand of

alcoholic liquor which it proposes to sell to Illinois licensees during the license period; and further provided that it shall comply with all of the provisions of Section 6-9 hereof with respect to registration of such Illinois licensees as may be granted the right to sell such brands at wholesale.

(n) A brew pub license shall allow the licensee to manufacture beer only on the premises specified in the license, to make sales of the beer manufactured on the premises to importing distributors, distributors, and to non-licensees for use and consumption, to store the beer upon the premises, and to sell and offer for sale at retail from the licensed premises, provided that a brew pub licensee shall not sell for off-premises consumption more than 50,000 gallons per year.

(o) A caterer retailer license shall allow the holder to serve alcoholic liquors as an incidental part of a food service that serves prepared meals which excludes the serving of snacks as the primary meal, either on or off-site whether licensed or unlicensed.

(p) An auction liquor license shall allow the licensee to sell and offer for sale at auction wine and spirits for use or consumption, or for resale by an Illinois liquor licensee in accordance with provisions of this Act. An auction liquor license will be issued to a person and it will permit the auction liquor licensee to hold the auction anywhere in the State. An auction liquor license must be obtained for each auction at least 14 days in advance of the auction date.

(q) A special use permit license shall allow an Illinois licensed retailer to transfer a portion of its alcoholic liquor inventory from its retail licensed premises to the premises specified in the license hereby created, and to sell or offer for sale at retail, only in the premises specified in the license hereby created, the transferred alcoholic liquor for use or consumption, but not for resale in any form. A special use permit license may be granted for the following time periods: one day or less; 2 or more days to a maximum of 15 days per location in any 12 month period. An applicant for the special use permit license must also submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance to the maximum limits and have local authority approval.

(Source: P.A. 92-105, eff. 1-1-02; 92-378, eff. 8-16-01; 92-651, eff. 7-11-02; 92-672, eff. 7-16-02; 93-923, eff. 8-12-04; 93-1057, eff. 12-2-04; revised 12-6-04.)

(235 ILCS 5/6-30) (from Ch. 43, par. 144f)

Sec. 6-30. Notwithstanding any other provision of this Act, the Illinois Gaming Board shall have exclusive authority to establish the hours for sale and consumption of alcoholic liquor on board a riverboat during riverboat gambling excursions and in a casino conducted in accordance with the Riverboat and Casino Gambling Act.

(Source: P.A. 87-826.)

Section 955. The Criminal Code of 1961 is amended by changing Sections 28-1, 28-1.1, 28-3, 28-5 and 28-7 as follows:

(720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

Sec. 28-1. Gambling.

(a) A person commits gambling when he:

- (1) Plays a game of chance or skill for money or other thing of value, unless excepted in subsection (b) of this Section; or
- (2) Makes a wager upon the result of any game, contest, or any political nomination, appointment or election; or
- (3) Operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device; or
- (4) Contracts to have or give himself or another the option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or any stock or security of any company, where it is at the time of making such contract intended by both parties thereto that the contract to buy or sell, or the option, whenever exercised, or the contract resulting therefrom, shall be settled, not by the receipt or delivery of such property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, endorsement or guarantee, by or through a person registered with the Secretary of State pursuant to Section 8 of the Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a put, call, or other option to buy or sell securities which have been registered with the Secretary of State or which are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not gambling within the meaning of this paragraph (4); or
- (5) Knowingly owns or possesses any book, instrument or apparatus by means of which bets or wagers have been, or are, recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager; or
- (6) Sells pools upon the result of any game or contest of skill or chance, political

nomination, appointment or election; or

(7) Sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery; or

(8) Sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar device; or

(9) Knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government; or

(10) Knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state; or

(11) Knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests; or

(12) Knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, or election by means of the Internet.

(b) Participants in any of the following activities shall not be convicted of gambling therefor:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance;

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest;

(3) Pari-mutuel betting as authorized by the law of this State;

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law;

(5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act;

(6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law;

(7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b)(7), an antique slot machine is one manufactured 25 years ago or earlier;

(8) Raffles when conducted in accordance with the Raffles Act;

(9) Charitable games when conducted in accordance with the Charitable Games Act;

(10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act; or

(11) Gambling games ~~conducted on riverboats~~ when authorized by the Riverboat and Casino Gambling Act.

(c) Sentence.

Gambling under subsection (a)(1) or (a)(2) of this Section is a Class A misdemeanor. Gambling under any of subsections (a)(3) through (a)(11) of this Section is a Class A misdemeanor. A second or subsequent conviction under any of subsections (a)(3) through (a)(11), is a Class 4 felony. Gambling under subsection (a)(12) of this Section is a Class A misdemeanor. A second or subsequent conviction under subsection (a)(12) is a Class 4 felony.

(d) Circumstantial evidence.

In prosecutions under subsection (a)(1) through (a)(12) of this Section circumstantial evidence shall have the same validity and weight as in any criminal prosecution.

(Source: P.A. 91-257, eff. 1-1-00.)

(720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

Sec. 28-1.1. Syndicated gambling.

(a) Declaration of Purpose. Recognizing the close relationship between professional gambling and other organized crime, it is declared to be the policy of the legislature to restrain persons from engaging in the business of gambling for profit in this State. This Section shall be liberally construed and

administered with a view to carrying out this policy.

(b) A person commits syndicated gambling when he operates a "policy game" or engages in the business of bookmaking.

(c) A person "operates a policy game" when he knowingly uses any premises or property for the purpose of receiving or knowingly does receive from what is commonly called "policy":

(1) money from a person other than the better or player whose bets or plays are represented by such money; or

(2) written "policy game" records, made or used over any period of time, from a person other than the better or player whose bets or plays are represented by such written record.

(d) A person engages in bookmaking when he receives or accepts more than five bets or wagers upon the result of any trials or contests of skill, speed or power of endurance or upon any lot, chance, casualty, unknown or contingent event whatsoever, which bets or wagers shall be of such size that the total of the amounts of money paid or promised to be paid to such bookmaker on account thereof shall exceed \$2,000. Bookmaking is the receiving or accepting of such bets or wagers regardless of the form or manner in which the bookmaker records them.

(e) Participants in any of the following activities shall not be convicted of syndicated gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance; and

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest; and

(3) Pari-mutuel betting as authorized by law of this State; and

(4) Manufacture of gambling devices, including the acquisition of essential parts thereof and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; and

(5) Raffles when conducted in accordance with the Raffles Act; and

(6) Gambling games conducted on riverboats or in casinos when authorized by the Riverboat and Casino Gambling

Act.

(f) Sentence. Syndicated gambling is a Class 3 felony.

(Source: P.A. 86-1029; 87-435.)

(720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

Sec. 28-3. Keeping a Gambling Place. A "gambling place" is any real estate, vehicle, boat or any other property whatsoever used for the purposes of gambling other than gambling conducted in the manner authorized by the Riverboat and Casino Gambling Act. Any person who knowingly permits any premises or property owned or occupied by him or under his control to be used as a gambling place commits a Class A misdemeanor. Each subsequent offense is a Class 4 felony. When any premises is determined by the circuit court to be a gambling place:

(a) Such premises is a public nuisance and may be proceeded against as such, and

(b) All licenses, permits or certificates issued by the State of Illinois or any subdivision or public agency thereof authorizing the serving of food or liquor on such premises shall be void; and no license, permit or certificate so cancelled shall be reissued for such premises for a period of 60 days thereafter; nor shall any person convicted of keeping a gambling place be reissued such license for one year from his conviction and, after a second conviction of keeping a gambling place, any such person shall not be reissued such license, and

(c) Such premises of any person who knowingly permits thereon a violation of any Section of this Article shall be held liable for, and may be sold to pay any unsatisfied judgment that may be recovered and any unsatisfied fine that may be levied under any Section of this Article.

(Source: P.A. 86-1029.)

(720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

Sec. 28-5. Seizure of gambling devices and gambling funds.

(a) Every device designed for gambling which is incapable of lawful use or every device used unlawfully for gambling shall be considered a "gambling device", and shall be subject to seizure, confiscation and destruction by the Department of State Police or by any municipal, or other local authority, within whose jurisdiction the same may be found. As used in this Section, a "gambling device" includes any slot machine, and includes any machine or device constructed for the reception of money or other thing of value and so constructed as to return, or to cause someone to return, on chance to the player thereof money, property or a right to receive money or property. With the exception of any device designed for gambling which is incapable of lawful use, no gambling device shall be forfeited or

destroyed unless an individual with a property interest in said device knows of the unlawful use of the device.

(b) Every gambling device shall be seized and forfeited to the county wherein such seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited to the county wherein such seizure occurs.

(c) If, within 60 days after any seizure pursuant to subparagraph (b) of this Section, a person having any property interest in the seized property is charged with an offense, the court which renders judgment upon such charge shall, within 30 days after such judgment, conduct a forfeiture hearing to determine whether such property was a gambling device at the time of seizure. Such hearing shall be commenced by a written petition by the State, including material allegations of fact, the name and address of every person determined by the State to have any property interest in the seized property, a representation that written notice of the date, time and place of such hearing has been mailed to every such person by certified mail at least 10 days before such date, and a request for forfeiture. Every such person may appear as a party and present evidence at such hearing. The quantum of proof required shall be a preponderance of the evidence, and the burden of proof shall be on the State. If the court determines that the seized property was a gambling device at the time of seizure, an order of forfeiture and disposition of the seized property shall be entered: a gambling device shall be received by the State's Attorney, who shall effect its destruction, except that valuable parts thereof may be liquidated and the resultant money shall be deposited in the general fund of the county wherein such seizure occurred; money and other things of value shall be received by the State's Attorney and, upon liquidation, shall be deposited in the general fund of the county wherein such seizure occurred. However, in the event that a defendant raises the defense that the seized slot machine is an antique slot machine described in subparagraph (b) (7) of Section 28-1 of this Code and therefore he is exempt from the charge of a gambling activity participant, the seized antique slot machine shall not be destroyed or otherwise altered until a final determination is made by the Court as to whether it is such an antique slot machine. Upon a final determination by the Court of this question in favor of the defendant, such slot machine shall be immediately returned to the defendant. Such order of forfeiture and disposition shall, for the purposes of appeal, be a final order and judgment in a civil proceeding.

(d) If a seizure pursuant to subparagraph (b) of this Section is not followed by a charge pursuant to subparagraph (c) of this Section, or if the prosecution of such charge is permanently terminated or indefinitely discontinued without any judgment of conviction or acquittal (1) the State's Attorney shall commence an in rem proceeding for the forfeiture and destruction of a gambling device, or for the forfeiture and deposit in the general fund of the county of any seized money or other things of value, or both, in the circuit court and (2) any person having any property interest in such seized gambling device, money or other thing of value may commence separate civil proceedings in the manner provided by law.

(e) Any gambling device displayed for sale to a riverboat gambling operation or a casino gambling operation or used to train occupational licensees of a riverboat gambling operation or a casino gambling operation, as authorized under the Riverboat and Casino Gambling Act, is exempt from seizure under this Section.

(f) Any gambling equipment, devices and supplies provided by a licensed supplier in accordance with the Riverboat and Casino Gambling Act which are removed from a the riverboat or casino for repair are exempt from seizure under this Section.

(Source: P.A. 87-826.)

(720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

Sec. 28-7. Gambling contracts void.

(a) All promises, notes, bills, bonds, covenants, contracts, agreements, judgments, mortgages, or other securities or conveyances made, given, granted, drawn, or entered into, or executed by any person whatsoever, where the whole or any part of the consideration thereof is for any money or thing of value, won or obtained in violation of any Section of this Article are null and void.

(b) Any obligation void under this Section may be set aside and vacated by any court of competent jurisdiction, upon a complaint filed for that purpose, by the person so granting, giving, entering into, or executing the same, or by his executors or administrators, or by any creditor, heir, legatee, purchaser or other person interested therein; or if a judgment, the same may be set aside on motion of any person stated above, on due notice thereof given.

(c) No assignment of any obligation void under this Section may in any manner affect the defense of the person giving, granting, drawing, entering into or executing such obligation, or the remedies of any person interested therein.

(d) This Section shall not prevent a licensed owner of a riverboat gambling operation or a casino gambling operation from instituting a cause of action to collect any amount due and owing under an

extension of credit to a ~~riverboat~~ gambling patron as authorized under Section 11.1 of the Riverboat and Casino Gambling Act.

(Source: P.A. 87-826.)

Section 960. The Eminent Domain Act is amended by adding Section 15-5-45 as follows:  
(735 ILCS 30/15-5-45 new)

Sec. 15-5-45. Eminent domain powers in New Acts. The following provisions of law may include express grants of the power to acquire property by condemnation or eminent domain:

Illinois Casino Development Authority Act; Illinois Casino Development Authority; for the purposes of the Act.

Section 965. The Travel Promotion Consumer Protection Act is amended by changing Section 2 as follows:

(815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

Sec. 2. Definitions.

(a) "Travel promoter" means a person, including a tour operator, who sells, provides, furnishes, contracts for, arranges or advertises that he or she will arrange wholesale or retail transportation by air, land, sea or navigable stream, either separately or in conjunction with other services. "Travel promoter" does not include (1) an air carrier; (2) a sea carrier; (3) an officially appointed agent of an air carrier who is a member in good standing of the Airline Reporting Corporation; (4) a travel promoter who has in force \$1,000,000 or more of liability insurance coverage for professional errors and omissions and a surety bond or equivalent surety in the amount of \$100,000 or more for the benefit of consumers in the event of a bankruptcy on the part of the travel promoter; or (5) a riverboat subject to regulation under the Riverboat and Casino Gambling Act.

(b) "Advertise" means to make any representation in the solicitation of passengers and includes communication with other members of the same partnership, corporation, joint venture, association, organization, group or other entity.

(c) "Passenger" means a person on whose behalf money or other consideration has been given or is to be given to another, including another member of the same partnership, corporation, joint venture, association, organization, group or other entity, for travel.

(d) "Ticket or voucher" means a writing or combination of writings which is itself good and sufficient to obtain transportation and other services for which the passenger has contracted.

(Source: P.A. 91-357, eff. 7-29-99.)

Section 970. The State Finance Act is amended by adding Sections 5.676 and 5.677 as follows:

(30 ILCS 105/5.676 new)

Sec. 5.676. The Racing Industry Workers' Fund.

(30 ILCS 105/5.677 new)

Sec. 5.677. The Depressed Communities Economic Development Fund.

(30 ILCS 105/5.490 rep.)

Section 975. The State Finance Act is amended by repealing Section 5.490.

(230 ILCS 5/31.1 rep.) (230 ILCS 5/54 rep.)

Section 980. The Illinois Horse Racing Act of 1975 is amended by repealing Sections 31.1 and 54.

Section 995. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Section 997. Inseverability. The amendatory provisions of this Act are mutually dependent and inseverable. If any amendatory provision is held invalid other than as applied to a particular person or circumstance, then all of the amendatory provisions of this Act are invalid.

Section 999. Effective date. This Act takes effect upon becoming law."

And on that motion, a call of the roll was had resulting as follows:

Yeas 30; Nays 29.

[May 31, 2007]



The following voted in the affirmative:

Bond	Forby	Koehler	Ronen
Clayborne	Haine	Kotowski	Silverstein
Collins	Halvorson	Lightford	Sullivan
Crotty	Harmon	Link	Trotter
Cullerton	Hendon	Maloney	Wilhelmi
DeLeo	Holmes	Martinez	Mr. President
Delgado	Hunter	Noland	
Demuzio	Jacobs	Raoul	

The following voted in the negative:

Althoff	Garrett	Murphy	Schoenberg
Bomke	Hultgren	Pankau	Sieben
Brady	Jones, J.	Peterson	Syverson
Burzynski	Lauzen	Radogno	Viverito
Cronin	Luechtefeld	Righter	Watson
Dahl	Meeks	Risinger	
Dillard	Millner	Rutherford	
Frerichs	Munoz	Sandoval	

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Hendon offered the following amendment and moved its adoption:

#### AMENDMENT NO. 4 TO HOUSE BILL 25

AMENDMENT NO. 4. Amend House Bill 25, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 3, on page 38, by replacing lines 15 and 16 with the following: "61802, 61820, 61821, 62002, 62040, 62059, 62060, 62071, 62090, 62201, 62203, 62204, 62205, 62206, 62207, 62208, 62220, 62221, 62223, 62522, 62523, 62524"; and

on page 90, by replacing line 7 with the following:

"(13) This Section applies only until an organization licensee for the race track affiliated with a wagering facility receives its first payment from the fee imposed under subsection (a) of Section 7 of the Riverboat and Casino Gambling Act.

Notwithstanding any other provision of this Act,"; and

on page 160, immediately below line 20, by inserting the following:

"Electronic poker" means poker by use of electronic aids, including via the Internet or by other electronic means. "Electronic poker" does not include slot machines."; and

on page 185, line 18, by replacing "5" with "4"; and

on page 190, immediately below line 5, by inserting the following:

"(h-7) Notwithstanding any other provision in law to the contrary, the Board may license minority person-owned businesses or female-owned businesses to purchase a total of 600 positions by a process of competitive bidding. No minority person-owned business or female-owned business may purchase more than 50 positions. The owners of any positions acquired under this subsection (h-7) may lease these positions to an owners licensee. Each minority person-owned business or female-owned business that purchases a position under this subsection (h-7) must pay a privilege tax of 5% annually of the annual lease amount of each position it owns to the Board to be deposited into the State Gaming Fund. The Board shall adopt rules as necessary to implement the provisions of this subsection (h-7). For the purposes of this Act, these additional positions shall not count toward the total number of positions an owners licensee is authorized to operate under this Act. For the purposes of this subsection (h-7), the terms "minority person" and "female" have the meanings provided in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act."; and

on page 191, immediately below line 9, by inserting the following:

"(k) notwithstanding any rule or statute to the contrary, any licensed owner holding 3 or more owners licenses on May 31, 2007 may continue to hold those licenses, but may not hold any more than the number of licenses held on that date."; and

on page 219, line 26, after "games", by inserting "(including electronic poker and positions authorized under subsection (h-7) of Section 7)"; and

on page 220, immediately below line 14, by inserting the following:

"For the imposition of the privilege tax in this subsection (a-4), amounts paid pursuant to subsection (a) of Section 7 into the Horse Racing Equity Trust Fund shall not be included in the determination of annual gross gaming receipts."; and

on page 220, line 17, after the period, by inserting "For the imposition of the privilege tax in this subsection (a-5), amounts paid pursuant to subsection (a) of Section 7 into the Horse Racing Equity Trust Fund shall not be included in the determination of annual gross gaming receipts."; and

by deleting line 18 on page 220 through line 9 on page 221; and

on page 224, line 12, by replacing "20%" with "5%"; and

on page 230, line 25, by replacing "(c-30)" with "(c-35)"; and

on page 232, line 17, after "riverboat", by inserting "or casino"; and

on page 233, by replacing lines 11 through 17 with the following:

"subject to appropriation by the General Assembly, and shall be divided equally among the following public universities: Chicago State University, Eastern Illinois University, Governors State University, Northeastern Illinois University, Illinois State University, Northern Illinois University, Southern Illinois University, the University of Illinois, and Western Illinois University. For the purposes of this subsection (c-80), the"; and

on page 233, line 20, by replacing "(c-30)" with "(c-35)".

The motion prevailed.

And the amendment was adopted and ordered printed.

Senate Floor Amendment No. 5 was held in the Committee on Rules.

Senators Hendon – Clayborne offered the following amendment and moved its adoption:

#### **AMENDMENT NO. 6 TO HOUSE BILL 25**

AMENDMENT NO. 6. Amend House Bill 25, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 3, on page 190, immediately below line 5, by inserting the following:

"(h-10) The total number of gaming positions operated by an owners licensee under subsection (e) or (e-5) shall not exceed 3,500 at one time. The total number of gaming positions operated by an owners licensee under subsection (e-6) shall not exceed 4,000 at one time.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

#### **READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME**

On motion of Senator Clayborne, **House Bill No. 25**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

[May 31, 2007]

Yeas 30; Nays 29.

The following voted in the affirmative:

Bond	Forby	Koehler	Ronen
Clayborne	Haine	Kotowski	Silverstein
Collins	Halvorson	Lightford	Sullivan
Crotty	Harmon	Link	Trotter
Cullerton	Hendon	Maloney	Wilhelmi
DeLeo	Holmes	Martinez	Mr. President
Delgado	Hunter	Noland	
Demuzio	Jacobs	Raoul	

The following voted in the negative:

Althoff	Garrett	Murphy	Schoenberg
Bomke	Hultgren	Pankau	Sieben
Brady	Jones, J.	Peterson	Syverson
Burzynski	Lauzen	Radogno	Viverito
Cronin	Luechtefeld	Righter	Watson
Dahl	Meeks	Risinger	
Dillard	Millner	Rutherford	
Frerichs	Munoz	Sandoval	

This roll call verified.

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

#### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Trotter, **Senate Bill No. 241**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Trotter moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 37; Nays 21.

The following voted in the affirmative:

Bond	Garrett	Lightford	Schoenberg
Clayborne	Haine	Link	Silverstein
Collins	Halvorson	Maloney	Sullivan
Crotty	Harmon	Martinez	Trotter
Cullerton	Hendon	Meeks	Viverito
DeLeo	Holmes	Munoz	Wilhelmi
Delgado	Hunter	Noland	Mr. President
Demuzio	Jacobs	Raoul	
Forby	Koehler	Ronen	
Frerichs	Kotowski	Sandoval	

The following voted in the negative:

Althoff	Hultgren	Pankau	Sieben
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Bomke	Jones, J.	Peterson	Syverson
Brady	Lauzen	Radogno	Watson
Burzynski	Luechtefeld	Righter	
Cronin	Millner	Risinger	
Dahl	Murphy	Rutherford	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 241**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Trotter, **Senate Bill No. 715**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Trotter moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 32; Nays 26; Present 1.

The following voted in the affirmative:

Bond	Halvorson	Link	Silverstein
Clayborne	Harmon	Martinez	Trotter
Collins	Hendon	Meeks	Viverito
Crotty	Holmes	Munoz	Wilhelmi
Cullerton	Hunter	Noland	Mr. President
DeLeo	Jacobs	Raoul	
Delgado	Koehler	Ronen	
Frerichs	Kotowski	Sandoval	
Garrett	Lightford	Schoenberg	

The following voted in the negative:

Althoff	Dillard	Millner	Rutherford
Bomke	Forby	Murphy	Sieben
Brady	Hultgren	Pankau	Sullivan
Burzynski	Jones, J.	Peterson	Syverson
Cronin	Lauzen	Radogno	Watson
Dahl	Luechtefeld	Righter	
Demuzio	Maloney	Risinger	

The following voted present:

Haine

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 715**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hendon, **Senate Bill No. 1544**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Hendon moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 32; Nays 26.

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The following voted in the affirmative:

Clayborne	Garrett	Link	Sullivan
Collins	Haine	Maloney	Trotter
Crotty	Halvorson	Martinez	Viverito
Cullerton	Harmon	Meeks	Wilhelmi
DeLeo	Hendon	Noland	Mr. President
Delgado	Holmes	Raoul	
Demuzio	Hunter	Ronen	
Forby	Koehler	Schoenberg	
Frerichs	Lightford	Silverstein	

The following voted in the negative:

Althoff	Hultgren	Munoz	Rutherford
Bomke	Jacobs	Murphy	Sandoval
Bond	Jones, J.	Pankau	Sieben
Brady	Kotowski	Peterson	Syverson
Burzynski	Lauzen	Radogno	Watson
Cronin	Luechtefeld	Righter	
Dillard	Millner	Risinger	

This roll call verified.

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1544**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Dahl asked and obtained unanimous consent for the Journal to reflect his negative vote on **Senate Bill No. 1544**.

### SENATE BILLS RECALLED

On motion of Senator Ronen, **Senate Bill No. 5** was recalled from the order of third reading to the order of second reading.

Senator Ronen offered the following amendment and moved its adoption:

#### AMENDMENT NO. 1 TO SENATE BILL 5

AMENDMENT NO. 1. Amend Senate Bill 5 by replacing everything after the enacting clause with the following:

#### "ARTICLE 1. SHORT TITLE; LEGISLATIVE INTENT

Section 1-1. Short title. This Act may be cited as the Illinois Covered Act.

Section 1-5. Legislative intent. The General Assembly finds that, for the economic and social benefit of all residents of the State, it is important to enable all Illinoisans to access affordable health insurance that provides comprehensive coverage and emphasizes preventive healthcare. Many working families are uninsured and numerous others struggle with the high cost of healthcare. Nationally, the cost of premiums for family coverage (\$11,480) outpaced the earnings of a full-time, minimum wage worker (\$10,712).

Those individuals and businesses that are paying for health insurance are paying more due to cost shifting from the uninsured. A Families USA study showed that family health insurance in Illinois was increased by \$1,059 in 2006 due to cost shifting from the uninsured. Numerous studies, including the Institute of Medicine's report "Health Insurance Matters", demonstrate that lack of insurance negatively affects health status. Lack of insurance also decreases worker productivity and the long-term health of Illinois residents, therefore, negatively affecting the economy overall. It is, therefore, the intent of this legislation to provide access to affordable, comprehensive health insurance to all Illinoisans in a

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cost-effective manner maximizing federal support.

ARTICLE 5. MAKING HEALTH INSURANCE MORE AFFORDABLE THROUGH THE ILLINOIS COVERED REBATE PROGRAM

Section 5-1. Short title. This Article may be cited as the Illinois Covered Rebate Program Act. All references in this Article to "this Act" mean this Article.

Section 5-10. Definitions. In this Act:

"Department" means the Department of Healthcare and Family Services.

"Employer-sponsored insurance" means health insurance obtained as a benefit of employment that meets qualifying criteria established by the Department by rule, including, but not limited to, amount of employer contribution.

"Federal poverty level" means the federal poverty level income guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under authority of 42 U.S.C. 9902(2).

"Premium assistance" means payments made on behalf of an individual to offset the costs of paying premiums to secure health insurance for that individual or that individual's family under family coverage.

Section 5-15. Eligibility.

(a) To be eligible for premium assistance, a person must:

(1) be at least 19 years of age and no older than 64 years of age; and

(2) be a resident of Illinois; and

(3) reside legally in the United States as one of the following:

(A) a United States citizen; or

(B) a qualified immigrant as set forth in Section 1-11 of the Illinois Public Aid

Code, except that those persons who are in categories set forth in items (6) and (7) of that Section and who enter the United States on or after August 22, 1996 shall not be excluded from eligibility for 5 years beginning on the date the person entered the United States; or

(C) a documented non-immigrant who is not a temporary visitor or in transit through the United States who is granted legal entry into the United States, as determined by the Department by rule; and

(4) have income below 400% of the federal poverty level.

(b) The Department shall adopt rules regarding eligibility that shall include but not be limited to coordinating eligibility for benefits available under the Illinois Covered Rebate Program with eligibility for medical assistance, other premium assistance, or healthcare benefits available under the Illinois Public Aid Code, the Children's Health Insurance Program Act, the Covering ALL KIDS Health Insurance Program Act, or the Veterans' Health Insurance Program Act, as well as determining income, the method of applying for premium assistance, renewals, and reenrollment.

Section 5-20. Premium assistance.

(a) Effective July 1, 2008, or as soon as practicable thereafter as determined by the Department, the Department shall provide premium assistance for eligible persons under this Act.

(b) For those persons who have access to employer-sponsored insurance, the Department shall provide premium assistance to enable the person to enroll in the employer-sponsored plan.

(c) For those persons who do not have access to employer-sponsored insurance, the Department shall provide premium assistance to enable the person to enroll in the Illinois Covered Choices program under the Illinois Covered Choices Act.

(d) The Department shall adopt rules regarding premium assistance that shall include, but not be limited to, defining qualifying employer-sponsored insurance, the threshold minimums for employer contributions, and the amount of premium assistance.

Section 5-30. Study.

(a) Subsequent to the implementation of the Illinois Covered Rebate Program, the Department shall conduct a study to determine whether the program should be made available to persons older than age 64.

(b) The results of the study shall be submitted to the Governor and the General Assembly no later than

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October 1, 2011.

Section 5-90. The Illinois Income Tax Act is amended by changing Section 917 as follows:  
(35 ILCS 5/917) (from Ch. 120, par. 9-917)

Sec. 917. Confidentiality and information sharing.

(a) Confidentiality. Except as provided in this Section, all information received by the Department from returns filed under this Act, or from any investigation conducted under the provisions of this Act, shall be confidential, except for official purposes within the Department or pursuant to official procedures for collection of any State tax or pursuant to an investigation or audit by the Illinois State Scholarship Commission of a delinquent student loan or monetary award or enforcement of any civil or criminal penalty or sanction imposed by this Act or by another statute imposing a State tax, and any person who divulges any such information in any manner, except for such purposes and pursuant to order of the Director or in accordance with a proper judicial order, shall be guilty of a Class A misdemeanor. However, the provisions of this paragraph are not applicable to information furnished to (i) the Department of Healthcare and Family Services (formerly Department of Public Aid), State's Attorneys, and the Attorney General for child support enforcement purposes and (ii) a licensed attorney representing the taxpayer where an appeal or a protest has been filed on behalf of the taxpayer. If it is necessary to file information obtained pursuant to this Act in a child support enforcement proceeding, the information shall be filed under seal.

(b) Public information. Nothing contained in this Act shall prevent the Director from publishing or making available to the public the names and addresses of persons filing returns under this Act, or from publishing or making available reasonable statistics concerning the operation of the tax wherein the contents of returns are grouped into aggregates in such a way that the information contained in any individual return shall not be disclosed.

(c) Governmental agencies. The Director may make available to the Secretary of the Treasury of the United States or his delegate, or the proper officer or his delegate of any other state imposing a tax upon or measured by income, for exclusively official purposes, information received by the Department in the administration of this Act, but such permission shall be granted only if the United States or such other state, as the case may be, grants the Department substantially similar privileges. The Director may exchange information with the Department of Healthcare and Family Services and the Department of Human Services for the purpose of determining eligibility for health benefit programs administered by those departments, for verifying sources and amounts of income, and for other purposes directly connected with the administration of those programs. The Director may exchange information with the Department of Healthcare and Family Services and the Department of Human Services (acting as successor to the Department of Public Aid under the Department of Human Services Act) for the purpose of verifying sources and amounts of income and for other purposes directly connected with the administration of this Act and the Illinois Public Aid Code. The Director may exchange information with the Director of the Department of Employment Security for the purpose of verifying sources and amounts of income and for other purposes directly connected with the administration of this Act and Acts administered by the Department of Employment Security. The Director may make available to the Illinois Workers' Compensation Commission information regarding employers for the purpose of verifying the insurance coverage required under the Workers' Compensation Act and Workers' Occupational Diseases Act. The Director may exchange information with the Illinois Department on Aging for the purpose of verifying sources and amounts of income for purposes directly related to confirming eligibility for participation in the programs of benefits authorized by the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act.

The Director may make available to any State agency, including the Illinois Supreme Court, which licenses persons to engage in any occupation, information that a person licensed by such agency has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. The Director may make available to any State agency, including the Illinois Supreme Court, information regarding whether a bidder, contractor, or an affiliate of a bidder or contractor has failed to file returns under this Act or pay the tax, penalty, and interest shown therein, or has failed to pay any final assessment of tax, penalty, or interest due under this Act, for the limited purpose of enforcing bidder and contractor certifications. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this subsection (a), an entity controls another entity if it owns, directly or individually, more than 10% of the voting securities of that entity. As used in this subsection (a), the term "voting security" means a security that (1) confers upon

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the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

The Director may make available to any State agency, including the Illinois Supreme Court, units of local government, and school districts, information regarding whether a bidder or contractor is an affiliate of a person who is not collecting and remitting Illinois Use taxes, for the limited purpose of enforcing bidder and contractor certifications.

The Director may also make available to the Secretary of State information that a corporation which has been issued a certificate of incorporation by the Secretary of State has failed to file returns under this Act or pay the tax, penalty and interest shown therein, or has failed to pay any final assessment of tax, penalty or interest due under this Act. An assessment is final when all proceedings in court for review of such assessment have terminated or the time for the taking thereof has expired without such proceedings being instituted. For taxable years ending on or after December 31, 1987, the Director may make available to the Director or principal officer of any Department of the State of Illinois, information that a person employed by such Department has failed to file returns under this Act or pay the tax, penalty and interest shown therein. For purposes of this paragraph, the word "Department" shall have the same meaning as provided in Section 3 of the State Employees Group Insurance Act of 1971.

(d) The Director shall make available for public inspection in the Department's principal office and for publication, at cost, administrative decisions issued on or after January 1, 1995. These decisions are to be made available in a manner so that the following taxpayer information is not disclosed:

(1) The names, addresses, and identification numbers of the taxpayer, related entities, and employees.

(2) At the sole discretion of the Director, trade secrets or other confidential information identified as such by the taxpayer, no later than 30 days after receipt of an administrative decision, by such means as the Department shall provide by rule.

The Director shall determine the appropriate extent of the deletions allowed in paragraph (2). In the event the taxpayer does not submit deletions, the Director shall make only the deletions specified in paragraph (1).

The Director shall make available for public inspection and publication an administrative decision within 180 days after the issuance of the administrative decision. The term "administrative decision" has the same meaning as defined in Section 3-101 of Article III of the Code of Civil Procedure. Costs collected under this Section shall be paid into the Tax Compliance and Administration Fund.

(e) Nothing contained in this Act shall prevent the Director from divulging information to any person pursuant to a request or authorization made by the taxpayer, by an authorized representative of the taxpayer, or, in the case of information related to a joint return, by the spouse filing the joint return with the taxpayer.

(Source: P.A. 93-25, eff. 6-20-03; 93-721, eff. 1-1-05; 93-835; 93-841, eff. 7-30-04; 94-1074, eff. 12-26-06.)

## ARTICLE 7. EXPANDING ACCESS TO HEALTH INSURANCE THROUGH PUBLIC COVERAGE

Section 7-90. The Children's Health Insurance Program Act is amended by changing Section 40 as follows:

(215 ILCS 106/40)

Sec. 40. Waivers.

(a) ~~If the Department determines that it is advantageous to the State, it may initiate, modify, or terminate provisions of any State plans or shall request any necessary~~ waivers of federal requirements in order to allow receipt of federal funding for:

(1) the coverage of ~~any caretaker relative, as defined by the Department families with eligible children under this Act,~~ and

(2) for the coverage of children who would otherwise be eligible under this Act, but who have health insurance.

(b) The failure of the responsible federal agency to approve a waiver for children who would otherwise be eligible under this Act but who have health insurance shall not prevent the implementation of any Section of this Act provided that there are sufficient appropriated funds.

(c) Eligibility of a person under an approved waiver due to the relationship with a child pursuant to Article V of the Illinois Public Aid Code or this Act shall be limited to such a person whose countable income is determined by the Department to be at or below such income eligibility standard as the Department by rule shall establish. The income level established by the Department shall not be below

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90% of the federal poverty level. Such persons who are determined to be eligible must reapply, or otherwise establish eligibility, at least annually. An eligible person shall be required, as determined by the Department by rule, to report promptly those changes in income and other circumstances that affect eligibility. The eligibility of a person may be redetermined based on the information reported or may be terminated based on the failure to report or failure to report accurately. A person may also be held liable to the Department for any payments made by the Department on such person's behalf that were inappropriate. An applicant shall be provided with notice of these obligations.  
(Source: P.A. 92-597, eff. 6-28-02; 93-63, eff. 6-30-03.)

Section 7-95. The Illinois Public Aid Code is amended by changing Sections 1-11, 5-2, and 12-4.35 as follows:

(305 ILCS 5/1-11)

Sec. 1-11. Citizenship. ~~Except as provided in Section 12-4.35 of this Code, to the extent not otherwise provided in this Code or federal law, all individuals clients~~ who receive cash or medical assistance under Article III, IV, V, or VI of this Code must meet the citizenship requirements as established in this Section. To be eligible for assistance an individual, who is otherwise eligible, must be either a United States citizen or included in one of the following categories of non-citizens:

- (1) United States veterans honorably discharged and persons on active military duty, and the spouse and unmarried dependent children of these persons;
- (2) Refugees under Section 207 of the Immigration and Nationality Act;
- (3) Asylees under Section 208 of the Immigration and Nationality Act;
- (4) Persons for whom deportation has been withheld under Section 243(h) of the Immigration and Nationality Act;
- (5) Persons granted conditional entry under Section 203(a)(7) of the Immigration and Nationality Act as in effect prior to April 1, 1980;
- (6) Persons lawfully admitted for permanent residence under the Immigration and Nationality Act;
- (7) Parolees, for at least one year, under Section 212(d)(5) of the Immigration and Nationality Act;
- (8) Nationals of Cuba or Haiti admitted on or after April 21, 1980;
- (9) Amerasians from Vietnam, and their close family members, admitted through the Orderly Departure Program beginning on March 20, 1988;
- (10) Persons identified by the federal Office of Refugee Resettlement (ORR) as victims of trafficking;
- (11) Persons legally residing in the United States who were members of a Hmong or Highland Laotian tribe when the tribe helped United States personnel by taking part in a military or rescue operation during the Vietnam era (between August 5, 1965 and May 7, 1975); this also includes the person's spouse, a widow or widower who has not remarried, and unmarried dependent children;
- (12) American Indians born in Canada under Section 289 of the Immigration and Nationality Act and members of an Indian tribe as defined in Section 4e of the Indian Self-Determination and Education Assistance Act; and

(13) Persons who are a spouse, widow, or child of a U.S. citizen or a spouse or child of a legal permanent resident (LPR) who have been battered or subjected to extreme cruelty by the U.S. citizen or LPR or a member of that relative's family who lived with them, who no longer live with the abuser or plan to live separately within one month of receipt of assistance and whose need for assistance is due, at least in part, to the abuse.

Those persons who are in the categories set forth in subdivisions 6 and 7 of this Section, who enter the United States on or after August 22, 1996, shall not be eligible for 5 years beginning on the date the person entered the United States unless they are eligible under one of the following paragraphs of Section 5-2: 1, 2, 5, 6, 8, 11, 15, or 16. Persons who are documented non-immigrants who are not temporary visitors or in transit through the United States who are granted legal entry into the United States as determined by the Department by rule are eligible for medical assistance if they are otherwise eligible under one of the following paragraphs of Section 5-2: 1, 2, 5, 6, 8, 11, 15, or 16.

The Illinois Department may, by rule, cover prenatal care or emergency medical care for non-citizens who are not otherwise eligible under this Section. Local governmental units which do not receive State funds may impose their own citizenship requirements and are authorized to provide any benefits and impose any citizenship requirements as are allowed under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).

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(Source: P.A. 93-342, eff. 7-24-03.)

(305 ILCS 5/5-2) (from Ch. 23, par. 5-2)

Sec. 5-2. Classes of Persons Eligible. Medical assistance under this Article shall be available to any of the following classes of persons in respect to whom a plan for coverage has been submitted to the Governor by the Illinois Department and approved by him:

1. Recipients of basic maintenance grants under Articles III and IV.

Subject to federal approval and as defined by the Department by rule, persons who are eligible due to blindness or disability and who have access to employer-sponsored insurance, as defined in Section 5-10 of the Illinois Covered Rebate Program Act, may be offered and may choose to receive premium assistance as defined in Section 5-10 of the Illinois Covered Rebate Program Act and under the terms and conditions, including amount of premium subsidy and cost sharing, set forth by the Department by rule.

2. Persons otherwise eligible for basic maintenance under Articles III and IV but who fail to qualify thereunder on the basis of need, and who have insufficient income and resources to meet the costs of necessary medical care, including but not limited to the following:

(a) All persons otherwise eligible for basic maintenance under Article III but who

fail to qualify under that Article on the basis of need and who meet either of the following requirements:

(i) their income, as determined by the Illinois Department in accordance with

any federal requirements, is equal to or less than 70% in fiscal year 2001, equal to or less than 85% in fiscal year 2002 and until a date to be determined by the Department by rule, and equal to or less than 100% beginning on the date determined by the Department by rule, of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget and revised annually in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to families of the same size; or

(ii) their income, after the deduction of costs incurred for medical care and

for other types of remedial care, is equal to or less than 70% in fiscal year 2001, equal to or less than 85% in fiscal year 2002 and until a date to be determined by the Department by rule, and equal to or less than 100% beginning on the date determined by the Department by rule, of the nonfarm income official poverty line, as defined in item (i) of this subparagraph (a).

Subject to federal approval and as defined by the Department by rule, persons who are eligible due to blindness or disability and who have access to employer-sponsored insurance, as defined in Section 5-10 of the Illinois Covered Rebate Program Act, may be offered and may choose to receive premium assistance as defined in Section 5-10 of the Illinois Covered Rebate Program Act and under the terms and conditions, including amount of premium subsidy and cost sharing, set forth by the Department by rule.

(b) Effective January 1, 2009, or as soon as practicable thereafter as determined by the Department, persons otherwise eligible for basic maintenance under Article III due to blindness or disability, who are uninsured as determined by the Department by rule, whose income, as determined by the Department, is greater than 100% of the federal poverty level but no greater than 300% shall be eligible for premium assistance as defined in Section 5-10 of the Illinois Covered Rebate Program Act and under the terms and conditions, including amount of premium subsidy and cost sharing, set forth by the Department by rule.

(i) If such person has access to employer-sponsored insurance but is not eligible for Medicare, the Department shall subsidize the premiums for that employer-sponsored insurance as defined by the Department by rule.

(ii) If such person does not have access to employer-sponsored insurance, as defined in Section 5-10 of the Illinois Covered Rebate Program Act, or Medicare, the Department shall subsidize the person's premiums for enrollment in the Illinois Covered Choices Program under the Illinois Covered Choices Act.

(iii) If such person is eligible for Medicare, the Department shall determine which coverage it shall subsidize for the individual.

If necessary to obtain federal funding for expenditures under this paragraph or for other budgetary concerns, the Department may modify these provisions through rulemaking, including opting to provide direct coverage rather than premium assistance. Those modifications shall occur only when the Department determines those modifications to be cost effective.

(c) ~~(b)~~ All persons who would be determined eligible for such basic maintenance under

Article IV by disregarding the maximum earned income permitted by federal law.

3. (Blank). Persons who would otherwise qualify for Aid to the Medically Indigent under Article

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## VII.

4. Persons not eligible under any of the preceding paragraphs who fall sick, are injured, or die, not having sufficient money, property or other resources to meet the costs of necessary medical care or funeral and burial expenses.

5. (a) Women during pregnancy, after the fact of pregnancy has been determined by medical diagnosis, and during the 60-day period beginning on the last day of the pregnancy, together with their infants and children born after September 30, 1983, whose income and resources are insufficient to meet the costs of necessary medical care to the maximum extent possible under Title XIX of the Federal Social Security Act.

(b) The Illinois Department and the Governor shall provide a plan for coverage of the persons eligible under paragraph 5(a) by April 1, 1990. Such plan shall provide ambulatory prenatal care to pregnant women during a presumptive eligibility period and establish an income eligibility standard that is equal to 133% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget and revised annually in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to families of the same size, provided that costs incurred for medical care are not taken into account in determining such income eligibility.

~~(c) The Illinois Department may conduct a demonstration in at least one county that will provide medical assistance to pregnant women, together with their infants and children up to one year of age, where the income eligibility standard is set up to 185% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget. The Illinois Department shall seek and obtain necessary authorization provided under federal law to implement such a demonstration. Such demonstration may establish resource standards that are not more restrictive than those established under Article IV of this Code.~~

6. Persons under the age of 18 who fail to qualify as dependent under Article IV and who have insufficient income and resources to meet the costs of necessary medical care to the maximum extent permitted under Title XIX of the Federal Social Security Act.

7. Persons who are under 21 years of age and would qualify as disabled as defined under the Federal Supplemental Security Income Program, provided medical service for such persons would be eligible for Federal Financial Participation, and provided the Illinois Department determines that:

(a) the person requires a level of care provided by a hospital, skilled nursing facility, or intermediate care facility, as determined by a physician licensed to practice medicine in all its branches;

(b) it is appropriate to provide such care outside of an institution, as determined by a physician licensed to practice medicine in all its branches;

(c) the estimated amount which would be expended for care outside the institution is not greater than the estimated amount which would be expended in an institution.

8. Persons who become ineligible for basic maintenance assistance under Article IV of this Code in programs administered by the Illinois Department due to employment earnings and persons in assistance units comprised of adults and children who become ineligible for basic maintenance assistance under Article VI of this Code due to employment earnings. The plan for coverage for this class of persons shall:

(a) extend the medical assistance coverage for up to 12 months following termination of basic maintenance assistance; and

(b) offer persons who have initially received 6 months of the coverage provided in paragraph (a) above, the option of receiving an additional 6 months of coverage, subject to the following:

(i) such coverage shall be pursuant to provisions of the federal Social Security Act;

(ii) such coverage shall include all services covered while the person was eligible for basic maintenance assistance;

(iii) no premium shall be charged for such coverage; and

(iv) such coverage shall be suspended in the event of a person's failure without good cause to file in a timely fashion reports required for this coverage under the Social Security Act and coverage shall be reinstated upon the filing of such reports if the person remains otherwise eligible.

9. Persons with acquired immunodeficiency syndrome (AIDS) or with AIDS-related conditions with respect to whom there has been a determination that but for home or community-based services such individuals would require the level of care provided in an inpatient hospital, skilled nursing facility or intermediate care facility the cost of which is reimbursed under this

Article. Assistance shall be provided to such persons to the maximum extent permitted under Title XIX of the Federal Social Security Act.

10. Participants in the long-term care insurance partnership program established under the Partnership for Long-Term Care Act who meet the qualifications for protection of resources described in Section 25 of that Act.

11. Persons with disabilities who are employed and eligible for Medicaid, pursuant to Section 1902(a)(10)(A)(ii)(xv) of the Social Security Act, as provided by the Illinois Department by rule. Effective January 1, 2008 and subject to federal approval, such persons shall be eligible if their income as determined by the Department is equal to or less than 350% of the Federal Poverty Level guideline.

12. Subject to federal approval, persons who are eligible for medical assistance coverage under applicable provisions of the federal Social Security Act and the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. Those eligible persons are defined to include, but not be limited to, the following persons:

(1) persons who have been screened for breast or cervical cancer under the U.S. Centers for Disease Control and Prevention Breast and Cervical Cancer Program established under Title XV of the federal Public Health Services Act in accordance with the requirements of Section 1504 of that Act as administered by the Illinois Department of Public Health; and

(2) persons whose screenings under the above program were funded in whole or in part by funds appropriated to the Illinois Department of Public Health for breast or cervical cancer screening.

"Medical assistance" under this paragraph 12 shall be identical to the benefits provided under the State's approved plan under Title XIX of the Social Security Act. The Department must request federal approval of the coverage under this paragraph 12 within 30 days after the effective date of this amendatory Act of the 92nd General Assembly.

13. Subject to appropriation and to federal approval, persons living with HIV/AIDS who are not otherwise eligible under this Article and who qualify for services covered under Section 5-5.04 as provided by the Illinois Department by rule.

14. Subject to the availability of funds for this purpose, the Department may provide coverage under this Article to persons who reside in Illinois who are not eligible under any of the preceding paragraphs and who meet the income guidelines of paragraph 2(a) of this Section and (i) have an application for asylum pending before the federal Department of Homeland Security or on appeal before a court of competent jurisdiction and are represented either by counsel or by an advocate accredited by the federal Department of Homeland Security and employed by a not-for-profit organization in regard to that application or appeal, or (ii) are receiving services through a federally funded torture treatment center. Medical coverage under this paragraph 14 may be provided for up to 24 continuous months from the initial eligibility date so long as an individual continues to satisfy the criteria of this paragraph 14. If an individual has an appeal pending regarding an application for asylum before the Department of Homeland Security, eligibility under this paragraph 14 may be extended until a final decision is rendered on the appeal. The Department may adopt rules governing the implementation of this paragraph 14.

15. Persons who are at least 19 years of age and younger than 65 years of age who are not otherwise eligible under this Section with income, as determined by the Department, at or below 100% of the federal poverty level as follows:

(a) Effective January 1, 2008, or as soon as practicable thereafter as determined by the Department, persons who do not have access to employer-sponsored insurance, as defined in Section 5-10 of the Illinois Covered Rebate Program Act, shall be eligible for medical assistance. "Medical assistance" under this paragraph 15 shall be identical to the benefits provided under the State's approved plan under Title XIX of the Social Security Act, excluding coverage for long term care, non-emergency transportation, and chiropractic services. For hospital services provided to persons made eligible for medical assistance under this paragraph 15, the base payments for such services shall be no less than the base payments for existing recipients of medical assistance.

(b) Effective July 1, 2008, or as soon as practicable thereafter as determined by the Department, persons who have access to employer-sponsored insurance, as defined in Section 5-10 of the Illinois Covered Rebate Program Act, shall be eligible for premium assistance as defined in Section 5-10 of the Illinois Covered Rebate Program Act and under the terms and conditions, including amount of premium subsidy and cost sharing, set forth by the Department by rule to enroll in their employer's plan.

If necessary to obtain federal funding for coverage under this paragraph or for other budgetary concerns, the Department may modify these provisions through rulemaking or may initiate, modify, or

terminate any provisions of state plans or waivers of federal requirements in order to allow receipt of federal funding for coverage under this paragraph 15. Those modifications shall occur only when the Department determines the modifications to be cost effective.

16. Caretaker relatives, as defined by the Department by rule, who are not otherwise eligible under this Section, the Children's Health Insurance Program Act, or the Covering ALL KIDS Health Insurance Program who have income at or below 400% of the federal poverty level as follows:

(a) Effective January 1, 2008 or as soon as practicable thereafter, caretaker relatives who do not have access to employer-sponsored insurance, as defined in Section 5-10 of the Illinois Covered Rebate Program Act, shall be eligible for medical assistance.

(b) Effective July 1, 2008 or as soon as practicable thereafter, caretaker relatives who have access to employer-sponsored insurance, as defined in Section 5-10 of the Illinois Covered Rebate Program Act, shall be eligible for premium assistance as defined in Section 5-10 of the Illinois Covered Rebate Program Act and under the terms and conditions, including amount of premium subsidy and cost sharing, set forth by the Department by rule to enroll in the employer's plan.

The Department may by rule define criteria for eligibility of caretaker relatives that are comparable to criteria established for children under the Covering ALL KIDS Health Insurance Act.

If the Department determines that it is advantageous to the State, it may initiate, modify, or terminate any provisions of State plans or waivers of federal requirements in order to allow receipt of federal funding for coverage under this paragraph.

If necessary to obtain federal funding for coverage under this paragraph or for other budgetary concerns, the Department may modify these provisions through rulemaking. Those modifications shall occur only when the Department determines the modifications to be cost effective.

17. Subject to federal approval, such other individuals and such coverage or premium assistance, as defined in Section 5-10 of the Illinois Covered Rebate Program Act, as may be defined by the Department by rule.

The Illinois Department and the Governor shall provide a plan for coverage of the persons eligible under paragraph 7 as soon as possible after July 1, 1984.

The eligibility of any such person for medical assistance under this Article is not affected by the payment of any grant under the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act or any distributions or items of income described under subparagraph (X) of paragraph (2) of subsection (a) of Section 203 of the Illinois Income Tax Act. The Department shall by rule establish the amounts of assets to be disregarded in determining eligibility for medical assistance, which shall at a minimum equal the amounts to be disregarded under the Federal Supplemental Security Income Program. The amount of assets of a single person to be disregarded shall not be less than \$2,000, and the amount of assets of a married couple to be disregarded shall not be less than \$3,000.

To the extent permitted under federal law, any person found guilty of a second violation of Article VIIIA shall be ineligible for medical assistance under this Article, as provided in Section 8A-8.

The eligibility of any person for medical assistance under this Article shall not be affected by the receipt by the person of donations or benefits from fundraisers held for the person in cases of serious illness, as long as neither the person nor members of the person's family have actual control over the donations or benefits or the disbursement of the donations or benefits.

(Source: P.A. 93-20, eff. 6-20-03; 94-629, eff. 1-1-06; 94-1043, eff. 7-24-06.)

(305 ILCS 5/12-4.35)

Sec. 12-4.35. Medical services for certain noncitizens.

(a) Notwithstanding Section 1-11 of this Code or Section 20(a) of the Children's Health Insurance Program Act, the Department of Healthcare and Family Services ~~Public Aid~~ may provide medical services to noncitizens who have not yet attained 19 years of age and who are not eligible for medical assistance under Article V of this Code or under the Children's Health Insurance Program created by the Children's Health Insurance Program Act due to their not meeting the otherwise applicable provisions of Section 1-11 of this Code or Section 20(a) of the Children's Health Insurance Program Act. The medical services available, standards for eligibility, and other conditions of participation under this Section shall be established by rule by the Department; however, any such rule shall be at least as restrictive as the rules for medical assistance under Article V of this Code or the Children's Health Insurance Program created by the Children's Health Insurance Program Act.

(b) The Department is authorized to take any action, including without limitation cessation of enrollment, reduction of available medical services, and changing standards for eligibility, that is deemed necessary by the Department during a State fiscal year to assure that payments under this Section do not exceed available funds.

(c) (Blank). ~~Continued enrollment of individuals into the program created under this Section in any~~

~~fiscal year is contingent upon continued enrollment of individuals into the Children's Health Insurance Program during that fiscal year.~~

(d) (Blank).

(Source: P.A. 94-48, eff. 7-1-05; revised 12-15-05.)

Section 7-97. The Veterans' Health Insurance Program Act is amended by changing Section 85 as follows:

(330 ILCS 125/85)

(Section scheduled to be repealed on January 1, 2008)

Sec. 85. Repeal. This Act is repealed on January 1, ~~2010~~ 2008. The Department shall assist veterans to transition from Veterans Care to appropriate comparable coverage under the Illinois Covered Rebate Program Act or the Illinois Covered Choices Act, or both, prior to the repeal of this Act.

(Source: P.A. 94-816, eff. 5-30-06.)

#### ARTICLE 10. EXPANDING ACCESS TO HEALTH INSURANCE THROUGH THE ILLINOIS COVERED CHOICES PROGRAM

Section 10-1. Short title. This Article may be cited as the Illinois Covered Choices Act. All references in this Article to "this Act" mean this Article.

Section 10-5. Purpose. The General Assembly recognizes that individuals and small employers in this State struggle every day to pay the costs of meaningful health insurance coverage that allows for delivery of quality health care services. The General Assembly acknowledges that the high cost of health care for individuals and small groups can be driven by unpredictable and high cost catastrophic medical events. Therefore, the General Assembly, in order to provide access to affordable health insurance for every Illinoisan, seeks to reduce the impact of high-cost medical events by enacting this Act.

Section 10-10. Definitions. In this Act:

"Department" means the Department of Healthcare and Family Services.

"Division" means the Division of Insurance within the Department of Financial and Professional Regulation.

"Federal poverty level" means the federal poverty level income guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under authority of 42 U.S.C. 9902(2).

"Full-time employee" means a full-time employee as defined by Section 5-5 of the Economic Development for a Growing Economy Tax Credit Act.

"Health care plan" means a health care plan as defined by Section 1-2 of the Health Maintenance Organization Act.

"Health maintenance organization" means commercial health maintenance organizations as defined by Section 1-2 of the Health Maintenance Organization Act and shall not include health maintenance organizations which participate solely in government-sponsored programs.

"Illinois Comprehensive Health Insurance Plan" means the Illinois Comprehensive Health Insurance Plan established by the Comprehensive Health Insurance Plan Act.

"Illinois Covered Choices Program" means the program established under this Act.

"Insurer" means any carrier licensed in Illinois that sells group or individual policies of hospital, surgical, or major medical insurance coverage, or any combination thereof, that contains agreements or arrangements with providers relating to health care services that may be rendered to beneficiaries as defined by the Health Care Reimbursement Reform Act of 1985 in Sections 370f and following of the Illinois Insurance Code (215 ILCS 5/370f and following) and its accompanying regulation (50 Illinois Administrative Code 2051). This does not include insurers that sell only policies of hospital indemnity, accidental death and dismemberment, workers' compensation, credit accident and health, short-term accident and health, accident only, long term care, Medicare supplement, student blanket, stand-alone policies, dental, vision care, prescription drug benefits, disability income, specified disease, or similar supplementary benefits.

"Managed care entity" means any health maintenance organization or insurer as those terms are defined in this Section.

"Risk-based capital" means the minimum amount of required capital or net worth to be maintained by an insurer or managed care entity as prescribed by Article IIA of the Insurance Code (215 ILCS 5/35A-1 and following).

[May 31, 2007]

"Suitable group managed care plan" means any group plan offered pursuant to Section 10-15 of this Act.

"Suitable individual managed care plan" means any individual plan offered pursuant to Section 10-15 of this Act.

"Veteran" means veteran as defined by Section 5 of the Veterans' Health Insurance Program Act.

Section 10-15. Suitable managed care plans for eligible small employers and individuals.

(a) The State hereby establishes a program for the purpose of making managed care plans affordable and accessible to small employers and individuals as defined in this Section. The program is designed to encourage small employers to offer affordable health insurance to employees and to make affordable health insurance available to eligible Illinoisans, including veterans and individuals whose employers do not offer or sponsor group health insurance.

(b) Participation in this program is limited to managed care entities as defined by Section 10-10 of this Act. Participation by all managed care entities is mandatory. On January 1, 2009, or as soon as practicable as determined by the Department, managed care entities offering health insurance coverage or a health care plan in the small group market shall offer one or more suitable group managed care plans. Managed care entities offering health insurance or a health care plan in the individual market shall offer one or more suitable individual managed care plans. For purposes of this Section and Section 10-20 of this Act, all managed care entities that comply with the program requirements shall be eligible for reimbursement from the Illinois Covered Choices stop loss funds created pursuant to Section 10-20 of this Act.

(c) An eligible small employer is an employer that:

(1) employs not more than 25 eligible employees and contributes towards the suitable group managed care plan the minimum required percentage of an individual employee's premium and the minimum required percentage of an employee's family premium; and

(2) for the year prior to the first enrollment period for the program, employed employees at least two-thirds of whom earned less than 400% of the federal poverty level; for eligibility beginning in the second year of operation of the program, small employers may participate in the program regardless of employee income level; the Department shall thereafter possess authority to modify small employer eligibility; and

(3) uses Illinois as its principal place of business, management, and administration.

(d) For purposes of this Section, "eligible employee" shall include any individual who receives compensation from the eligible employer for at least 25 hours of work per week.

(e) A managed care entity may enter into an agreement with an employer to offer a suitable managed care plan pursuant to this Section only if that employer offers that plan to all eligible employees.

(f) The employer contribution towards an individual employee's premium and an employee's family premium, measured as a percentage of premium, cannot vary by employee or class of employee.

(g) The Division shall determine pro-rated employer premium contribution levels for eligible employees who do not qualify as full-time employees. The pro-rated employer premium contribution levels shall be based upon employer premium contribution levels set pursuant to subsection (f) of this Section. An eligible small employer shall contribute at least the pro-rated premium contribution amount towards an individual part-time employee's premium. An eligible small employer shall contribute at least the pro-rated premium contribution amount towards an individual part-time employee's family premium. The pro-rated premium contribution must be the same percentage for all similarly situated employees and may not vary based on class of employee.

(h) If the Division determines that such action is in the best interests of the program, the Division may use rulemaking authority to alter the definition of eligible small employer and eligible employee.

(i) Subject to determination by the Division, including applicable eligibility standards, Illinois-based chambers of commerce or other associations may participate in the program.

(j) An eligible small employer shall elect whether to make coverage under the suitable group managed care plan available to dependents of employees. Any employee or dependent who is enrolled in Medicare is ineligible for coverage, unless required by federal law. Dependents of an employee who is enrolled in Medicare shall be eligible for dependent coverage provided the dependent is not also enrolled in Medicare.

(k) A suitable group managed care plan is a group contract purchased from a participating managed care entity by an eligible small employer which provides the benefits set forth in subsection (r) of this Section. The contract, independently or in combination with other suitable group managed care plans, must insure not less than 50% of the eligible employees. The Division may exempt by rule certain employees from this calculation.

[May 31, 2007]

(l) An eligible individual is an individual:

(1) who is unemployed, not an eligible employee as defined by subsection (d) of Section 10-15, or solely self-employed, or whose employer does not sponsor group health insurance and has not sponsored group health insurance with benefits on an expense-reimbursed or prepaid basis covering employees in effect during the 18-month period prior to the individual's application for health insurance under the program established by this Section;

(2) who for the first year of operation of the program resides in a household having a household income at or below 400% of the federal poverty level; in subsequent years of the program there shall be no income limit for eligible individuals; the Division shall thereafter possess authority to modify individual eligibility;

(3) who is ineligible for Medicare, except that the Department may determine that it shall require an individual who is eligible under subdivision 2(b) of Section 5-2 of the Illinois Public Aid Code to participate as an eligible individual; and

(4) who is a resident of Illinois.

(m) The requirements set forth in subdivision (l)(2) of this Section shall not be applicable to veterans who are not on active duty and who have not been dishonorably discharged from service.

(n) The requirements set forth in subdivision (l)(1) of this Section shall not be applicable to individuals who had health insurance coverage terminated due to:

(1) death of a family member that results in termination of coverage under a health insurance contract under which the individual is covered;

(2) change of residence so that no employer-based health insurance with benefits on an expense-reimbursed or prepaid basis is available; or

(3) legal separation, divorce, or annulment that results in termination of coverage under a health insurance contract under which the individual is covered.

(o) The 18-month period set forth in item (1) of subsection (l) of this Section may be adjusted by the Division from 18 months to an alternative duration if the Division determines that the alternative period sufficiently prevents inappropriate substitution of suitable individual managed care plans for other health insurance contracts.

(p) A suitable individual managed care plan is an individual contract issued directly to an eligible individual and that provides the benefits set forth in subsection (r) of this Section. At the option of the eligible individual, such contract may include coverage for dependents of the eligible individual.

(q) The contracts issued pursuant to this Section by participating managed care entities and approved by the Department shall provide only in-plan benefits, except for emergency care or where services are not available through a plan provider. Dental and vision coverage shall be made available at the option and expense of the eligible individual. Any claim paid for a benefit not included in the benefits defined by the Department, including claims paid pursuant to dental and vision coverage contracts, shall not be submitted and shall not be eligible for or in any way credited toward stop loss funds provided by Section 10-20 of this Act.

(r) The Department shall determine the following by rule:

(1) Benefits provided in plans created by this Section. The benefits may be designed to decrease adverse selection and avoid improper manipulation of eligibility. These benefits shall include major medical benefits. Mental health benefits shall be provided as described by subdivision (c)(2) of Section 370c of the Illinois Insurance Code. No plan shall provide coverage for infertility treatment or long-term care.

(2) Co-pays and deductible amounts applicable to plans created by this Section, which shall not exceed the maximum allowable amount under the Illinois Insurance Code.

(3) The Department may determine rates for providers of services, but such rates shall in aggregate be no lower than base Medicare. Hospitals shall be reimbursed under the Illinois Covered Choices Program in an amount that equals the actuarial equivalent of 105% of base Medicare for critical access hospitals and equals the actuarial equivalent of 112% of base Medicare for all other hospitals. The Department shall define what constitutes "base Medicare" by rule, which shall include the weighting factors used by Medicare, the wage index adjustment, capital costs, and outlier adjustments. For hospital services provided for which a Medicare rate is not prescribed or cannot be calculated, the hospital shall be reimbursed 90% of the lowest rate paid by the applicable insurer under its contract with that hospital for that same service. The Department may by rule extend the 112% rate ceiling for hospitals engaged in medical research, medical education, and highly complex medical care and for hospitals that serve a disproportionate share of patients covered by governmental sponsored programs and uninsured patients.

(r-5) Nothing in this Act shall be used by any private or public managed care entity or



health care plan as a basis for reducing the managed care entity's or health care plan's rates or policies with any hospital. Notwithstanding any other provision of law, rates authorized under this Act shall not be used by any private or public managed care entities or health care plans to determine a hospital's usual and customary charges for any health care service.

(s) Eligible small employers shall be issued the benefit package in a suitable group managed care plan. Eligible individuals shall be issued the benefit package in a suitable individual managed care plan.

(t) No managed care entity shall issue a suitable group managed care plan or suitable individual managed care plan until the plan has been certified as such by the Department.

(u) A participating managed care plan shall obtain from the employer or individual written certification at the time of initial application and annually thereafter 90 days prior to the contract renewal date that the employer or individual meets and expects to continue to meet the requirements of an eligible small employer or an eligible individual pursuant to this Section. A participating managed care plan may require the submission of appropriate documentation in support of the certification, including proof of income status. The Division may modify application requirements in order to ensure full and complete disclosure in the application process.

(v) Applications to enroll in suitable group managed care plans and suitable individual managed care plans must be received and processed from any eligible individual and any eligible small employer during the open enrollment period each year. Exceptions to the open enrollment period shall be determined by the Division by rule. This provision does not restrict open enrollment guidelines set by suitable managed care plan contracts, but every such contract must include standard employer group open enrollment guidelines.

(w) All coverage under suitable group managed care plans and suitable individual managed care plans must be subject to a pre-existing condition limitation provision, including the crediting requirements thereunder. Pre-existing conditions may be evaluated and considered by the Department when determining appropriate co-pay amounts, deductible levels, and benefit levels. Prenatal care shall be available without consideration of pregnancy as a preexisting condition. Waiver of deductibles and other cost-sharing payments by insurer may be made for individuals participating in chronic care management or wellness and prevention programs.

(x) Premium rate calculations for suitable group managed care plans and suitable individual managed care plans shall be subject to the following, all of which are subject to modification if the Division determines modification is necessary:

(1) In order to arrive at the actual premium charged to any particular group or individual, a participating managed care plan may adjust its base rate using only the following factors:

(A) geographic area;

(B) age;

(C) smoking or non-smoking status; and

(D) participation in wellness or chronic disease management activities.

(2) The adjustment for age in item (1) of this subsection (x) may not use age brackets smaller than 5-year increments, which shall begin with age 20 and end with age 65. Eligible individuals, sole proprietors, and employees under the age of 20 shall be treated as those age 20.

(3) Permitted rates for any age group shall be no more than 25% of the lowest rate for any age group on January 1, 2009. If necessary, the Department shall thereafter and at any time modify permitted age-based rate factors.

(4) If geographic rating areas are utilized, such geographic areas must be reasonable and in a given case may include a single county. The geographic areas utilized must be the same for the contracts issued to eligible small employers and to eligible individuals. The Division shall not require the inclusion of any specific geographic region within the proposed region selected by the participating managed care entity, but the participating managed care entity's proposed regions shall not contain configurations designed to avoid or segregate particular areas within a county covered by the participating managed care plan's community rates. Rates from one geographic region to another may not vary by more than 30% and must be actuarially supported.

(5) Small employer premium rates shall not exceed by more than 25% the lowest rate for any small employer groups.

(6) A discount of up to 10% for participation in wellness or chronic disease management activities shall be permitted if based upon actuarially justified differences in utilization or cost attributed to such programs.

(7) Claims experience under contracts issued to eligible small employers and to eligible individuals must be combined for rate setting purposes.

(y) Participating managed care entities shall submit reports to the Department or the Division in such

form and at times as may be reasonably required by the Department or the Division in order to evaluate the operations and results of suitable managed care plans established by this Section.

(z) All managed care entities must ensure that all networks available through other policies or plans to individuals and groups in established service areas must be available to suitable managed care plans in those areas.

(aa) The Department shall conduct public education and outreach to facilitate enrollment of small employers, eligible employees, and eligible individuals in the Illinois Covered Choices Program.

Section 10-20. Stop loss funding for suitable health insurance contracts issued to eligible small employers and eligible individuals.

(a) The Department shall provide a claims reimbursement program for participating managed care entities and shall annually seek appropriations to support the program.

(b) The claims reimbursement program, also known as "Illinois Covered Stop Loss Protection", shall operate as a stop loss program for participating managed care entities and shall reimburse participating managed care entities for a certain percentage of health care claims above a certain attachment amount or within certain attachment amounts. The attachment amount or amounts shall be determined by the Department.

(c) Commencing on January 1, 2009, participating managed care entities shall be eligible to receive reimbursement for 80% of claims paid in a calendar year in excess of the attachment point for any member covered under a contract issued pursuant to Section 10-15 of this Act after the participating managed care entity pays claims for that same member in the same calendar year. Based on pre-determined attachment amounts, verified claims paid for members covered under suitable group and individual managed care plans shall be reimbursable from the Illinois Covered Stop Loss Protection Program. For purposes of this Section, claims shall include health care claims paid by or on behalf of a covered member pursuant to such suitable contracts.

(d) The Department shall adopt rules that set forth procedures for the operation of the Illinois Covered Stop Loss Protection Program and distribution of monies therefrom.

(e) Claims shall be reported and funds shall be distributed by the Department on a calendar year basis. Claims shall be eligible for reimbursement only for the calendar year in which the claims are paid.

(f) Each participating managed care entity shall submit a request for reimbursement from the Illinois Covered Stop Loss Protection Program on forms prescribed by the Department. Each request for reimbursement shall be submitted no later than April 1 following the end of the calendar year for which the reimbursement requests are being made. In connection with reimbursement requests, the Department may require participating managed care entities to submit such claims data deemed necessary to enable proper distribution of funds and to oversee the effective operation of the Illinois Covered Stop Loss Protection Program. The Department may require that such data be submitted on a per-member, aggregate, or categorical basis, or any combination of those. Data shall be reported separately for suitable group managed care plans and suitable individual managed care plans issued pursuant to Section 10-15 of this Act.

(f-5) In each request for reimbursement from the Illinois Covered Stop Loss Protection Program, managed care entities shall certify that provider reimbursement rates are consistent with the reimbursement rates as defined by subdivision (r)(3) of Section 10-15 of this Act. The Department, in collaboration with the Division, shall audit, as necessary, claims data submitted pursuant to subsection (f) of this Section to ensure that reimbursement rates paid by managed care entities are consistent with reimbursement rates as defined by subsection (r) of Section 10-15.

(g) The Department shall calculate the total claims reimbursement amount for all participating managed care entities for the calendar year for which claims are being reported. In the event that the total amount requested for reimbursement for a calendar year exceeds appropriations available for distribution for claims paid during that same calendar year, the Department shall provide for the pro-rata distribution of the available funds. Each participating managed care entity shall be eligible to receive only such proportionate amount of the available appropriations as the individual participating managed care entity's total eligible claims paid bears to the total eligible claims paid by all participating managed care entities.

(h) Each participating managed care entity shall provide the Department with monthly reports of the total enrollment under the suitable group managed care plans and suitable individual managed care plans issued pursuant to Section 10-15 of this Act. The reports shall be in a form prescribed by the Department.

(i) The Department shall separately estimate the per member annual cost of total claims reimbursement from each stop loss program for suitable group managed care plans and suitable

individual managed care plans based upon available data and appropriate actuarial assumptions. Upon request, each participating managed care plan shall furnish to the Department claims experience data for use in such estimations.

(j) Every participating managed care entity shall file with the Division the base rates and rating schedules it uses to provide suitable group managed care plans and suitable individual managed care plans. All rates proposed for suitable managed care plans are subject to the prior regulatory review of the Division and shall be effective only upon approval by the Division. The Division has authority to approve, reject, or modify the proposed base rate subject to the following:

(1) Rates for suitable managed care plans must account for the availability of reimbursement pursuant to this Section.

(2) Rates must not be excessive or inadequate nor shall the rates be unfairly discriminatory.

(3) Consideration shall be given, to the extent applicable and among other factors, to the managed care entity's past and prospective loss experience within the State for the product for which the base rate is proposed, to past and prospective expenses both countrywide and those especially applicable to this State, and to all other factors, including judgment factors, deemed relevant within and outside the State.

(4) Consideration shall be given to the managed care entity's actuarial support, enrollment levels, premium volume, risk-based capital, and the ratio of incurred claims to earned premiums.

(k) If the Department deems it appropriate for the proper administration of the program, the Department shall be authorized to purchase stop loss insurance or reinsurance, or both, from an insurance company licensed to write such type of insurance in Illinois.

(k-5) Nothing in this Section 10-20 shall require modification of stop loss provisions of an existing contract between the managed care entity and a healthcare provider.

(l) The Division shall assess insurers as defined in Section 12 of the Comprehensive Health Insurance Plan Act in accordance with the provisions of this subsection:

(1) By March 1, 2009, the Illinois Comprehensive Health Insurance Plan shall report to the Division the total assessment paid pursuant to subsection d of Section 12 of the Comprehensive Health Insurance Plan Act for fiscal years 2004 through 2008. By March 1, 2009, the Division shall determine the total direct Illinois premiums for calendar years 2004 through 2008 for the kinds of business described in clause (b) of Class 1 or clause (a) of Class 2 of Section 4 of the Illinois Insurance Code, and direct premium income of a health maintenance organization or a voluntary health services plan, except that it shall not include credit health insurance as defined in Article IX 1/2 of the Illinois Insurance Code. The Division shall create a fraction, the numerator of which equals the total assessment as reported by the Illinois Comprehensive Health Insurance Plan pursuant to this subsection, and the denominator of which equals the total direct Illinois premiums determined by the Division pursuant to this subsection. The resulting percentage shall be the "baseline percentage assessment".

(2) For purposes of the program, and to the extent that in any fiscal year the Illinois Comprehensive Health Insurance Plan does not collect an amount equal to or greater than the equivalent dollar amount of the baseline percentage assessment to cover deficits established pursuant to subsection d of Section 12 of the Comprehensive Health Insurance Plan Act, the Division shall impose the "baseline assessment" in accordance with paragraph (3) of this subsection.

(3) An insurer's assessment shall be determined by multiplying the equivalent dollar amount of the baseline percentage assessment, as determined by paragraph (1), by a fraction, the numerator of which equals that insurer's direct Illinois premiums during the preceding calendar year and the denominator of which equals the total of all insurers' direct Illinois premiums for the preceding calendar year. The Division may exempt those insurers whose share as determined under this subsection would be so minimal as to not exceed the estimated cost of levying the assessment.

(4) The Division shall charge and collect from each insurer the amounts determined to be due under this subsection.

(5) The difference between the total assessments paid pursuant to imposition of the baseline assessment and the total assessments paid to cover deficits established pursuant to subsection d of Section 12 of the Comprehensive Health Insurance Plan Act shall be paid to the fund.

(6) When used in this subsection (l), "insurer" means "insurer" as defined in Section 2 of the Comprehensive Health Insurance Plan Act.

Section 10-25. Program publicity duties of managed care entities and Department.

(a) In conjunction with the Department, all managed care entities shall participate in and share the cost of annually publishing and disseminating a consumer's shopping guide or guides for suitable group managed care plans and suitable individual managed care plans issued pursuant to Section 10-15 of this Act. The contents of all consumer shopping guides published pursuant to this Section shall be subject to review and approval by the Department.

(b) Participating managed care entities may distribute additional sales or marketing brochures describing suitable group managed care plans and suitable individual managed care plans subject to review and approval by the Department.

(c) Commissions available to insurance producers from managed care entities for sales of plans under the Illinois Covered Choices Program shall not be less than those available for sale of plans other than plans issued pursuant to the Illinois Covered Choices Program. Information on such commissions shall be reported to the Division in the rate approval process.

Section 10-30. Evaluation. The Division, with the consultation and collaboration of the Department, shall order a study of the program established pursuant to Sections 10-15 and 10-20 of this Act including an examination of employer participation, an income profile of covered employees and individuals, claims experience, and the impact of the program on the uninsured population. The study shall be completed and a report submitted by October 1, 2012 to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

Section 10-35. Duties assigned to the Department. Unless otherwise specified, all duties assigned to the Department by this Act shall be carried out in consultation with the Division.

Section 10-40. Applicability of other Illinois Insurance Code provisions. Unless otherwise specified in this Section, policies for all suitable group managed care plans and suitable individual managed care plans must meet all other applicable provisions of the Illinois Insurance Code, including cafeteria plans under Section 352c.

Section 10-90. The Illinois Insurance Code is amended by changing Section 368b as follows:  
(215 ILCS 5/368b)

Sec. 368b. Contracting procedures.

(a) A health care professional or health care provider offered a contract by an insurer, health maintenance organization, independent practice association, or physician hospital organization for signature after the effective date of this amendatory Act of the 93rd General Assembly shall be provided with a proposed health care professional or health care provider services contract including, if any, exhibits and attachments that the contract indicates are to be attached. Within 35 days after a written request, the health care professional or health care provider offered a contract shall be given the opportunity to review and obtain a copy of the following: a specialty-specific fee schedule sample based on a minimum of the 50 highest volume fee schedule codes with the rates applicable to the health care professional or health care provider to whom the contract is offered, the network provider administration manual, and a summary capitation schedule, if payment is made on a capitation basis. If 50 codes do not exist for a particular specialty, the health care professional or health care provider offered a contract shall be given the opportunity to review or obtain a copy of a fee schedule sample with the codes applicable to that particular specialty. This information may be provided electronically. An insurer, health maintenance organization, independent practice association, or physician hospital organization may substitute the fee schedule sample with a document providing reference to the information needed to calculate the fee schedule that is available to the public at no charge and the percentage or conversion factor at which the insurer, health maintenance organization, preferred provider organization, independent practice association, or physician hospital organization sets its rates.

(b) The fee schedule, the capitation schedule, and the network provider administration manual constitute confidential, proprietary, and trade secret information and are subject to the provisions of the Illinois Trade Secrets Act. The health care professional or health care provider receiving such protected information may disclose the information on a need to know basis and only to individuals and entities that provide services directly related to the health care professional's or health care provider's decision to enter into the contract or keep the contract in force. Any person or entity receiving or reviewing such protected information pursuant to this Section shall not disclose the information to any other person, organization, or entity, unless the disclosure is requested pursuant to a valid court order or required by a state or federal government agency. Individuals or entities receiving such information from a health care

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professional or health care provider as delineated in this subsection are subject to the provisions of the Illinois Trade Secrets Act.

(c) The health care professional or health care provider shall be allowed at least 30 days to review the health care professional or health care provider services contract, including exhibits and attachments, if any, before signing. The 30-day review period begins upon receipt of the health care professional or health care provider services contract, unless the information available upon request in subsection (a) is not included. If information is not included in the professional services contract and is requested pursuant to subsection (a), the 30-day review period begins on the date of receipt of the information. Nothing in this subsection shall prohibit a health care professional or health care provider from signing a contract prior to the expiration of the 30-day review period.

(d) The insurer, health maintenance organization, independent practice association, or physician hospital organization shall provide all contracted health care professionals or health care providers with any changes to the fee schedule provided under subsection (a) not later than 35 days after the effective date of the changes, unless such changes are specified in the contract and the health care professional or health care provider is able to calculate the changed rates based on information in the contract and information available to the public at no charge. For the purposes of this subsection, "changes" means an increase or decrease in the fee schedule referred to in subsection (a). This information may be made available by mail, e-mail, newsletter, website listing, or other reasonable method. Upon request, a health care professional or health care provider may request an updated copy of the fee schedule referred to in subsection (a) every calendar quarter.

(e) Upon termination of a contract with an insurer, health maintenance organization, independent practice association, or physician hospital organization and at the request of the patient, a health care professional or health care provider shall transfer copies of the patient's medical records. Any other provision of law notwithstanding, the costs for copying and transferring copies of medical records shall be assigned per the arrangements agreed upon, if any, in the health care professional or health care provider services contract.

(f) All providers that contract with a managed care entity as defined by the Illinois Covered Choices Act must participate as a network provider under the same managed care entity's suitable managed care plan or plans.

(Source: P.A. 93-261, eff. 1-1-04.)

## ARTICLE 15. EXPANDING ACCESS TO HEALTH INSURANCE FOR YOUNG ILLINOISANS

Section 15-5. The Illinois Insurance Code is amended by adding Section 367.4 as follows:

(215 ILCS 5/367.4 new)

Sec. 367.4. Coverage of dependents until age 30.

(a) A group health insurance policy that provides coverage for an insured's dependents under which coverage of a dependent terminates at a specific age before the dependent's 30th birthday, and is delivered, issued, executed, or renewed in this State after the effective date of this amendatory Act of the 95th General Assembly, shall, upon application of the dependent as set forth in subsection (c) of this Section, provide coverage to the dependent after that specific age, until the dependent's 30th birthday. As used in this Section, "dependents" means any insured's children by blood or by law who:

(1) are less than 30 years of age;

(2) are unmarried;

(3) have no dependents of their own;

(4) are residents of this State or are enrolled as full-time students at an accredited public or private institution of higher education; and

(5) are not actually provided coverage as named subscribers, insureds, enrollees, or covered persons under any other group or individual health benefits plan, group health plan, church plan, or health benefits plan, or entitled to benefits under Title XVIII of the Social Security Act, Pub.L. 89-97 (42 U.S.C. 1395 et seq.).

(b) Nothing herein shall be construed to require that: (1) coverage for services be provided to dependents before the effective date of this amendatory Act of the 95th General Assembly; or (2) an employer pay all or part of the cost of coverage for dependents as provided pursuant to this Section.

(c) Application for dependent coverage.

(1) A dependent covered by an insured's policy, which coverage under the policy terminates at a specific age before the dependent's 30th birthday, may make a written election for coverage as a dependent pursuant to this Section, until the dependent's 30th birthday, at any of the following times:

(A) within 30 days prior to the termination of coverage at the specific age provided in the policy;

(B) within 30 days after meeting the requirements for dependent status as set forth in subsection (a) of this Section, when coverage for the dependent under the policy previously terminated; or

(C) during an open enrollment period, as provided pursuant to the policy, if the dependent meets the requirements for dependent status as set forth in subsection (a) of this Section during the open enrollment period.

(2) For 12 months after the effective date of this amendatory Act of the 95th General Assembly, a dependent who qualifies for dependent status as set forth in subsection (a) of this Section, but whose coverage as a dependent under an insured's policy terminated under the terms of the policy prior to the effective date of this amendatory Act of the 95th General Assembly, may make a written election to reinstate coverage under that policy as a dependent pursuant to this Section.

(3) Coverage for a dependent who makes a written election for coverage pursuant to this subsection shall consist of coverage which is identical to the coverage provided to that dependent prior to the termination of coverage at the specific age provided in the policy. If coverage was modified under the policy for any similarly situated dependents prior to their termination of coverage at the specific age provided in the policy, the coverage shall also be modified in the same manner for the dependent seeking reinstatement.

(4) Coverage for a dependent who makes a written election for coverage pursuant to this subsection shall not be conditioned upon, or discriminate on the basis of, lack of evidence of insurability.

(d) Premium adjustments and payments.

(1) A policy of insurance may require payment of a premium by the insured or dependent, as appropriate, for any period of coverage relating to a dependent's written election for coverage pursuant to subsection (c). The premium shall not exceed 105% of the applicable portion of the premium previously paid for that dependent's coverage under the policy prior to the termination of coverage at the specific age provided in the policy.

(2) The applicable portion of the premium previously paid for the dependent's coverage under the policy shall be based upon the difference between the policy's rating tiers for adult and dependent coverage or family coverage, as appropriate, and single coverage, or based upon any other formula or dependent rating tier deemed appropriate by the Director which provides a substantially similar result.

(3) Payments of the premium may, at the election of the payer, be made in monthly installments.

(e) Coverage for a dependent provided pursuant to this Section shall be provided until the earlier of the following:

(1) the dependent is disqualified for dependent status as set forth in subsection (a) of this Section;

(2) the date on which coverage ceases under the policy by reason of a failure to make a timely payment of any premium required under the policy by the insured or dependent for coverage provided pursuant to this Section; the payment of any premium shall be considered to be timely if made within 30 days after the due date or within a longer period as may be provided for by the policy; or

(3) the date upon which the employer under whose policy coverage is provided to a dependent ceases to provide coverage to the insured; nothing herein shall be construed to permit an insurer to refuse a written election for coverage by a dependent pursuant to subsection (c) of this Section, based upon the dependent's prior disqualification pursuant to paragraph (1) of this subsection.

(f) Notice regarding coverage for a dependent as provided pursuant to this Section shall be provided to an insured:

(1) in the certificate of coverage prepared for insureds by the insurer on or about the date of commencement of coverage; and

(2) by the insured's employer:

(A) on or before the coverage of an insured's dependent terminates at the specific age as provided in the policy;

(B) at the time coverage of the dependent is no longer provided pursuant to this Section because the dependent is disqualified for dependent status as set forth in subsection (a) of this Section, except that this employer notice shall not be required when a dependent no longer qualifies based upon paragraph (1) or (3) of subsection (a) of this Section;

(C) before any open enrollment period permitting a dependent to make a written election for coverage pursuant to subsection (c) of this Section; and

(D) immediately following the effective date of this amendatory Act of the 95th General Assembly, with respect to information concerning a dependent's opportunity, for 12 months after the effective date of this amendatory Act of the 95th General Assembly, to make a written election to reinstate coverage under a policy pursuant to paragraph (2) of subsection (c) of this Section.

Section 15-10. The Health Maintenance Organization Act is amended by changing Section 5-3 as

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follows:

(215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

Sec. 5-3. Insurance Code provisions.

(a) Health Maintenance Organizations shall be subject to the provisions of Sections 133, 134, 137, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 364.01, 367.2, 367.2-5, 367.4, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

(b) For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health Maintenance Organizations in the following categories are deemed to be "domestic companies":

(1) a corporation authorized under the Dental Service Plan Act or the Voluntary Health Services Plans Act;

(2) a corporation organized under the laws of this State; or

(3) a corporation organized under the laws of another state, 30% or more of the enrollees of which are residents of this State, except a corporation subject to substantially the same requirements in its state of organization as is a "domestic company" under Article VIII 1/2 of the Illinois Insurance Code.

(c) In considering the merger, consolidation, or other acquisition of control of a Health Maintenance Organization pursuant to Article VIII 1/2 of the Illinois Insurance Code,

(1) the Director shall give primary consideration to the continuation of benefits to enrollees and the financial conditions of the acquired Health Maintenance Organization after the merger, consolidation, or other acquisition of control takes effect;

(2)(i) the criteria specified in subsection (1)(b) of Section 131.8 of the Illinois Insurance Code shall not apply and (ii) the Director, in making his determination with respect to the merger, consolidation, or other acquisition of control, need not take into account the effect on competition of the merger, consolidation, or other acquisition of control;

(3) the Director shall have the power to require the following information:

(A) certification by an independent actuary of the adequacy of the reserves of the Health Maintenance Organization sought to be acquired;

(B) pro forma financial statements reflecting the combined balance sheets of the acquiring company and the Health Maintenance Organization sought to be acquired as of the end of the preceding year and as of a date 90 days prior to the acquisition, as well as pro forma financial statements reflecting projected combined operation for a period of 2 years;

(C) a pro forma business plan detailing an acquiring party's plans with respect to the operation of the Health Maintenance Organization sought to be acquired for a period of not less than 3 years; and

(D) such other information as the Director shall require.

(d) The provisions of Article VIII 1/2 of the Illinois Insurance Code and this Section 5-3 shall apply to the sale by any health maintenance organization of greater than 10% of its enrollee population (including without limitation the health maintenance organization's right, title, and interest in and to its health care certificates).

(e) In considering any management contract or service agreement subject to Section 141.1 of the Illinois Insurance Code, the Director (i) shall, in addition to the criteria specified in Section 141.2 of the Illinois Insurance Code, take into account the effect of the management contract or service agreement on the continuation of benefits to enrollees and the financial condition of the health maintenance organization to be managed or serviced, and (ii) need not take into account the effect of the management contract or service agreement on competition.

(f) Except for small employer groups as defined in the Small Employer Rating, Renewability and Portability Health Insurance Act and except for medicare supplement policies as defined in Section 363 of the Illinois Insurance Code, a Health Maintenance Organization may by contract agree with a group or other enrollment unit to effect refunds or charge additional premiums under the following terms and conditions:

(i) the amount of, and other terms and conditions with respect to, the refund or additional premium are set forth in the group or enrollment unit contract agreed in advance of the period for which a refund is to be paid or additional premium is to be charged (which period shall not be less than one year); and

(ii) the amount of the refund or additional premium shall not exceed 20% of the Health

Maintenance Organization's profitable or unprofitable experience with respect to the group or other enrollment unit for the period (and, for purposes of a refund or additional premium, the profitable or unprofitable experience shall be calculated taking into account a pro rata share of the Health Maintenance Organization's administrative and marketing expenses, but shall not include any refund to be made or additional premium to be paid pursuant to this subsection (f)). The Health Maintenance Organization and the group or enrollment unit may agree that the profitable or unprofitable experience may be calculated taking into account the refund period and the immediately preceding 2 plan years.

The Health Maintenance Organization shall include a statement in the evidence of coverage issued to each enrollee describing the possibility of a refund or additional premium, and upon request of any group or enrollment unit, provide to the group or enrollment unit a description of the method used to calculate (1) the Health Maintenance Organization's profitable experience with respect to the group or enrollment unit and the resulting refund to the group or enrollment unit or (2) the Health Maintenance Organization's unprofitable experience with respect to the group or enrollment unit and the resulting additional premium to be paid by the group or enrollment unit.

In no event shall the Illinois Health Maintenance Organization Guaranty Association be liable to pay any contractual obligation of an insolvent organization to pay any refund authorized under this Section. (Source: P.A. 93-102, eff. 1-1-04; 93-261, eff. 1-1-04; 93-477, eff. 8-8-03; 93-529, eff. 8-14-03; 93-853, eff. 1-1-05; 93-1000, eff. 1-1-05; 94-906, eff. 1-1-07; 94-1076, eff. 12-29-06; revised 1-5-07.)

#### ARTICLE 16. EXPANDING ACCESS TO AFFORDABLE HEALTH INSURANCE FOR EMPLOYEES

Section 16-5. The Illinois Insurance Code is amended by adding Sections 352b and 352c as follows:  
(215 ILCS 5/352b new)

Sec. 352b. Group health plan non-discrimination requirement. No group policy or certificate of accident and health insurance shall be delivered or issued for delivery to an employer group in this State unless such policy or certificate is offered by that employer to all full-time employees; provided, however, the employer shall not make a smaller health insurance premium contribution percentage amount on behalf of an employee or class of employees than the employer makes on behalf of any other employee or class. Notwithstanding any provision of this Section, an insurer may deliver or issue a group policy or certificate of accident and health insurance to an employer group that establishes separate contribution percentages for employees covered by collective bargaining agreements as negotiated in those agreements.

(215 ILCS 5/352c new)

Sec. 352c. Cafeteria plans. No later than January 1, 2009, each employer with more than 10 employees shall adopt and maintain a cafeteria plan that satisfies 26 U.S.C. 125 and the rules adopted by the Department of Revenue in collaboration with the Department of Financial and Professional Regulation. The Department of Revenue in collaboration with the Department of Financial and Professional Regulation shall develop a standard set of documents that may be used by businesses to establish such a plan and shall provide technical assistance to businesses to so establish such plans.

Section 16-10. The Health Maintenance Organization Act is amended by changing Section 5-3 as follows:

(215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

Sec. 5-3. Insurance Code provisions.

(a) Health Maintenance Organizations shall be subject to the provisions of Sections 133, 134, 137, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 352b, 355.2, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

(b) For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health Maintenance Organizations in the following categories are deemed to be "domestic companies":

- (1) a corporation authorized under the Dental Service Plan Act or the Voluntary Health Services Plans Act;
- (2) a corporation organized under the laws of this State; or
- (3) a corporation organized under the laws of another state, 30% or more of the enrollees of which are residents of this State, except a corporation subject to substantially the same



requirements in its state of organization as is a "domestic company" under Article VIII 1/2 of the Illinois Insurance Code.

(c) In considering the merger, consolidation, or other acquisition of control of a Health Maintenance Organization pursuant to Article VIII 1/2 of the Illinois Insurance Code,

(1) the Director shall give primary consideration to the continuation of benefits to enrollees and the financial conditions of the acquired Health Maintenance Organization after the merger, consolidation, or other acquisition of control takes effect;

(2)(i) the criteria specified in subsection (1)(b) of Section 131.8 of the Illinois Insurance Code shall not apply and (ii) the Director, in making his determination with respect to the merger, consolidation, or other acquisition of control, need not take into account the effect on competition of the merger, consolidation, or other acquisition of control;

(3) the Director shall have the power to require the following information:

(A) certification by an independent actuary of the adequacy of the reserves of the Health Maintenance Organization sought to be acquired;

(B) pro forma financial statements reflecting the combined balance sheets of the acquiring company and the Health Maintenance Organization sought to be acquired as of the end of the preceding year and as of a date 90 days prior to the acquisition, as well as pro forma financial statements reflecting projected combined operation for a period of 2 years;

(C) a pro forma business plan detailing an acquiring party's plans with respect to the operation of the Health Maintenance Organization sought to be acquired for a period of not less than 3 years; and

(D) such other information as the Director shall require.

(d) The provisions of Article VIII 1/2 of the Illinois Insurance Code and this Section 5-3 shall apply to the sale by any health maintenance organization of greater than 10% of its enrollee population (including without limitation the health maintenance organization's right, title, and interest in and to its health care certificates).

(e) In considering any management contract or service agreement subject to Section 141.1 of the Illinois Insurance Code, the Director (i) shall, in addition to the criteria specified in Section 141.2 of the Illinois Insurance Code, take into account the effect of the management contract or service agreement on the continuation of benefits to enrollees and the financial condition of the health maintenance organization to be managed or serviced, and (ii) need not take into account the effect of the management contract or service agreement on competition.

(f) Except for small employer groups as defined in the Small Employer Rating, Renewability and Portability Health Insurance Act and except for medicare supplement policies as defined in Section 363 of the Illinois Insurance Code, a Health Maintenance Organization may by contract agree with a group or other enrollment unit to effect refunds or charge additional premiums under the following terms and conditions:

(i) the amount of, and other terms and conditions with respect to, the refund or additional premium are set forth in the group or enrollment unit contract agreed in advance of the period for which a refund is to be paid or additional premium is to be charged (which period shall not be less than one year); and

(ii) the amount of the refund or additional premium shall not exceed 20% of the Health Maintenance Organization's profitable or unprofitable experience with respect to the group or other enrollment unit for the period (and, for purposes of a refund or additional premium, the profitable or unprofitable experience shall be calculated taking into account a pro rata share of the Health Maintenance Organization's administrative and marketing expenses, but shall not include any refund to be made or additional premium to be paid pursuant to this subsection (f)). The Health Maintenance Organization and the group or enrollment unit may agree that the profitable or unprofitable experience may be calculated taking into account the refund period and the immediately preceding 2 plan years.

The Health Maintenance Organization shall include a statement in the evidence of coverage issued to each enrollee describing the possibility of a refund or additional premium, and upon request of any group or enrollment unit, provide to the group or enrollment unit a description of the method used to calculate (1) the Health Maintenance Organization's profitable experience with respect to the group or enrollment unit and the resulting refund to the group or enrollment unit or (2) the Health Maintenance Organization's unprofitable experience with respect to the group or enrollment unit and the resulting additional premium to be paid by the group or enrollment unit.

In no event shall the Illinois Health Maintenance Organization Guaranty Association be liable to pay any contractual obligation of an insolvent organization to pay any refund authorized under this Section.

(Source: P.A. 93-102, eff. 1-1-04; 93-261, eff. 1-1-04; 93-477, eff. 8-8-03; 93-529, eff. 8-14-03; 93-853,

eff. 1-1-05; 93-1000, eff. 1-1-05; 94-906, eff. 1-1-07; 94-1076, eff. 12-29-06; revised 1-5-07.)

ARTICLE 18. ENSURING ACCOUNTABILITY OF HEALTH INSURERS; ESTABLISHMENT OF THE OFFICE OF PATIENT PROTECTION AND IMPROVEMENTS IN PROTECTIONS FOR CONSUMERS GENERALLY

Section 18-5. The Illinois Insurance Code is amended by changing Sections 155.36, 359a, and 370c and by adding the heading of Article XLV and Sections 1500-5, 1500-10, 1500-15, 1500-20, and 1500-25 as follows:

(215 ILCS 5/155.36)

Sec. 155.36. Managed Care Reform and Patient Rights Act. Insurance companies that transact the kinds of insurance authorized under Class 1(b) or Class 2(a) of Section 4 of this Code shall comply with Section 45, Section 55, Section 85, and the definition of the term "emergency medical condition" in Section 10 of the Managed Care Reform and Patient Rights Act.

(Source: P.A. 91-617, eff. 1-1-00.)

(215 ILCS 5/359a) (from Ch. 73, par. 971a)

Sec. 359a. Application.

(1) No individual or group policy or certificate of insurance except an Industrial Accident and Health Policy provided for by this article shall be issued, except upon the signed application of the person or persons sought to be insured. Any information or statement of the applicant shall plainly appear upon such application in the form of interrogatories by the insurer and answers by the applicant. The insured shall not be bound by any statement made in an application for any policy, including an Industrial Accident and Health Policy, unless a copy of such application is attached to or endorsed on the policy when issued as a part thereof. If any such policy delivered or issued for delivery to any person in this state shall be reinstated or renewed, and the insured or the beneficiary or assignee of such policy shall make written request to the insurer for a copy of the application, if any, for such reinstatement or renewal, the insurer shall within fifteen days after the receipt of such request at its home office or any branch office of the insurer, deliver or mail to the person making such request, a copy of such application. If such copy shall not be so delivered or mailed, the insurer shall be precluded from introducing such application as evidence in any action or proceeding based upon or involving such policy or its reinstatement or renewal. All individual and group applications for insurance that require health information or questions shall comply with the following standards:

(A) Insurers may ask diagnostic questions on applications for insurance.

(B) Application questions shall be formed in a manner designed to elicit specific medical information and not lifestyle or other inferential information.

(C) Questions which are vague, subjective, unfairly discriminatory, or so technical as to inhibit a clear understanding by the applicant are prohibited.

(D) Questions must be designed to elicit a "yes" or "no" answer, or to require an applicant to check one or more boxes for specific medical information. Any one question must specify a single, unique, and specific medical condition.

(E) Questions that ask an applicant to verify diagnosis or treatment for specific diseases or conditions must stipulate that such diagnoses must have been made and such treatment must have been performed by an appropriately licensed health care service provider.

(F) All underwriting shall be based on individual review of specific health information furnished on the application, any reports provided as a result of medical examinations performed at the company's request, medical record information obtained from the applicant's health care providers, or any combination of the foregoing. Adverse underwriting decisions shall not be based on ambiguous responses to application questions.

(G) Preexisting condition exclusions imposed based solely on responses to an application question may exclude only a condition that was specifically elicited in the application and may not be broadened to similar, but separate conditions that were not specifically identified by an application question.

(2) No alteration of any written application for any such policy shall be made by any person other than the applicant without his written consent, except that insertions may be made by the insurer, for administrative purposes only, in such manner as to indicate clearly that such insertions are not to be ascribed to the applicant.

(3) The falsity of any statement in the application for any policy covered by this act may not bar the right to recovery thereunder unless such false statement materially affected either the acceptance of the risk or the hazard assumed by the insurer.

(Source: Laws 1951, p. 611.)

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(215 ILCS 5/370c) (from Ch. 73, par. 982c)

Sec. 370c. Mental and emotional disorders.

(a) (1) On and after the effective date of this Section, every insurer which delivers, issues for delivery or renews or modifies group A&H policies providing coverage for hospital or medical treatment or services for illness on an expense-incurred basis shall offer to the applicant or group policyholder subject to the insurers standards of insurability, coverage for reasonable and necessary treatment and services for mental, emotional or nervous disorders or conditions, other than serious mental illnesses as defined in item (2) of subsection (b), up to the limits provided in the policy for other disorders or conditions, except (i) the insured may be required to pay up to 50% of expenses incurred as a result of the treatment or services, and (ii) the annual benefit limit may be limited to the lesser of \$10,000 or 25% of the lifetime policy limit.

(2) Each insured that is covered for mental, emotional or nervous disorders or conditions shall be free to select the physician licensed to practice medicine in all its branches, licensed clinical psychologist, licensed clinical social worker, or licensed clinical professional counselor of his choice to treat such disorders, and the insurer shall pay the covered charges of such physician licensed to practice medicine in all its branches, licensed clinical psychologist, licensed clinical social worker, or licensed clinical professional counselor up to the limits of coverage, provided (i) the disorder or condition treated is covered by the policy, and (ii) the physician, licensed psychologist, licensed clinical social worker, or licensed clinical professional counselor is authorized to provide said services under the statutes of this State and in accordance with accepted principles of his profession.

(3) Insofar as this Section applies solely to licensed clinical social workers and licensed clinical professional counselors, those persons who may provide services to individuals shall do so after the licensed clinical social worker or licensed clinical professional counselor has informed the patient of the desirability of the patient conferring with the patient's primary care physician and the licensed clinical social worker or licensed clinical professional counselor has provided written notification to the patient's primary care physician, if any, that services are being provided to the patient. That notification may, however, be waived by the patient on a written form. Those forms shall be retained by the licensed clinical social worker or licensed clinical professional counselor for a period of not less than 5 years.

(b) (1) An insurer that provides coverage for hospital or medical expenses under a group policy of accident and health insurance or health care plan amended, delivered, issued, or renewed after the effective date of this amendatory Act of the 92nd General Assembly shall provide coverage under the policy for treatment of serious mental illness under the same terms and conditions as coverage for hospital or medical expenses related to other illnesses and diseases. The coverage required under this Section must provide for same durational limits, amount limits, deductibles, and co-insurance requirements for serious mental illness as are provided for other illnesses and diseases. This subsection does not apply to coverage provided to employees by employers who have 50 or fewer employees.

(2) "Serious mental illness" means the following psychiatric illnesses as defined in the most current edition of the Diagnostic and Statistical Manual (DSM) published by the American Psychiatric Association:

- (A) schizophrenia;
- (B) paranoid and other psychotic disorders;
- (C) bipolar disorders (hypomanic, manic, depressive, and mixed);
- (D) major depressive disorders (single episode or recurrent);
- (E) schizoaffective disorders (bipolar or depressive);
- (F) pervasive developmental disorders;
- (G) obsessive-compulsive disorders;
- (H) depression in childhood and adolescence;
- (I) panic disorder; and
- (J) post-traumatic stress disorders (acute, chronic, or with delayed onset).

(3) ~~(Blank). Upon request of the reimbursing insurer, a provider of treatment of serious mental illness shall furnish medical records or other necessary data that substantiate that initial or continued treatment is at all times medically necessary. An insurer shall provide a mechanism for the timely review by a provider holding the same license and practicing in the same specialty as the patient's provider, who is unaffiliated with the insurer, jointly selected by the patient (or the patient's next of kin or legal representative if the patient is unable to act for himself or herself), the patient's provider, and the insurer in the event of a dispute between the insurer and patient's provider regarding the medical necessity of a treatment proposed by a patient's provider. If the reviewing provider determines the treatment to be medically necessary, the insurer shall provide reimbursement for the treatment. Future contractual or employment actions by the insurer regarding the patient's provider may not be based on the provider's~~

~~participation in this procedure. Nothing prevents the insured from agreeing in writing to continue treatment at his or her expense. When making a determination of the medical necessity for a treatment modality for serious mental illness, an insurer must make the determination in a manner that is consistent with the manner used to make that determination with respect to other diseases or illnesses covered under the policy, including an appeals process.~~

(4) A group health benefit plan:

(A) shall provide coverage based upon medical necessity for the following treatment of mental illness in each calendar year:

(i) 45 days of inpatient treatment; and

(ii) beginning on June 26, 2006 (the effective date of Public Act 94-921) ~~this amendatory Act of the 94th General Assembly~~, 60 visits for outpatient treatment

including group and individual outpatient treatment; and

(iii) for plans or policies delivered, issued for delivery, renewed, or modified

after January 1, 2007 (the effective date of Public Act 94-906) ~~this amendatory Act of the 94th General Assembly~~, 20 additional outpatient visits for speech therapy for treatment of pervasive developmental disorders that will be in addition to speech therapy provided pursuant to item (ii) of this subparagraph (A);

(B) may not include a lifetime limit on the number of days of inpatient treatment or the number of outpatient visits covered under the plan; and

(C) shall include the same amount limits, deductibles, copayments, and coinsurance factors for serious mental illness as for physical illness.

(5) An issuer of a group health benefit plan may not count toward the number of outpatient visits required to be covered under this Section an outpatient visit for the purpose of medication management and shall cover the outpatient visits under the same terms and conditions as it covers outpatient visits for the treatment of physical illness.

(6) An issuer of a group health benefit plan may provide or offer coverage required under this Section through a managed care plan.

(7) This Section shall not be interpreted to require a group health benefit plan to provide coverage for treatment of:

(A) an addiction to a controlled substance or cannabis that is used in violation of law; or

(B) mental illness resulting from the use of a controlled substance or cannabis in violation of law.

(8) (Blank).

(c)(1) Coverage for the treatment of mental and emotional disorders as provided by subsections (a) and (b) shall not be denied under the policy provided that services are medically necessary as determined by the insured's treating physician. For purposes of this subsection, "medically necessary" means health care services appropriate, in terms of type, frequency, level, setting, and duration, to the enrollee's diagnosis or condition, and diagnostic testing and preventive services. Medically necessary care must be consistent with generally accepted practice parameters as determined by health care providers in the same or similar general specialty as typically manages the condition, procedure, or treatment at issue and must be intended to either help restore or maintain the enrollee's health or prevent deterioration of the enrollee's condition. Upon request of the reimbursing insurer, a provider of treatment of serious mental illness shall furnish medical records or other necessary data that substantiate that initial or continued treatment is at all times medically necessary.

(2) All of the provisions for the treatment of and services for mental, emotional, or nervous disorders or conditions, including the treatment of serious mental illness, contained in subsections (a) and (b), and the requirements relating to determinations based on medical necessity contained in subdivision (c)(1) of this Section must be contained in all group and individual suitable managed care plans as defined by the Illinois Covered Choices Act.

(3) The requirements of subdivision (c)(1) shall apply to any policy of individual accident and health insurance issued in this State that provides coverage for any form of mental and emotional disorder.

(Source: P.A. 94-402, eff. 8-2-05; 94-584, eff. 8-15-05; 94-906, eff. 1-1-07; 94-921, eff. 6-26-06; revised 8-3-06.)

(215 ILCS 5/Art. XLV heading new)

ARTICLE XLV.

(215 ILCS 5/1500-5 new)

Sec. 1500-5. Office of Patient Protection. There is hereby established within the Division of Insurance

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an Office of Patient Protection to ensure that persons covered by health insurance companies or health care plans are provided the benefits due them under this Code and related statutes and are protected from health insurance company and health care plan actions or policy provisions that are unjust, unfair, inequitable, ambiguous, misleading, inconsistent, deceptive, or contrary to law or to the public policy of this State or that unreasonably or deceptively affect the risk purported to be assumed.

(215 ILCS 5/1500-10 new)

Sec. 1500-10. Powers of Office of Patient Protection. Acting under the authority of the Director, the Office of Patient Protection shall: (1) have the power as established by Section 401 of this Code to institute such actions or other lawful proceedings as may be necessary for the enforcement of this Code; and (2) oversee the responsibilities of the Office of Consumer Health, including, but not limited to, responding to consumer questions relating to health insurance.

(215 ILCS 5/1500-15 new)

Sec. 1500-15. Responsibility of Office of Patient Protection. The Office of Patient Protection shall assist health insurance company consumers and health care plan consumers with respect to the exercise of the grievance and appeals rights established by Section 45 of the Managed Care Reform and Patient Rights Act.

(215 ILCS 5/1500-20 new)

Sec. 1500-20. Health insurance oversight. The responsibilities of the Office of Patient Protection shall include, but not be limited to, the oversight of health insurance companies and health care plans with respect to:

(1) Improper claims practices (Sections 154.5 and 154.6 of this Code).

(2) Emergency services.

(3) Compliance with the Managed Care Reform and Patient Rights Act.

(4) Requiring health insurance companies and health care plans to pay claims when internal appeal time frames exceed requirements established by the Managed Care Reform and Patient Rights Act.

(5) Ensuring coverage for mental health treatment, including insurance company and health care plan procedures for internal and external review of denials for mental health coverage as provided by Section 370c of this Code.

(6) Reviewing health insurance company and health care plan eligibility, underwriting, and claims practices.

(215 ILCS 5/1500-25 new)

Sec. 1500-25. Powers of the Director.

(a) The Director, in his or her discretion, may issue a Notice of Hearing requiring a health insurance company or health care plan to appear at a hearing for the purpose of determining the health insurance company or health care plan's compliance with the duties and responsibilities listed in Section 1500-15.

(b) Nothing in this Article XLV shall diminish or affect the powers and authority of the Director of Insurance otherwise set forth in this Code.

Section 18-10. The Health Maintenance Organization Act is amended by changing Section 5-3 as follows:

(215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

Sec. 5-3. Insurance Code provisions.

(a) Health Maintenance Organizations shall be subject to the provisions of Sections 133, 134, 137, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 355.2, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 359a, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

(b) For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health Maintenance Organizations in the following categories are deemed to be "domestic companies":

(1) a corporation authorized under the Dental Service Plan Act or the Voluntary Health Services Plans Act;

(2) a corporation organized under the laws of this State; or

(3) a corporation organized under the laws of another state, 30% or more of the enrollees of which are residents of this State, except a corporation subject to substantially the same requirements in its state of organization as is a "domestic company" under Article VIII 1/2 of the Illinois Insurance Code.

(c) In considering the merger, consolidation, or other acquisition of control of a Health Maintenance

Organization pursuant to Article VIII 1/2 of the Illinois Insurance Code,

(1) the Director shall give primary consideration to the continuation of benefits to enrollees and the financial conditions of the acquired Health Maintenance Organization after the merger, consolidation, or other acquisition of control takes effect;

(2)(i) the criteria specified in subsection (1)(b) of Section 131.8 of the Illinois Insurance Code shall not apply and (ii) the Director, in making his determination with respect to the merger, consolidation, or other acquisition of control, need not take into account the effect on competition of the merger, consolidation, or other acquisition of control;

(3) the Director shall have the power to require the following information:

(A) certification by an independent actuary of the adequacy of the reserves of the Health Maintenance Organization sought to be acquired;

(B) pro forma financial statements reflecting the combined balance sheets of the acquiring company and the Health Maintenance Organization sought to be acquired as of the end of the preceding year and as of a date 90 days prior to the acquisition, as well as pro forma financial statements reflecting projected combined operation for a period of 2 years;

(C) a pro forma business plan detailing an acquiring party's plans with respect to the operation of the Health Maintenance Organization sought to be acquired for a period of not less than 3 years; and

(D) such other information as the Director shall require.

(d) The provisions of Article VIII 1/2 of the Illinois Insurance Code and this Section 5-3 shall apply to the sale by any health maintenance organization of greater than 10% of its enrollee population (including without limitation the health maintenance organization's right, title, and interest in and to its health care certificates).

(e) In considering any management contract or service agreement subject to Section 141.1 of the Illinois Insurance Code, the Director (i) shall, in addition to the criteria specified in Section 141.2 of the Illinois Insurance Code, take into account the effect of the management contract or service agreement on the continuation of benefits to enrollees and the financial condition of the health maintenance organization to be managed or serviced, and (ii) need not take into account the effect of the management contract or service agreement on competition.

(f) Except for small employer groups as defined in the Small Employer Rating, Renewability and Portability Health Insurance Act and except for medicare supplement policies as defined in Section 363 of the Illinois Insurance Code, a Health Maintenance Organization may by contract agree with a group or other enrollment unit to effect refunds or charge additional premiums under the following terms and conditions:

(i) the amount of, and other terms and conditions with respect to, the refund or additional premium are set forth in the group or enrollment unit contract agreed in advance of the period for which a refund is to be paid or additional premium is to be charged (which period shall not be less than one year); and

(ii) the amount of the refund or additional premium shall not exceed 20% of the Health Maintenance Organization's profitable or unprofitable experience with respect to the group or other enrollment unit for the period (and, for purposes of a refund or additional premium, the profitable or unprofitable experience shall be calculated taking into account a pro rata share of the Health Maintenance Organization's administrative and marketing expenses, but shall not include any refund to be made or additional premium to be paid pursuant to this subsection (f)). The Health Maintenance Organization and the group or enrollment unit may agree that the profitable or unprofitable experience may be calculated taking into account the refund period and the immediately preceding 2 plan years.

The Health Maintenance Organization shall include a statement in the evidence of coverage issued to each enrollee describing the possibility of a refund or additional premium, and upon request of any group or enrollment unit, provide to the group or enrollment unit a description of the method used to calculate (1) the Health Maintenance Organization's profitable experience with respect to the group or enrollment unit and the resulting refund to the group or enrollment unit or (2) the Health Maintenance Organization's unprofitable experience with respect to the group or enrollment unit and the resulting additional premium to be paid by the group or enrollment unit.

In no event shall the Illinois Health Maintenance Organization Guaranty Association be liable to pay any contractual obligation of an insolvent organization to pay any refund authorized under this Section. (Source: P.A. 93-102, eff. 1-1-04; 93-261, eff. 1-1-04; 93-477, eff. 8-8-03; 93-529, eff. 8-14-03; 93-853, eff. 1-1-05; 93-1000, eff. 1-1-05; 94-906, eff. 1-1-07; 94-1076, eff. 12-29-06; revised 1-5-07.)

Section 18-15. The Managed Care Reform and Patient Rights Act is amended by changing Section 45

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as follows:

(215 ILCS 134/45)

Sec. 45. Health care services appeals, complaints, and external independent reviews.

(a) A health care plan shall establish and maintain an appeals procedure as outlined in this Act. Compliance with this Act's appeals procedures shall satisfy a health care plan's obligation to provide appeal procedures under any other State law or rules. All appeals of a health care plan's administrative determinations and complaints regarding its administrative decisions shall be handled as required under Section 50.

(b) Internal appeals.

(1) When an appeal concerns a decision or action by a health care plan, its employees, or its subcontractors that relates to (i) health care services, including, but not limited to, procedures or treatments, for an enrollee with an ongoing course of treatment ordered by a health care provider, the denial of which could significantly increase the risk to an enrollee's health, or (ii) a treatment referral, service, procedure, or other health care service, the denial of which could significantly increase the risk to an enrollee's health, the health care plan must allow for the filing of an appeal either orally or in writing.

(2) A health plan must prominently display a brief summary of its appeal requirements as established by this Section, including the manner in which an enrollee may initiate such appeals, in all of its printed material sent to the enrollee as well as on its website.

(3) Upon submission of the appeal, a health care plan must notify the party filing the appeal, as soon as possible, but in no event more than 24 hours after the submission of the appeal, of all information that the plan requires to evaluate the appeal.

(4) The health care plan shall render a decision on the appeal within 24 hours after receipt of the required information.

(5) The health care plan shall notify the party filing the appeal and the enrollee, enrollee's primary care physician, and any health care provider who recommended the health care service involved in the appeal of its decision orally followed-up by a written notice of the determination.

(6) For all denials of treatment for mental and emotional disorders the following requirements shall apply:

(A) A plan's determination that care rendered or to be rendered is inappropriate shall not be made until the plan has communicated with the enrollee's attending mental health professional concerning that medical care. The review shall be made prior to or concurrent with the treatment.

(B) A determination that care rendered or to be rendered is inappropriate shall include the written evaluation and findings of the mental health professional whose training and expertise is at least comparable to that of the treating clinician.

(C) Any determination regarding services rendered or to be rendered for the treatment of mental and emotional disorders for an enrollee which may result in a denial of reimbursement or a denial of pre-certification for that service shall, at the request of the affected enrollee or provider as defined by Section 370c of the Illinois Insurance Code, include the specific review criteria, the procedures and methods used in evaluating proposed or delivered mental health care services, and the credentials of the peer reviewer.

(D) In making any communication, a plan shall ensure that all applicable State and federal laws to protect the confidentiality of individual mental health records are followed.

(E) A plan shall ensure that it provides appropriate notification to and receives concurrence from enrollees and their attending mental health professional before any enrollee interviews are conducted by the plan.

(7) If the enrollee, the enrollee's treating physician, and the health care plan agree, or if the Office of Patient Protection established under Section 1500-5 of the Illinois Insurance Code explicitly allows, the claim determination may be appealed directly to the external independent review as described under subsection (f).

(8) Except as provided in paragraph (7), an enrollee must exhaust the internal appeal process prior to requesting an external independent review.

(c) For all appeals related to health care services including, but not limited to, procedures or treatments for an enrollee and not covered by subsection (b) above, the health care plan shall establish a procedure for the filing of such appeals. Upon submission of an appeal under this subsection, a health care plan must notify the party filing an appeal, within 3 business days, of all information that the plan requires to evaluate the appeal. The health care plan shall render a decision on the appeal within 15 business days after receipt of the required information. The health care plan shall notify the party filing

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the appeal, the enrollee, the enrollee's primary care physician, and any health care provider who recommended the health care service involved in the appeal orally of its decision followed-up by a written notice of the determination.

(d) An appeal under subsection (b) or (c) may be filed by the enrollee, the enrollee's designee or guardian, the enrollee's primary care physician, or the enrollee's health care provider. A health care plan shall designate a clinical peer to review appeals, because these appeals pertain to medical or clinical matters and such an appeal must be reviewed by an appropriate health care professional. No one reviewing an appeal may have had any involvement in the initial determination that is the subject of the appeal. The written notice of determination required under subsections (b) and (c) shall include (i) clear and detailed reasons for the determination, (ii) the medical or clinical criteria for the determination, which shall be based upon sound clinical evidence and reviewed on a periodic basis, and (iii) in the case of an adverse determination, the procedures for requesting an external independent review under subsection (f).

(e) If an appeal filed under subsection (b) or (c) is denied for a reason including, but not limited to, the service, procedure, or treatment is not viewed as medically necessary, denial of specific tests or procedures, denial of referral to specialist physicians or denial of hospitalization requests or length of stay requests, and if the amount of the denial exceeds \$250, any involved party may request an external independent review under subsection (f) of the adverse determination.

(f) External independent review.

(1) The party seeking an external independent review shall so notify the health care plan. The health care plan shall seek to resolve all external independent reviews in the most expeditious manner and shall make a determination and provide notice of the determination no more than 24 hours after the receipt of all necessary information when a delay would significantly increase the risk to an enrollee's health or when extended health care services for an enrollee undergoing a course of treatment prescribed by a health care provider are at issue.

(2) Within ~~180~~ 30 days after the enrollee receives written notice of an adverse determination, if the enrollee decides to initiate an external independent review, the enrollee shall send to the health care plan a written request for an external independent review, including any information or documentation to support the enrollee's request for the covered service or claim for a covered service.

(3) Within 30 days after the health care plan receives a request for an external independent review from an enrollee, the health care plan shall:

(A) provide a mechanism for joint selection of an external independent reviewer by the enrollee, the enrollee's physician or other health care provider, and the health care plan; and

(B) forward to the independent reviewer all medical records and supporting documentation pertaining to the case, a summary description of the applicable issues including a statement of the health care plan's decision, the criteria used, and the medical and clinical reasons for that decision.

(4) Within 5 days after receipt of all necessary information, the independent reviewer shall evaluate and analyze the case and render a decision that is based on whether or not the health care service or claim for the health care service is medically appropriate. The decision by the independent reviewer is final and binding on the health plan. If the external independent reviewer determines the health care service to be medically appropriate, the health care plan shall pay for the health care service. If an external independent review upholds the health plan's determination, the enrollee has the right to appeal the final decision to the Office of Patient Protection established under Section 1500-5 of the Illinois Insurance Code. In cases in which the external independent review determination is found by the Director, through the Office of Patient Protection, to have been made in an arbitrary and capricious manner or to have demonstrated disregard for patient well-being or contracted terms, the Director may overturn the external independent review determination and require the health care plan to pay for the health care service.

(5) The health care plan shall be solely responsible for paying the fees of the external independent reviewer who is selected to perform the review.

(6) An external independent reviewer who acts in good faith shall have immunity from any civil or criminal liability or professional discipline as a result of acts or omissions with respect to any external independent review, unless the acts or omissions constitute ~~willful~~ ~~willful~~ and wanton misconduct. For purposes of any proceeding, the good faith of the person participating shall be presumed.

(7) Future contractual or employment action by the health care plan regarding the patient's physician or other health care provider shall not be based solely on the physician's or other



health care provider's participation in this procedure.

(8) For the purposes of this Section, an external independent reviewer shall:

(A) be a clinical peer;

(B) have no direct financial interest in connection with the case; and

(C) have not been informed of the specific identity of the enrollee.

(g) Nothing in this Section shall be construed to require a health care plan to pay for a health care service not covered under the enrollee's certificate of coverage or policy.

(Source: P.A. 91-617, eff. 1-1-00.)

## ARTICLE 20. BUILDING HEALTHCARE CAPACITY THROUGH COMPREHENSIVE HEALTHCARE WORKFORCE PLANNING

Section 20-1. Short title. This Article may be cited as the Comprehensive Healthcare Workforce Planning Act. All references in this Article to "this Act" mean this Article.

Section 20-5. Definitions. As used in this Act:

"Council" means the State Healthcare Workforce Council created by this Act.

"Department" means the Department of Public Health.

"Executive Committee" means the Executive Committee of the State Healthcare Workforce Council, which shall consist of 13 members of the State Healthcare Workforce Council: the Chair, the Vice-Chair, a representative of the Governor's Office, the Director of Commerce and Economic Opportunity or his or her designee, the Director of Financial and Professional Regulation or his or her designee, the Secretary of Human Services or his or her designee, the Director of Healthcare and Family Services or his or her designee, and 6 health care workforce experts from the State Healthcare Workforce Council as designated by the Governor.

"Interagency Subcommittee" means the Interagency Subcommittee of the State Healthcare Workforce Council, which shall consist of the following members or their designees: the Director of the Department; a representative of the Governor's Office; the Secretary of Human Services; the Directors of the Departments of Commerce and Economic Opportunity, Employment Security, Financial and Professional Regulation, and Healthcare and Family Services; and the executive director of the Illinois Board of Higher Education, the President of the Illinois Community College Board, and the State Superintendent of Education.

Section 20-10. Purpose. The State Healthcare Workforce Council is hereby established to provide an ongoing assessment of health care workforce trends, training issues, and financing policies, and to recommend appropriate State government and private sector efforts to address identified needs. The work of the Council shall focus on: health care workforce supply and distribution; cultural competence and minority participation in health professions education; primary care training and practice; and data evaluation and analysis.

Section 20-15. Members.

(a) The following 10 persons or their designees shall be members of the Council: the Director of the Department; a representative of the Governor's Office; the Secretary of Human Services; the Directors of the Departments of Commerce and Economic Opportunity, Employment Security, Financial and Professional Regulation, and Healthcare and Family Services; and the executive director of the Illinois Board of Higher Education, the President of the Illinois Community College Board, and the State Superintendent of Education.

(b) The Governor shall appoint 16 additional members, who shall be health care workforce experts, including representatives of practicing physicians, nurses, and dentists, State and local health professions organizations, schools of medicine and osteopathy, nursing, dental, allied health, and public health; public and private teaching hospitals; health insurers, business; and labor. The Speaker of the Illinois House of Representatives, the President of the Illinois Senate, the Minority Leader of the Illinois House of Representatives, and the Minority Leader of the Illinois Senate may each appoint one representative to the Council. Members appointed under this subsection (b) shall serve 4-year terms and may be reappointed.

(c) The Director of the Department shall serve as Chair of the Council. The Governor shall appoint a health care workforce expert from the non-governmental sector to serve as Vice-Chair.

Section 20-20. Five-year comprehensive health care workforce plan.

- (a) Every 5 years, the State of Illinois shall prepare a comprehensive healthcare workforce plan.
- (b) The comprehensive healthcare workforce plan shall include, but need not be limited to, the following:
- (1) 25-year projections of the demand and supply of health professionals to meet the needs of healthcare within the State.
  - (2) The identification of all funding sources for which the State has administrative control that are available for health professions training.
  - (3) Recommendations on how to rationalize and coordinate the State-supported programs for health professions training.
  - (4) Recommendations on actions needed to meet the projected demand for health professionals over the 25 years of the plan.
- (c) The Interagency Subcommittee, with staff support and coordination assistance from the Department, shall develop the Comprehensive Healthcare Workforce Plan. The State Healthcare Workforce Council shall provide advice and guidance to the Interagency Subcommittee in developing the plan. The Interagency Subcommittee shall deliver the Comprehensive Healthcare Workforce Plan to the Governor and the General Assembly by July 1 of each fifth year, beginning July 1, 2008, or the first business day thereafter.
- (d) Each year in which a comprehensive healthcare workforce plan is not due, the Department, on behalf of the Interagency Subcommittee, shall prepare a report by July 1 of that year to the Governor and the General Assembly on the progress made toward achieving the projected goals of the current comprehensive healthcare workforce plan during the previous calendar year.
- (e) The Department shall provide staffing to the Interagency Subcommittee, the Council, and the Executive Committee of the Council. It shall also provide the staff support needed to help coordinate the implementation of the comprehensive healthcare workforce plan.

Section 20-25. Executive Committee. The Executive Committee shall:

- (1) oversee and structure the operations of the Council;
- (2) create necessary subcommittees and appoint subcommittee members, with the advice of the Council and the Interagency Subcommittee, as the Executive Committee deems necessary;
- (3) ensure adequate public input into the comprehensive healthcare workforce plan;
- (4) involve, to the extent possible, appropriate representatives of the federal government, local governments, municipalities, and education; and
- (5) have input into the development of the comprehensive healthcare workforce plan and the annual report prepared by the Department before the Department submits them to the Council.

Section 20-30. Interagency Subcommittee. The Interagency Subcommittee and its member agencies shall:

- (1) be responsible for providing the information needed to develop the comprehensive healthcare workforce plan as well as the plan reports;
- (2) develop the comprehensive healthcare workforce plan; and
- (3) oversee the implementation of the plan by coordinating, streamlining, and prioritizing the allocation of resources.

Section 20-35. Reimbursement. The members of the Council shall receive no compensation but shall be entitled to reimbursement for any necessary expenses incurred in connection with the performance of their duties.

#### ARTICLE 25. AMENDATORY PROVISIONS

Section 25-5. The Loan Repayment Assistance for Physicians Act is amended by changing the title of the Act and Sections 1, 5, 10, 15, 20, 25, 30, and 35 as follows:

(110 ILCS 949/Act title)

An Act concerning loan repayment assistance for physicians and dentists.

(110 ILCS 949/1)

Sec. 1. Short title. This Act may be cited as the Targeted Loan Repayment Assistance for Physicians and Dentists Act.

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(Source: P.A. 94-368, eff. 7-29-05.)

(110 ILCS 949/5)

Sec. 5. Purpose. The purpose of this Act is to establish a program in the Department of Public Health to increase the total number of physicians and dentists in this State servicing targeted populations by providing educational loan repayment assistance grants to physicians and dentists.

(Source: P.A. 94-368, eff. 7-29-05.)

(110 ILCS 949/10)

Sec. 10. Definitions. In this Act, unless the context otherwise requires:

"Dentist" means a person who has received a general license pursuant to paragraph (a) of Section 11 of the Illinois Dental Practice Act, who may perform any intraoral and extraoral procedure required in the practice of dentistry, and to whom is reserved the responsibilities specified in Section 17 of the Illinois Dental Practice Act.

"Department" means the Department of Public Health.

"Educational loans" means higher education student loans that a person has incurred in attending a registered professional physician education program or a registered professional dentist education program.

"Medical payments" means compensation provided to physicians or dentists for services rendered under means-tested healthcare programs administered by the Department of Healthcare and Family Services.

"Medically underserved area" means an urban or rural area designated by the Secretary of the United States Department of Health and Human Services as an area with a shortage of personal health services or as otherwise designated by the Department of Public Health.

"Medically underserved population" means (i) the population of an urban or rural area designated by the Secretary of the United States Department of Health and Human Services as an area with a shortage of personal health services or (ii) a population group designated by the Secretary as having a shortage of those services or as otherwise designated by the Department of Public Health.

"Physician" means a person licensed under the Medical Practice Act of 1987 to practice medicine in all of its branches.

"Program" means the educational loan repayment assistance program for physicians and dentists established by the Department under this Act.

"Targeted populations" means one or more of the following: the medically underserved population, persons in a medically underserved area, the uninsured population of this State and persons enrolled in means-tested healthcare programs administered by the Department of Healthcare and Family Services.

"Uninsured population" means persons who do not own private health care insurance, are not part of a group insurance plan, and are not enrolled in any State or federal government-sponsored means-tested healthcare program.

(Source: P.A. 94-368, eff. 7-29-05.)

(110 ILCS 949/15)

Sec. 15. Establishment of program.

(a) The Department shall establish an educational loan repayment assistance program for physicians and dentists who practice in Illinois and serve targeted populations. The Department shall administer the program and make all necessary and proper rules not inconsistent with this Act for the program's effective implementation. The Department may use up to 5% of the appropriation for this program for administration and promotion of physician incentive programs.

(b) The Department shall consult with the Department of Healthcare and Family Services and the Department of Human Services to identify geographic areas of the State in need of health care services, including dental services, for one or more targeted populations. The Department may target grants to physicians and dentists in accordance with those identified needs, with respect to geographic areas, categories of services or quantity of service to targeted populations.

(Source: P.A. 94-368, eff. 7-29-05.)

(110 ILCS 949/20)

Sec. 20. Application. Beginning July 1, ~~2008~~ 2005, the Department shall, each year, consider applications for assistance under the program. The form of application and the information required to be set forth in the application shall be determined by the Department, and the Department shall require applicants to submit with their applications such supporting documents as the Department deems necessary.

(Source: P.A. 94-368, eff. 7-29-05.)

(110 ILCS 949/25)

Sec. 25. Eligibility. To be eligible for assistance under the program, an applicant must meet all of the

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following qualifications:

- (1) He or she must be a citizen or permanent resident of the United States.
- (2) He or she must be a resident of Illinois.
- (3) He or she must be practicing full-time in Illinois as a physician or dentist.
- (4) He or she must currently be repaying educational loans.
- (5) He or she must agree to continue full-time practice in Illinois for 3 years servicing targeted populations.

(6) He or she must accept medical payments as defined in this Act.

(Source: P.A. 94-368, eff. 7-29-05.)

(110 ILCS 949/30)

Sec. 30. The award of grants. Under the program, for each year that a qualified applicant practices full-time in Illinois as a physician or dentist serving targeted populations, the Department shall, subject to appropriation, award a grant to that person in an amount not to exceed equal to the amount in educational loans that the person must repay that year. ~~The~~ However, the total amount in grants that a person may be awarded under the program shall not exceed \$200,000 ~~\$25,000~~. The Department shall require recipients to use the grants to pay off their educational loans.

(Source: P.A. 94-368, eff. 7-29-05.)

(110 ILCS 949/35)

Sec. 35. Penalty for failure to fulfill obligation. Loan repayment recipients who fail to practice full-time in Illinois for 3 years and meet the grant requirement of serving targeted populations shall repay the Department a sum equal to 3 times the amount received under the program.

(Source: P.A. 94-368, eff. 7-29-05.)

#### ARTICLE 30. BUILDING HEALTHCARE CAPACITY THROUGH COMMUNITY HEALTH CENTER TARGETED EXPANSION

Section 30-1. Short title. This Article may be cited as the Community Health Center Targeted Expansion Act. All references in this Article to "this Act" mean this Article.

Section 30-5. Definitions. In this Act:

"Community health center site" means a site where a community health center provides or will provide primary health care services (and, if applicable, specialty health care services) to targeted populations.

"Department" means the Department of Public Health.

"Medically underserved area" means an urban or rural area designated by the Secretary of the United States Department of Health and Human Services as an area with a shortage of personal health services or as otherwise designated by the Department of Public Health.

"Medically underserved population" means (i) the population of an urban or rural area designated by the Secretary of the United States Department of Health and Human Services as an area with a shortage of personal health services or (ii) a population group designated by the Secretary as having a shortage of those services or as otherwise designated by the Department of Public Health.

"Primary health care services" means the following:

(1) Basic health services consisting of the following:

(A) Health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology that are furnished by physicians and, if appropriate, physician assistants, nurse practitioners, and nurse midwives.

(B) Diagnostic laboratory and radiologic services.

(C) Preventive health services, including the following:

(i) Prenatal and perinatal services.

(ii) Screenings for breast and cervical cancer.

(iii) Well-child services.

(iv) Immunizations against vaccine-preventable diseases.

(v) Screenings for elevated blood lead levels, communicable diseases, and cholesterol.

(vi) Pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care.

(vii) Voluntary family planning services.

(viii) Preventive dental services.

(D) Emergency medical services.

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- (E) Pharmaceutical services as appropriate for particular health centers.
- (2) Referrals to providers of medical services and other health-related services (including addiction treatment and mental health services).
- (3) Patient case management services (including counseling, referral, and follow-up services) and other services designed to assist health center patients in establishing eligibility for and gaining access to federal, State, and local programs that provide or financially support the provision of medical, social, educational, or other related services.
- (4) Services that enable individuals to use the services of the health center (including outreach and transportation services and, if a substantial number of the individuals in the population are of limited English-speaking ability, the services of appropriate personnel fluent in the language spoken by a predominant number of those individuals).
- (5) Education of patients and the general population served by the health center regarding the availability and proper use of health services.
- (6) Additional health services consisting of services that are appropriate to meet the health needs of the population served by the health center involved and that may include the following:
- (A) Environmental health services, including the following:
- (i) Detection and alleviation of unhealthful conditions associated with water supply.
  - (ii) Sewage treatment.
  - (iii) Solid waste disposal.
  - (iv) Detection and alleviation of rodent and parasite infestation.
  - (v) Field sanitation.
  - (vi) Housing.
  - (vii) Other environmental factors related to health.
- (B) Special occupation-related health services for migratory and seasonal agricultural workers, including the following:
- (i) Screening for and control of infectious diseases, including parasitic diseases.
  - (ii) Injury prevention programs, which may include prevention of exposure to unsafe levels of agricultural chemicals, including pesticides.
- "Specialty health care services" means health care services, other than primary health care services, provided by such specialists, as the Department may determine by rule. "Specialty health care services" may include, without limitation, dental services, mental health services, behavioral health services, and optometry services.
- "Targeted populations" means one or more of the following: the medically underserved population, persons in a medically underserved area, the uninsured population of this State and persons enrolled in a means-tested healthcare program administered by the Department of Healthcare and Family Services.
- "Uninsured population" means persons who do not own private health care insurance, are not part of a group insurance plan, and are not enrolled in any State or federal government-sponsored means-tested healthcare program.

#### Section 30-10. Grants.

- (a) The Department shall establish a community health center targeted expansion grant program and may make grants subject to appropriations. The grants shall be for the purpose of (i) establishing new community health center sites, (ii) expanding primary health care services at existing community health center sites, or (iii) adding or expanding specialty health care services at existing community health center sites, in each case to serve one or more of the targeted populations in this State. The Department may use up to 5% of the appropriation for this program for administration of the program.
- (b) Grants under this Section shall be for a period not to exceed 3 years. The Department may make new grants whenever the total amount appropriated for grants is sufficient to fund both the new grants and the grants already in effect.
- (c) The Department shall consult with the Department of Healthcare and Family Services and the Department of Human Services to identify geographic areas of the State in need of primary health services and specialty care services for one or more targeted populations. The Department may target grants in accordance with those identified needs, with respect to geographic areas, categories of services or targeted populations.

Section 30-15. Use of grant moneys. In accordance with grant agreements respecting grants awarded under this Act, a recipient of a grant may use the grant moneys to do any one or more of the following:

- (1) Purchase equipment.
- (2) Acquire a new physical location for the purpose of delivering primary health care services or specialty health care services.
- (3) Hire and train staff.
- (4) Develop new practice networks.
- (5) Purchase services or products that shall facilitate the provision of health care services at a community health center site.

Section 30-20. Reporting. Within 60 days after the first and second years of a grant under this Act, the grant recipient must submit a progress report to the Department demonstrating that the recipient is meeting the goals and objectives stated in the grant, that grant moneys are being used for appropriate purposes, and that residents of the community are being served by the targeted expansions established with grant moneys. Within 60 days after the final year of a grant under this Act, the grant recipient must submit a final report to the Department demonstrating that the recipient has met the goals and objectives stated in the grant, that grant moneys were used for appropriate purposes, and that residents of the community are being served by the targeted expansions established with grant moneys.

Section 30-25. Rules. The Department shall adopt rules it deems necessary for the efficient administration of this Act.

#### ARTICLE 33. ILLINOIS ROADMAP TO HEALTH

Section 33-1. Short title. This Article may be cited as the Illinois Roadmap to Health Act. All references in this Article to "this Act" mean this Article.

Section 33-5. Definitions. In this Act:

"Chronic care" means health services provided by a healthcare professional for an established chronic condition that is expected to last a year or more and that requires ongoing clinical management attempting to restore the individual to highest function, minimize the negative effects of the condition, and prevent complications related to chronic conditions. Examples of chronic conditions include diabetes, hypertension, cardiovascular disease, asthma, pulmonary disease, substance abuse, mental illness, and hyperlipidemia.

"Chronic care information system" means the electronic database developed under the Illinois Roadmap to Health that shall include information on all cases of a particular disease or health condition in a defined population of individuals. Such a database may be developed in collaboration between the Department of Healthcare and Family Services and the Department of Public Health building upon and integrating current State databases.

"Chronic care management" means a system of coordinated healthcare interventions and communications for individuals with chronic conditions, including significant patient self-care efforts, systemic supports for the physician and patient relationship, and a plan of care emphasizing prevention of complications utilizing evidence-based practice guidelines, patient empowerment strategies, and evaluation of clinical, humanistic, and economic outcomes on an ongoing basis with the goal of improving overall health.

"Health risk assessment" means screening by a healthcare professional for the purpose of assessing an individual's health, including tests or physical examinations and a survey or other tool used to gather information about an individual's health, medical history, and health risk factors during a screening.

"Illinois Roadmap to Health" means the State's plan for chronic care infrastructure, prevention of chronic conditions, and chronic care management program, and includes an integrated approach to patient self-management, community development, healthcare system and professional practice change, and information technology initiatives.

Section 33-10. Illinois Roadmap to Health.

(a) In coordination with the Director of Healthcare and Family Services or his or her designee and the Secretary of Human Services or his or her designee, the Director of Public Health shall be responsible for the development and implementation of the Illinois Roadmap to Health, including the 5-year

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strategic plan.

(b)(1) The Director of Public Health shall establish an executive committee to advise him or her on creating and implementing a strategic plan for the development of the statewide system of chronic care and prevention described under this Section. The executive committee shall consist of no fewer than 16 individuals, including representatives from the Department of Financial and Professional Regulation, the Department of Healthcare and Family Services Division of Medical Programs, the Department of Healthcare and Family Services Office of Healthcare Purchasing, the Department of Human Services, 2 representatives of Illinois physician organizations, a representative of Illinois hospitals, a representative from Illinois nurses, a representative from Illinois community health centers, a representative from community mental health providers, a representative from substance abuse providers, 2 representatives of private health insurers, and at least 2 consumer advocates.

(2) The executive committee shall engage a broad range of healthcare professionals who provide services and have expertise in specific areas addressed by the Illinois Roadmap to Health. Such professionals shall be representative of practice in both private insurance and public health and in care for those served by State medical programs including, but not limited to, the Covering ALL KIDS Health Insurance Program, the Children's Health Insurance Program Act, and medical assistance under Article V of the Illinois Public Aid Code generally.

(c)(1) The strategic plan shall include:

(A) A description of the Illinois Roadmap to Health, which includes general, standard elements, patient self-management, community initiatives, and health system and information technology reform, to be used uniformly statewide by private insurers, third party administrators, and State healthcare programs.

(B) A description of prevention programs and how these programs are integrated into communities, with chronic care management, and the Illinois Roadmap to Health model.

(C) A plan to develop an appropriate payment methodology that aligns with and rewards health professionals who manage the care for individuals with or at risk for conditions in order to improve outcomes and the quality of care.

(D) The involvement of public and private groups, healthcare professionals, insurers, third party administrators, hospitals, community health centers, and businesses to facilitate and ensure the sustainability of a new system of care.

(E) The involvement of community and consumer groups to facilitate and ensure the sustainability of health services supporting healthy behaviors and good patient self-management for the prevention and management of chronic conditions.

(F) Alignment of any information technology needs with other healthcare information technology initiatives.

(G) The use and development of outcomes measures and reporting requirements, aligned with existing outcome measures within the Departments of Public Health and Healthcare and Family Services, to assess and evaluate the system of chronic care.

(H) Target timelines for inclusion of specific chronic conditions to be included in the chronic care infrastructure and for statewide implementation of the Illinois Roadmap to Health.

(I) Identification of resource needs for implementing and sustaining the blueprint for health, and strategies to meet the needs.

(J) A strategy for ensuring statewide participation no later than January 1, 2011 by insurers, third-party administrators, State healthcare programs, healthcare professionals, hospitals and other professionals, and consumers in the chronic care management plan, including common outcome measures, best practices and protocols, data reporting requirements, reimbursement methodologies incentivizing chronic care management and prevention or early detection of chronic illnesses and other standards.

(2) The strategic plan shall be reviewed biennially and amended as necessary to reflect changes in priorities. Amendments to the plan shall be reported to the General Assembly and the Office of the Governor in the report established under subsection (d) of this Section.

(d)(1) The Director of Public Health in collaboration with the Director of Healthcare and Family Services and the Secretary of Human Services shall report annually to members of the General Assembly and the Office of the Governor on the status of implementation of the Illinois Roadmap to Health. The report shall include: the number of participating insurers, healthcare professionals, and patients; the progress for achieving statewide participation in the chronic care management plan, including the measures established under subsection (c) of this Section; the expenditures and savings for the period; and the results of healthcare professional and patient satisfaction surveys. The surveys shall be developed in collaboration with the executive committee established under subsection (b) of

this Section.

(2) If statewide participation in the Illinois Roadmap to Health is not achieved by January 1, 2011, the Director of Public Health shall evaluate the Illinois Roadmap to Health and recommend to the General Assembly changes necessary to create alternative measures to ensure statewide participation by health insurers, third party administrators, State healthcare programs, and healthcare professionals.

#### Section 33-15. Chronic Care Management Program.

(a) The Director of Healthcare and Family Services shall ensure that chronic care management programs, including disease management programs established for those enrolled in medical programs administered by the Department, including both State employee health insurance programs and means-tested healthcare programs administered by the Department, are modified over time to comply with the Illinois Roadmap to Health strategic plan and to the extent feasible collaborate in its initiatives.

(b) The programs described in subsection (a) shall be designed or modified as necessary to:

(1) Include a broad range of chronic conditions in the chronic care management program.

(2) Utilize the chronic care information system established under this Act.

(3) Include an enrollment process which provides incentives and strategies for maximum patient participation, and a standard statewide health risk assessment for each individual.

(4) Include methods of increasing communications among healthcare professionals and patients, including patient education, self-management, and follow-up plans.

(5) Include process and outcome measures to provide performance feedback for healthcare professionals and information on the quality of care, including patient satisfaction and health status outcomes.

(6) Include payment methodologies to align reimbursements and create financial incentives and rewards for healthcare professionals to establish management systems for chronic conditions, to improve health outcomes, and to improve the quality of care, including case management fees, payment for technical support and data entry associated with patient registries, and any other appropriate payment for achievement of chronic care goals.

(7) Include a requirement that the data on enrollees be shared, to the extent allowable under federal law, with the Department in order to inform the healthcare reform initiatives under the Illinois Roadmap to Health.

Section 33-20. Promoting Wellness under the Illinois Roadmap to Health. The Director of Healthcare and Family Services, in collaboration with the Director of Public Health, the Secretary of Human Services, and the Department of Central Management Services, shall develop new strategies to:

(1) Promote wellness and the adoption of healthy lifestyle choices and prevent

chronic illness in the State's means-tested healthcare programs. The Department of Healthcare and Family Services shall analyze whether any federal waivers or waiver modifications are needed or desirable to integrate such programs into the State's means-tested healthcare programs.

(2) Promote wellness and the adoption of healthy lifestyle choices and prevent chronic illness in the State employee's health insurance programs. Such initiatives shall involve consultation with the State of Illinois employees' representatives.

### ARTICLE 35. IMPROVING PATIENT SAFETY AND PROMOTING ELECTRONIC HEALTH RECORDS

Section 35-1. Short title. This Article may be cited as the Health Information Exchange and Technology Act. All references in this Article to "this Act" mean this Article.

Section 35-5. Purpose. Health information technology improves the quality of patient care, increases the efficiency of health care practices, improves safety, and reduces health care errors. These benefits are realized through the sharing of vital health information among health care providers who have adopted electronic health record systems. To ensure the benefits of health information technology are available to the citizens of Illinois, the State must provide a framework for the exchange of health information and encourage the widespread adoption of electronic health record (EHR) systems among health care providers.

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Section 35-7. Definition. As used in this Article, "Department" means the Department of Public Health.

Section 35-10. Implementation of health information technology initiatives. In order to advance the effective implementation of health information technology, the Department of Public Health shall, subject to appropriation, establish a program to promote, through public-private partnerships, the development of a health information exchange framework and foster the adoption of electronic health record systems.

Section 35-15. Establishment of the Illinois Health Information Network.

(a) As part of its program to promote health information technology through public-private partnerships, the Department of Public Health is authorized in accordance with Section 10 of the State Agency Entity Creation Act to create a not for profit organization that shall be known as the Illinois Health Information Network, or ILHIN. The Department shall file articles of incorporation and bylaws as required under the General Not For Profit Corporation Act of 1986 to create the ILHIN.

(b) The primary mission of the ILHIN shall be the following:

(1) to establish a State-level health information exchange to facilitate the sharing of health information among health care providers within Illinois and beyond in other states; and

(2) to foster the widespread adoption of electronic health records, personal health records, and health information exchange by health care providers and the general public.

(c) The ILHIN shall be governed by a board of directors as specified in Section 35-25 of this Act, with the rights, titles, powers, privileges, and obligations provided for in the General Not For Profit Corporation Act of 1986.

(d) The board of directors may employ staff under the direction of the executive director appointed pursuant to Section 35-25, or independent contractors necessary to perform its duties as specified in this Section and to fix their compensation, benefits, terms, and conditions of their employment. Employees of the department may be deployed by the director to support the activities of the ILHIN.

(e) Funds collected by the ILHIN shall be considered private funds and shall be held in an appropriate account outside of the State Treasury. The treasurer of the ILHIN shall be custodian of all ILHIN funds. The ILHIN's accounts and books shall be set up and maintained in a manner approved by the Auditor General and the ILHIN and its officers shall be responsible for the approval of recording of receipts, approval of payments, and the proper filing of required reports. The ILHIN may be assisted in carrying out its functions by personnel of the department with respect to matters falling within their scope and function. The ILHIN shall cooperate fully with the boards, commissions, agencies, departments and institutions of the State. The funds held and made available by ILHIN shall be subject to financial and compliance audits by the Auditor General in compliance with the Illinois State Auditing Act.

Section 35-20. Powers and duties of the Illinois Health Information Network.

(a) The ILHIN shall create a State-level health information exchange using modern up-to-date communications technology and software that is both secure and cost effective, meets all other relevant privacy and security requirements both at the State and federal level, and conforms to appropriate existing or developing federal electronic communications standards. The ILHIN shall consult with other states and federal agencies to better understand the technologies in use as well as the kinds of patient data that is being collected and utilized in similar programs.

(b) The ILHIN shall establish, by January 1, 2010, minimum standards for accessing the State-level health information exchange by health care providers and researchers in order to ensure security and confidentiality protections for patient information, consistent with applicable federal and State standards. The ILHIN shall have the authority to suspend or terminate rights to participate in the health information exchange in case of non-compliance or failure to act, with respect to applicable standards, in the best interests of patients, participants of the ILHIN, and the public.

(c) The ILHIN shall identify barriers to the adoption of electronic health record systems by health care providers, including conducting, facilitating, or coordinating research on the rates and patterns of dissemination and use of electronic health record systems throughout the State. To address gaps in statewide implementation, the ILHIN may, through staff or consultant support, contracts, grants, or loans, offer technical assistance, training, and financial assistance, as available, to health care providers,

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with priority given to providers serving a significant percentage of uninsured patients and patients in medically underserved or rural areas.

(d) The ILHIN shall educate the general public on the benefits of electronic health records, personal health records, and the safeguards available to prevent disclosure of personal health information.

(e) The ILHIN may appoint or designate a federally qualified institutional review board to review and approve requests for research in order to ensure compliance with standards and patient privacy protections as specified in subsection (b) of this Section.

(f) The ILHIN may solicit grants, loans, contributions, or appropriations from public or private source and may enter into any contracts, grants, loans, or agreements with respect to the use of such funds to fulfill its duties under this Act. No debt or obligation of the ILHIN shall become the debt or obligation of the State.

(g) The ILHIN may determine, charge, and collect any fees, charges, costs, and expenses from any person or provider in connection with its duties under this Act.

(h) The Department of Public Health may authorize ILHIN to collect protected health data from health care providers in a central repository for public health purposes and identified data for the use of the Department or other State agencies specifically to fulfill their state responsibilities. Any identified data so collected shall be privileged and confidential in accordance with Sections 8-2101, 8-2102, 8-2103, 8-2104, and 8-2105 of the Code of Civil Procedure and shall be exempt from the provisions of the Freedom of Information Act.

(i) The Department may authorize the ILHIN to make protected data available to health care providers and other organizations for the purpose of analyzing data related to health disparities, chronic illnesses, quality performance measurers, and other health care related issues.

(j) The ILHIN shall coordinate with the Department of Public Health with respect to the Governor's 2006 Executive Order 8 that, among other matters, encourages all health care providers to use electronic prescribing programs by 2011, to evaluate areas in need of enhanced technology to support e-prescribing programs, and to determine the technology needed to implement e-prescribing programs.

#### Section 35-25. Governance of the Illinois Health Information Network.

(a) The ILHIN shall be governed by a board of directors appointed to 3-year staggered terms by the Director of Public Health. The directors shall be representative of a broad spectrum of health care providers and may include among others: hospitals; physicians; nurses; consumers; third-party payers; pharmacists; federally qualified health centers as defined in Section 1905(l)(2)(B) of the Social Security Act; long-term care facilities, laboratories, mental health facilities, and home health agency organizations. The directors shall include representatives of the public and health care consumers.

(b) The Director of Public Health, the Director of Healthcare and Family Services, and the Secretary of Human Services, or their designees, shall be ex-officio members of the board of directors.

(c) The Director of Public Health shall designate the ILHIN's presiding officer from among the members appointed.

(d) The Director of Public Health shall appoint the executive director for the ILHIN. The executive director may be an employee of the Department of Public Health.

(e) The board of directors may elect or appoint an executive committee, other committees, and subcommittees to conduct the business of the organization.

#### Section 35-30. Health information systems maintained by State agencies.

(a) By no later than January 1, 2015, each State agency that implements, acquires, or upgrades health information technology systems used for the direct exchange of health information between agencies and with non-State entities shall use health information technology systems and products that meet minimum standards adopted by the ILHIN for accessing the State-level health information exchange.

(b) In order to provide the ILHIN with operational capabilities to assist in the development of the State-level health information exchange, the Department of Public Health is authorized to transfer or license the assets of the Illinois Health Network to the ILHIN as soon as is practicable.

### ARTICLE 40. REDUCING ADMINISTRATIVE COSTS IN THE OVERALL HEALTHCARE SYSTEM THROUGH ADMINISTRATIVE SIMPLIFICATION

#### Section 40-5. Common claims and procedures work group.

(a) No later than January 1, 2008, a common claims and procedures work group shall form, composed of:

- (1) Two representatives of Illinois hospitals.

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- (2) Two representatives of Illinois physicians organizations.
  - (3) One representative of a nursing organization.
  - (4) One representative of a community health center.
  - (5) The Director of Healthcare and Family Services or his or her designee.
  - (6) Two representatives from business groups appointed by the Governor.
  - (7) The Director of Professional and Financial Regulation or his or her designee.
  - (8) Two representatives of the insurance industry appointed by the Governor.
- (b) The group shall design, recommend, and implement steps to achieve the following goals:
- (1) Simplifying the claims administration process for consumers, healthcare providers, and others so that the process is more understandable, and less time-consuming.
  - (2) Lowering administrative costs in the healthcare financing system.
  - (3) Where possible, harmonizing the claims processing system for State healthcare programs with the process utilized by private insurers.
- (c) On or before July 1, 2008, the work group shall present a 2-year work plan and budget to the General Assembly and Office of the Governor. This work plan may include the elements of the claims administration process, including claims forms, patient invoices, and explanation of benefits forms, payment codes, claims submission and processing procedures, including electronic claims processing, issues relating to the prior authorization process, and reimbursement for services provided prior to being credentialed.
- (d) The Department of Healthcare and Family Services may procure a vendor or external expertise to assist the work group in its activities. Such a vendor shall have broad knowledge of claims processing and benefit management across both public and private payors. Particular attention may be paid to harmonizing claims processing system for State healthcare programs with the processes utilized by private insurers.

#### ARTICLE 45. PROMOTING PERSONAL AND BUSINESS RESPONSIBILITY FOR HEALTH INSURANCE AND HEALTHCARE COSTS

Section 45-5. Findings. A majority of Illinoisans receive their healthcare through employer sponsored health insurance. The cost of such healthcare has been rising faster than wage inflation. A majority of businesses offer and subsidize such health insurance. However, a growing number of businesses are not offering health insurance. When a business does not offer subsidized health insurance, employees are far more likely to be uninsured and the costs of their healthcare are borne by other payors including other businesses. Likewise, when individuals choose to forgo paying for health insurance, they may still experience illness or be involved in an accident resulting in high medical costs that are borne by others. This cost shifting is driving up the cost of insurance for responsible businesses who are offering health insurance and other individuals who are purchasing health insurance in the non-group market. It is also shifting costs to State government, and therefore taxpayers, by expanding the costs of current State healthcare programs. Therefore, the General Assembly finds that it is equitable to assess businesses a fee to offset such costs when such a business is not contributing adequately to the cost of healthcare insurance and services for its employees. It is also appropriate to consider whether individuals should be required to contribute to the purchase of affordable health insurance coverage for themselves and their families.

#### ARTICLE 50. ILLINOIS COVERED ASSESSMENT ACT

##### PART 1. SHORT TITLE AND CONSTRUCTION

Section 50-101. Short title. This Article may be cited as the Illinois Covered Assessment Act. All references in this Article to "this Act" mean this Article.

Section 50-105. Construction. Except as otherwise expressly provided or clearly appearing from the context, any term used in this Act shall have the same meaning as when used in a comparable context in the Illinois Income Tax Act as in effect for the taxable year.

##### PART 2. DEFINITIONS

Section 50-201. Definitions. When used in this Act, where not otherwise distinctly expressed or

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manifestly incompatible with the intent thereof:

"Employer" means any person who employs 10 or more full-time equivalent employees during the taxable year. The term "employer" does not include the government of the United States, of any foreign country, or of any of the states, or of any agency, instrumentality, or political subdivision of any such government. In the case of a unitary business group, as defined in Section 1501(a)(27) of the Illinois Income Tax Act, the employer is the unitary business group.

"Expenditures for health care" means any amount paid by an employer to provide health care to its employees or their families or reimburse its employees or their families for health care, including but not limited to amounts paid or reimbursed for health insurance premiums where the underlying policy provides or has provided coverage to employees of such employer or their families. Such expenditures include but are not limited to payment or reimbursement for medical care, prescription drugs, vision care, medical savings accounts, and any other costs to provide health care to an employer's employees or their families.

"Full-time equivalent employees". The number of "full-time equivalent employees" employed by an employer during a taxable year shall be the lesser of (i) the number of persons who were employees of the employer at any time during the taxable year and (ii) the total number of hours worked by all employees of the employer during the taxable year, divided by 1500.

"Illinois employee" means an employee who is an Illinois resident during the time he or she is performing services for the employer or who has compensation from the employer that is "paid in this State" during the taxable year within the meaning of Section 304(a)(2)(B) of the Illinois Income Tax Act.

"Wages" means wages as defined in Section 3401(a) of the Internal Revenue Code, without regard to the exceptions contained in that Section and without reduction for exemptions allowed in computing withholding.

### PART 3. TAX IMPOSED

#### Section 50-301. Tax imposed.

(a) A tax is hereby imposed on each employer for the privilege of doing business in this State at the rate of 3% of the wages paid to Illinois employees by the employer during the taxable year, provided that the tax on wages paid by the employer to any single employee shall not exceed \$7,500 for the taxable year.

(b) The tax imposed under this Act shall apply to wages paid on or after July 1, 2008.

(c) The tax imposed under this Act is a tax on the employer, and shall not be withheld from wages paid to employees or otherwise be collected from employees or reduce the compensation paid to employees.

#### Section 50-302. Credits.

(a) For each taxable year, an employer whose total expenditures for health care for Illinois employees exceed 4% of the wages paid to Illinois employees for that taxable year shall be entitled to a credit equal to 3% of the wages paid to Illinois employees for that taxable year.

(b) For each taxable year, an employer whose expenditures for health care for Illinois employees exceed 2.5% of the wages paid to Illinois employees for that taxable year, but are less than 4%, shall be entitled to a credit equal to the wages paid to Illinois employees times a percentage equal to 3% minus the excess of the percentage of wages paid to Illinois employees expended on health care for Illinois employees over 2.5%.

### PART 4. PAYMENT OF ESTIMATED TAX

#### Section 50-401. Payment of estimated tax.

(a) Each taxpayer is required to pay estimated tax in installments for each taxable year in the form and manner that the Department requires by rule.

(b) Payment of an installment of estimated tax is due no later than each due date during the taxable year under Article 7 of the Illinois Income Tax Act for payment of amounts withheld from employee compensation by the employer.

(c) The amount of each installment shall be: (1) 3% of the wages paid to Illinois employees during the period during which the employer withheld the amount of Illinois income withholding that is due on the same date as the installment, minus (2) the credit allowed for the taxable year under Section 50-302 of this Act, multiplied by the number of days during the period in clause (1), divided by 365.

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(d) No payment of estimated tax is due under this Section for a taxable year if, during the 12 months preceding the taxable year, the employer employed fewer than 10 full-time equivalent employees. For purposes of this subsection, in the case of an employer that is a corporation, the employees for the 12 months immediately preceding the taxable year shall include the employees of any corporations whose assets were acquired by the employer in a transaction described in Section 381(a) of the Internal Revenue Code during that 12-month period.

(e) For purposes of Section 3-3 of the Uniform Penalty and Interest Act, a taxpayer shall be deemed to have failed to make timely payment of an installment of estimated taxes due under this Section only if the amount timely paid for that installment is less than 90% of the amount due under subsection (c) of this Section.

## PART 5. INDIVIDUAL RESPONSIBILITY

### Section 50-501. Individual responsibility.

(a) No later than January 1, 2008, the Department of Healthcare and Family Services, in collaboration with the Department of Public Health, shall establish the Promoting Individual Responsibility in Health Insurance Task Force. The task force shall be appointed by the Governor and shall consist at a minimum of:

- (1) Three consumer advocates including an advocate for persons with disabilities.
- (2) Three representatives of businesses.
- (3) Two representatives of healthcare professionals.
- (4) Two individuals with expertise in health policy.
- (5) One representative of hospitals.
- (6) One individual with expertise in economics.

(b) The task force shall analyze the effects of establishing an individual mandate to purchase health insurance, including but not limited to the following topics:

- (1) The effect on current insurance premiums paid for by businesses and individuals of the presence or absence of such a mandate.
- (2) The effect on lifetime healthcare costs of lack of health insurance or intermittent coverage.
- (3) What constitutes affordability of health insurance for individuals and families.
- (4) What are the barriers to insurance that exist today, and what would be appropriate remedies for such barriers.
- (5) What entities currently incur costs due to individuals being uninsured, and the extent of such costs here in Illinois.
- (6) What an appropriate enforcement mechanism would be if such a mandate were to be established.
- (7) What the effect on the level of insurance would be if such a mandate were to be established.

(c) The task force shall prepare a report for the General Assembly and the Office of the Governor no later than December 31, 2009 with recommendations as to whether an individual mandate should be enacted and, if so, the mechanism for so doing.

(d) No later than December 31, 2010, the Department of Healthcare and Family Services shall estimate the reduction in the number of uninsured persons due to implementation of the Illinois Covered Act. If the number of uninsured adults between the ages of 19 and 64 is estimated to be above 500,000 individuals, then the Department shall review the recommendations of the task force and make a recommendation to the General Assembly regarding a requirement for purchase of health insurance.

## PART 6. HEALTH INSURER RESPONSIBILITY

Section 50-601. Health insurer responsibility. Within 30 days after the conclusion of 2 years from the effective date of the Illinois Covered Choices Program, the Governor shall designate a 9-person task force to determine the propriety of regulatory reform requiring prior approval of premium rates charged by health insurers for group and individual contracts. The task force shall be composed of a designee of the Governor, the Speaker of the House of Representatives, the President of the Senate, the Director of the Department of Healthcare and Family Services, the Director of the Division of Insurance, a representative of the health insurance industry, a representative of health care providers, and 2 representatives of labor groups or employee associations. Within 270 days after the conclusion of 2 years from the effective date of the Illinois Covered Choices Program, the task force shall issue a written

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report to the Governor, including a description of findings, analyses, conclusions, and recommendations, regarding whether additional health insurance rate regulation is appropriate. If necessary, the Governor shall thereafter take action appropriate to implement the recommendations of the task force.

#### PART 7. SEVERABILITY

Section 50-701. Severability. It is the purpose of Section 50-301 of this Act to impose a tax upon the privilege of doing business in this State, so far as the same may be done under the Constitution and statutes of the United States and the Constitution of the State of Illinois. If any clause, sentence, Section, provision, part, or credit included in this Act, or the application thereof to any person or circumstance, is adjudged to be unconstitutional, then it is the intent of the General Assembly that the tax imposed and the remainder of this Act, or its application to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

#### ARTICLE 95. MISCELLANEOUS PROVISIONS

Section 95-5. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

(5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24 month period, except that this limitation on the number of emergency rules that may be adopted in a 24 month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, or (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of this amendatory Act of the 91st General Assembly or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of this amendatory Act of the 91st General

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Assembly or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of this amendatory Act of the 92nd General Assembly or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of this amendatory Act of the 92nd General Assembly or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of this amendatory Act of the 93rd General Assembly or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of this amendatory Act of the 94th General Assembly or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of this amendatory Act of the 95th General Assembly, the Departments of Healthcare and Family Services, Revenue, Public Health, and Financial and Professional Regulation may adopt rules necessary to

establish and implement this amendatory Act of the 95th General Assembly through the use of emergency rulemaking in accordance with this Section. For the purposes of this Act, the General Assembly finds that the adoption of rules to implement this amendatory Act of the 95th General Assembly is deemed an emergency and necessary for the public interest, safety, and welfare.

(Source: P.A. 93-20, eff. 6-20-03; 93-829, eff. 7-28-04; 93-841, eff. 7-30-04; 94-48, eff. 7-1-05; 94-838, eff. 6-6-06; revised 10-19-06.)

Section 95-97. Severability. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity of that provision of application does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

#### ARTICLE 99. EFFECTIVE DATE

Section 99-99. Effective date. This Act takes effect upon becoming law."

And on that motion, a call of the roll was had resulting as follows:

Yeas 29; Nays 28.

The following voted in the affirmative:

Clayborne	Garrett	Link	Schoenberg
Collins	Haine	Maloney	Silverstein
Crotty	Halvorson	Martinez	Trotter
Cullerton	Harmon	Meeks	Wilhelmi
DeLeo	Hendon	Noland	Mr. President
Delgado	Hunter	Raoul	
Demuzio	Koehler	Ronen	
Forby	Lightford	Sandoval	

The following voted in the negative:

Althoff	Holmes	Munoz	Sieben
Bomke	Hultgren	Murphy	Syverson
Bond	Jacobs	Pankau	Viverito
Brady	Jones, J.	Peterson	Watson
Burzynski	Kotowski	Radogno	
Cronin	Lauzen	Righter	
Dahl	Luechtefeld	Risinger	
Dillard	Millner	Rutherford	

This roll call verified.

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Ronen offered the following amendment and moved its adoption:

#### **AMENDMENT NO. 2 TO SENATE BILL 5**

AMENDMENT NO. 2. Amend Senate Bill 5, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, by replacing lines 20 through 23 on page 111, all of pages 112 through 117, and lines 1 through 6 on page 118 with the following:

#### "ARTICLE 30. BUILDING HEALTHCARE CAPACITY THROUGH COMMUNITY HEALTH PROVIDER TARGETED EXPANSION

Section 30-1. Short title. This Article may be cited as the Community Health Provider Targeted Expansion Act. All references in this Article to "this Act" mean this Article.

Section 30-5. Definitions. In this Act:

[May 31, 2007]



"Community health provider site" means a site where a community health provider provides or will provide primary health care services (and, if applicable, specialty health care services) to targeted populations.

"Department" means the Department of Public Health.

"Medically underserved area" means an urban or rural area designated by the Secretary of the United States Department of Health and Human Services as an area with a shortage of personal health services or as otherwise designated by the Department of Public Health.

"Medically underserved population" means (i) the population of an urban or rural area designated by the Secretary of the United States Department of Health and Human Services as an area with a shortage of personal health services or (ii) a population group designated by the Secretary as having a shortage of those services or as otherwise designated by the Department of Public Health.

"Primary health care services" means the following:

(1) Basic health services consisting of the following:

(A) Health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology that are furnished by physicians and, if appropriate, physician assistants, nurse practitioners, and nurse midwives.

(B) Diagnostic laboratory and radiologic services.

(C) Preventive health services, including the following:

(i) Prenatal and perinatal services.

(ii) Screenings for breast and cervical cancer.

(iii) Well-child services.

(iv) Immunizations against vaccine-preventable diseases.

(v) Screenings for elevated blood lead levels, communicable diseases, and cholesterol.

(vi) Pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care.

(vii) Voluntary family planning services.

(viii) Preventive dental services.

(D) Emergency medical services.

(E) Pharmaceutical services as appropriate for particular health centers.

(2) Referrals to providers of medical services and other health-related services (including addiction treatment and mental health services).

(3) Patient case management services (including counseling, referral, and follow-up services) and other services designed to assist health provider patients in establishing eligibility for and gaining access to federal, State, and local programs that provide or financially support the provision of medical, social, educational, or other related services.

(4) Services that enable individuals to use the services of the health provider (including outreach and transportation services and, if a substantial number of the individuals in the population are of limited English-speaking ability, the services of appropriate personnel fluent in the language spoken by a predominant number of those individuals).

(5) Education of patients and the general population served by the health provider regarding the availability and proper use of health services.

(6) Additional health services consisting of services that are appropriate to meet the health needs of the population served by the health provider involved and that may include the following:

(A) Environmental health services, including the following:

(i) Detection and alleviation of unhealthful conditions associated with water supply.

(ii) Sewage treatment.

(iii) Solid waste disposal.

(iv) Detection and alleviation of rodent and parasite infestation.

(v) Field sanitation.

(vi) Housing.

(vii) Other environmental factors related to health.

(B) Special occupation-related health services for migratory and seasonal agricultural workers, including the following:

(i) Screening for and control of infectious diseases, including parasitic diseases.

(ii) Injury prevention programs, which may include prevention of exposure to

unsafe levels of agricultural chemicals, including pesticides.

"Specialty health care services" means health care services, other than primary health care services, provided by such specialists, as the Department may determine by rule. "Specialty health care services" may include, without limitation, dental services, mental health services, behavioral health services, and optometry services.

"Targeted populations" means one or more of the following: the medically underserved population, persons in a medically underserved area, the uninsured population of this State and persons enrolled in a means-tested healthcare program administered by the Department of Healthcare and Family Services.

"Uninsured population" means persons who do not own private health care insurance, are not part of a group insurance plan, and are not enrolled in any State or federal government-sponsored means-tested healthcare program.

#### Section 30-10. Grants.

(a) The Department shall establish a community health provider targeted expansion grant program and may make grants subject to appropriations. The grants shall be for the purpose of (i) establishing new community health provider sites, (ii) expanding primary health care services at existing community health provider sites, or (iii) adding or expanding specialty health care services at existing community health center sites, in each case to serve one or more of the targeted populations in this State. The Department may use up to 5% of the appropriation for this program for administration of the program.

(b) Grants under this Section shall be for a period not to exceed 3 years. The Department may make new grants whenever the total amount appropriated for grants is sufficient to fund both the new grants and the grants already in effect.

(c) The Department shall consult with the Department of Healthcare and Family Services and the Department of Human Services to identify geographic areas of the State in need of primary health services and specialty care services for one or more targeted populations. The Department may target grants in accordance with those identified needs, with respect to geographic areas, categories of services or targeted populations.

Section 30-15. Use of grant moneys. In accordance with grant agreements respecting grants awarded under this Act, a recipient of a grant may use the grant moneys to do any one or more of the following:

- (1) Purchase equipment.
- (2) Acquire a new physical location for the purpose of delivering primary health care services or specialty health care services.
- (3) Hire and train staff.
- (4) Develop new practice networks.
- (5) Purchase services or products that shall facilitate the provision of health care services at a community health center site.

Section 30-20. Reporting. Within 60 days after the first and second years of a grant under this Act, the grant recipient must submit a progress report to the Department demonstrating that the recipient is meeting the goals and objectives stated in the grant, that grant moneys are being used for appropriate purposes, and that residents of the community are being served by the targeted expansions established with grant moneys. Within 60 days after the final year of a grant under this Act, the grant recipient must submit a final report to the Department demonstrating that the recipient has met the goals and objectives stated in the grant, that grant moneys were used for appropriate purposes, and that residents of the community are being served by the targeted expansions established with grant moneys.

Section 30-25. Rules. The Department shall adopt rules it deems necessary for the efficient administration of this Act."

The motion prevailed.

And the amendment was adopted and ordered printed.

Senate Floor Amendments numbered 3, 4 and 5 were postponed in the Committee on Public Health.

Senator Koehler offered the following amendment and moved its adoption:

[May 31, 2007]

**AMENDMENT NO. 6 TO SENATE BILL 5**

AMENDMENT NO. 6. Amend Senate Bill 5, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, by replacing lines 21 through 24 on page 139 and lines 1 through 3 on page 140 with the following:

"(b) If the tax otherwise due under subsection (a) of Section 50-301 of this Act with respect to the wages of any employee of the employer is \$7,500, the credit allowed in subsection (a) of this Section shall be computed without taking into account any wages paid to that employee or any expenditures for health care incurred with respect to that employee, and, in addition to the credit so computed, the employer shall be allowed a credit of \$7,500 with respect to that employee of the expenditures for health care incurred with respect to that employee exceed \$10,000.

(c) For purposes of determining whether total expenditures for health care for Illinois employees exceed 4% of the wages paid to Illinois employees for a taxable year, the wages paid to and expenditures for health care for any Illinois employee with health care coverage provided by another employer of that employee, or with health care coverage as a dependent through another employer, shall be disregarded."

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Hunter offered the following amendment and moved its adoption:

**AMENDMENT NO. 7 TO SENATE BILL 5**

AMENDMENT NO. 7. Amend Senate Bill 5, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 1, line 6, by changing "Illinois Covered Act" to "Margaret Smith Illinois Covered Act"; and

on page 143, line 5, by changing "Illinois Covered Act" to "Margaret Smith Illinois Covered Act".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendments numbered 1, 2, 6 and 7 were ordered engrossed, and the bill, as amended, was ordered to a third reading.

On motion of Senator Clayborne, **Senate Bill No. 890** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendments numbered 1 and 2 were postponed in the Committee on Executive.

Senate Floor Amendments numbered 3 and 4 were held in the Committee on Rules.

Senator Clayborne offered the following amendment and moved its adoption:

**AMENDMENT NO. 5 TO SENATE BILL 890**

AMENDMENT NO. 5. Amend Senate Bill 890 by replacing everything after the enacting clause with the following:

"Section 5. If and only if Senate Bill 500 of the 95th General Assembly becomes law, then the Smoke Free Illinois Act is amended by changing Section 35 as follows:

(95SB0500enr, Sec. 35)

Sec. 35. Exemptions. Notwithstanding any other provision of this Act, smoking is allowed in the following areas:

(1) Private residences or dwelling places, except when used as a child care, adult day care, or healthcare facility or any other home-based business open to the public.

(2) Retail tobacco stores as defined in Section 10 of this Act in operation prior to the effective date of this amendatory Act of the 95th General Assembly. The retail tobacco store shall annually file with the Department by January 31st an affidavit stating the percentage of its gross income during the prior calendar year that was derived from the sale of loose tobacco, plants, or herbs and cigars, cigarettes, pipes, or other smoking devices for smoking tobacco and related smoking accessories. Any retail tobacco store that begins operation after the effective date of this amendatory Act may only qualify for an exemption if located in a freestanding structure occupied solely by the business and smoke from the business does not migrate into an enclosed area where smoking is prohibited.

(3) Private and semi-private rooms in nursing homes and long-term care facilities that

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are occupied by one or more persons, all of whom are smokers and have requested in writing to be placed or to remain in a room where smoking is permitted and the smoke shall not infiltrate other areas of the nursing home.

(4) Hotel and motel sleeping rooms that are rented to guests and are designated as smoking rooms, provided that all smoking rooms on the same floor must be contiguous and smoke from these rooms must not infiltrate into nonsmoking rooms or other areas where smoking is prohibited. Not more than 25% of the rooms rented to guests in a hotel or motel may be designated as rooms where smoking is allowed. The status of rooms as smoking or nonsmoking may not be changed, except to permanently add additional nonsmoking rooms.

(5) A facility where gambling operations are conducted pursuant to the Riverboat Gambling Act. This item (5) shall apply for 5 years after the effective date of this amendatory Act of the 95th General Assembly.

(Source: 95SB0500enr)

Section 99. Effective date. This Act takes effect January 1, 2008."

And on that motion, a call of the roll was had resulting as follows:

Yeas 26; Nays 31.

The following voted in the affirmative:

Brady	Halvorson	Meeks	Syverson
Clayborne	Hendon	Millner	Trotter
DeLeo	Holmes	Munoz	Watson
Delgado	Jacobs	Noland	Wilhelmi
Demuzio	Jones, J.	Raoul	Mr. President
Forby	Lightford	Risinger	
Haine	Luechtefeld	Sandoval	

The following voted in the negative:

Althoff	Dahl	Kotowski	Righter
Bomke	Dillard	Lauzen	Ronen
Bond	Frerichs	Link	Rutherford
Burzynski	Garrett	Maloney	Schoenberg
Collins	Harmon	Murphy	Silverstein
Cronin	Hultgren	Pankau	Sullivan
Crotty	Hunter	Peterson	Viverito
Cullerton	Koehler	Radogno	

The motion lost.

And **Senate Bill No. 890** was returned to the order of third reading.

#### MESSAGES FROM THE PRESIDENT

#### OFFICE OF THE SENATE PRESIDENT STATE OF ILLINOIS

EMIL JONES, JR.  
SENATE PRESIDENT

327 STATE CAPITOL  
Springfield, Illinois 62706

May 31, 2007

Ms. Deborah Shipley  
Secretary of the Senate  
Room 403 State House  
Springfield, IL 62706

[May 31, 2007]

Dear Madam Secretary:

Pursuant to the provisions of Senate Rule 2-10, I hereby establish December 31, 2007 as the Third Reading deadline for the following legislative measures: HB 1750, all House Bills and all Senate Bills on the order of Third Reading on the May 31, 2007 Senate Calendar.

Sincerely,  
s/Emil Jones, Jr.  
Senate President

cc: Senate Minority Leader Frank Watson

**OFFICE OF THE SENATE PRESIDENT  
STATE OF ILLINOIS**

EMIL JONES, JR.  
SENATE PRESIDENT

327 STATE CAPITOL  
Springfield, Illinois 62706

May 31, 2007

Ms. Deborah Shipley  
Secretary of the Senate  
Room 403 State House  
Springfield, IL 62706

Dear Madam Secretary:

Pursuant to Senate Rule 2-10, I hereby establish December 31, 2007, as the Committee deadline and December 31, 2007 as the Third Reading deadline for House Bill 291.

Sincerely,  
s/Emil Jones, Jr.  
Senate President

cc: Senate Minority Leader Frank Watson

Senator Righter announced a Republican caucus to meet tomorrow, Friday, June 1, 2007, at 10:00 o'clock a.m.

At the hour of 12:23 o'clock a.m., the Chair announced that the Senate stand adjourned until Friday, June 1, 2007, at 11:00 o'clock a.m.

[May 31, 2007]