



SENATE JOURNAL

STATE OF ILLINOIS

NINETY-SIXTH GENERAL ASSEMBLY

124TH LEGISLATIVE DAY

WEDNESDAY, MAY 26, 2010

4:59 O'CLOCK P.M.

SENATE
Daily Journal Index
124th Legislative Day

Action	Page(s)
Committee Meeting Announcements.....	232
Introduction of Senate Bills No'd. 3930-3939.....	3
Joint Action Motion(s) Filed.....	3, 227
Legislative Measure(s) Filed.....	3
Message from the House.....	6
Message from the Secretary of State.....	227
Motion in Writing.....	230
Presentation of Senate Resolutions No'd. 850 - 861.....	4
Report from Assignments Committee.....	231, 232
Report(s) Received.....	3

Bill Number	Legislative Action	Page(s)
SR 0782	Posting Notice Waived.....	232
SR 0808	Posting Notice Waived.....	233
SR 0860	Committee on Assignments.....	5
SR 0860	Posting Notice Waived.....	233

The Senate met pursuant to adjournment.
Senator Jeffrey M. Schoenberg, Evanston, Illinois, presiding.
Prayer by Pastor John Smith, United Methodist Church, Springfield, Illinois.
Senator Haine led the Senate in the Pledge of Allegiance.

Senator Sullivan moved that reading and approval of the Journal of Friday, May 7, 2010, be postponed, pending arrival of the printed Journal.
The motion prevailed.

Senator Sullivan moved that reading and approval of the Journal of Friday, May 21, 2010, be postponed, pending arrival of the printed Journal.
The motion prevailed.

REPORT RECEIVED

The Secretary placed before the Senate the following report:

2010 Illinois National Rankings, submitted by the Commission on Government Forecasting and Accountability.

The foregoing report was ordered received and placed on file in the Secretary's Office.

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 Assignments:

Senate Floor Amendment No. 1 to Senate Bill 2881

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

Senate Floor Amendment No. 4 to House Bill 1597
Senate Floor Amendment No. 3 to House Bill 2254

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 Assignments:

Motion to Concur in House Amendments 1 and 4 to Senate Bill 2093
Motion to Concur in House Amendment 1 to Senate Bill 2863

INTRODUCTION OF BILLS

SENATE BILL NO. 3930. Introduced by Senator Murphy, a bill for AN ACT concerning vehicle usage.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 3931. Introduced by Senator Righter, a bill for AN ACT concerning employment.

[May 26, 2010]

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 3932. Introduced by Senator Viverito, a bill for AN ACT concerning revenue.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 3933. Introduced by Senator Kotowski, a bill for AN ACT concerning revenue.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 3934. Introduced by Senators Murphy - Duffy - Burzynski, a bill for AN ACT concerning government.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 3935. Introduced by Senator Kotowski, a bill for AN ACT concerning appropriations.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 3936. Introduced by Senator Cullerton, a bill for AN ACT concerning debt settlement.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 3937. Introduced by Senator Garrett, a bill for AN ACT concerning local government.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 3938. Introduced by Senator Kotowski, a bill for AN ACT concerning State government.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 3939. Introduced by Senator Frerichs, a bill for AN ACT concerning public employee benefits.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 850

Offered by Senator Lauzen and all Senators:
Mourns the death of D. Chet McKee of Aurora.

SENATE RESOLUTION NO. 851

Offered by Senator Dillard and all Senators:
Mourns the death of Megan B. Oppenheimer (nee, Turner) of Naperville.

SENATE RESOLUTION NO. 852

Offered by Senator Dillard and all Senators:
Mourns the death of John Eugene Fry of Naperville.

SENATE RESOLUTION NO. 853

[May 26, 2010]

Offered by Senator Dillard and all Senators:
Mourns the death of Gilbert Ellman "Mr. Music" of Naperville.

SENATE RESOLUTION NO. 854

Offered by Senator Haine and all Senators:
Mourns the death of Retired Lieutenant Colonel Harold E. Briggs, Sr., U.S.M.C., of Granite City.

SENATE RESOLUTION NO. 855

Offered by Senator Haine and all Senators:
Mourns the death of Arthur F. Wendler, Sr., of Edwardsville.

SENATE RESOLUTION NO. 856

Offered by Senator Haine and all Senators:
Mourns the death of Clarice "Clare" A. Finck of Godfrey.

SENATE RESOLUTION NO. 857

Offered by Senator Haine and all Senators:
Mourns the death of Antoinette "Jeanette" Piening of Bethalto.

SENATE RESOLUTION NO. 858

Offered by Senator Hunter and all Senators:
Mourns the death of Manda Roberts of Chicago.

SENATE RESOLUTION NO. 859

Offered by Senator Hunter and all Senators:
Mourns the death of Merritt L. Hicks, Jr., of Chicago.

SENATE RESOLUTION NO. 861

Offered by Senator Bivins and all Senators:
Mourns the death of Harry Andrew Ulferts of Dixon.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

Senator Frerichs offered the following Senate Resolution, which was referred to the Committee on Assignments:

SENATE RESOLUTION NO. 860

WHEREAS, The Village of Westville will celebrate the 100th anniversary of its Labor Day parade on September 6, 2010; and

WHEREAS, The parade is a joint celebration between the Westville Lions Club and St. Mary's Church in Westville; and

WHEREAS, The Westville Labor Day parade has the distinction of being the oldest continuous Labor Day parade in the State of Illinois; and

WHEREAS, The Westville Labor Day parade also currently boasts the record for the east central Illinois Labor Day parade with the most entries, with over 150 different participants; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that, in recognition of the 100th anniversary of the Village of Westville's annual Labor Day tradition, we proclaim September 6, 2010 as "Westville Day" in the State of Illinois; and be it further

RESOLVED, That a suitable copy of this resolution be presented to the Village of Westville, the

[May 26, 2010]

Westville Lions Club, and St. Mary's Church in Westville.

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. 375

A bill for AN ACT concerning State 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. 375

House Amendment No. 2 to SENATE BILL NO. 375

Passed the House, as amended, May 25, 2010.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 375

AMENDMENT NO. 1. Amend Senate Bill 375 by replacing line 22 on page 3 through line 19 on page 4 with the following:

"(c) The chief procurement officer shall file a proposed extension or renewal of a contract with the Procurement Policy Board prior to entering into extension or renewal if the total value of the initial terms and all proposed extended or renewed terms of the contract exceeds \$249,999. The Procurement Policy Board may object to the proposed extension or renewal within 30 calendar days and require a hearing before the Board prior to entering into the extension or renewal. If the Procurement Policy Board does not object within 30 calendar days, the chief procurement office may enter into the extension or renewal of a contract. This subsection does not apply to any emergency procurement, any procurement under Article 40, or any procurement exempted by Section 1-10(b) of this Code. If any State agency contract is paid for in whole or in part with federal-aid funds, grants, or loans and the provisions of this subsection would result in the loss of those federal-aid funds, grants, or loans, then the contract is exempt from the provisions of this subsection in order to remain eligible for those federal-aid funds, grants, or loans, and the State agency shall file notice of this exemption with the Procurement Policy Board prior to entering into the proposed extension or renewal. Nothing in this subsection permits a chief procurement officer to enter into an extension or renewal in violation of subsection (a). By August 1 each year, the Procurement Policy Board shall file a report with the General Assembly identifying for the previous fiscal year (i) the proposed extensions or renewals that were filed with the Board and whether the Board objected and (ii) the contracts exempt from this subsection."

AMENDMENT NO. 2 TO SENATE BILL 375

AMENDMENT NO. 2. Amend Senate Bill 375, AS AMENDED, 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, other than a contract entered into pursuant to the State University Certificates of Participation Act, may be entered into for any period of time deemed to be in the best interests of the State but not exceeding 10 years inclusive, beginning January 1, 2010, of proposed contract renewals. 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.

(c) The chief procurement officer shall file a proposed extension or renewal of a contract with the

[May 26, 2010]

Procurement Policy Board prior to entering into any extension or renewal if the cost associated with the extension or renewal exceeds \$249,999. The Procurement Policy Board may object to the proposed extension or renewal within 30 calendar days and require a hearing before the Board prior to entering into the extension or renewal. If the Procurement Policy Board does not object within 30 calendar days or takes affirmative action to recommend the extension or renewal, the chief procurement officer may enter into the extension or renewal of a contract. This subsection does not apply to any emergency procurement, any procurement under Article 40, or any procurement exempted by Section 1-10(b) of this Code. If any State agency contract is paid for in whole or in part with federal-aid funds, grants, or loans and the provisions of this subsection would result in the loss of those federal-aid funds, grants, or loans, then the contract is exempt from the provisions of this subsection in order to remain eligible for those federal-aid funds, grants, or loans, and the State agency shall file notice of this exemption with the Procurement Policy Board prior to entering into the proposed extension or renewal. Nothing in this subsection permits a chief procurement officer to enter into an extension or renewal in violation of subsection (a). By August 1 each year, the Procurement Policy Board shall file a report with the General Assembly identifying for the previous fiscal year (i) the proposed extensions or renewals that were filed with the Board and whether the Board objected and (ii) the contracts exempt from this subsection. (Source: P.A. 95-344, eff. 8-21-07; 96-15, eff. 6-22-09; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

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

Under the rules, the foregoing **Senate Bill No. 375**, 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. 377

A bill for AN ACT concerning State 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. 377

House Amendment No. 3 to SENATE BILL NO. 377

House Amendment No. 6 to SENATE BILL NO. 377

Passed the House, as amended, May 25, 2010.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 377

AMENDMENT NO. 1. Amend Senate Bill 377 by replacing everything after the enacting clause with the following:

"Section 5. The Uncollected State Claims Act is amended by adding Section 2.1 as follows:

(30 ILCS 205/2.1 new)

Sec. 2.1. Sale of debts certified as uncollectible. After accounts have been certified by the Attorney General as uncollectible pursuant to this Act, the State Comptroller may sell the debts to one or more outside private vendors. Sales shall be conducted under rules adopted by the State Comptroller using a request for proposals procedure similar to that procedure under the Illinois Procurement Code. The outside private vendors shall remit to the State Comptroller the purchase price for debts sold under this Section. The State Comptroller shall deposit the money received under this Section into the General Revenue Fund. This Section does not apply to any tax debt owing to the Department of Revenue.

Section 10. The Illinois State Collection Act of 1986 is amended by adding Section 9 as follows:

(30 ILCS 210/9 new)

Sec. 9. Deferral and compromise of past due debt.

(a) In this Section, "past due debt" means any debt owed to the State that has been outstanding for more than 12 months. "Past due debt" does not include any debt if any of the actions required under this

[May 26, 2010]

Section would violate federal law or regulation.

(b) State agencies may enter into a deferred payment plan for the purpose of satisfying a past due debt. The deferred payment plan must meet the following requirements:

(1) The term of the deferred payment plan may not exceed 2 years.

(2) The first payment of the deferred payment plan must be at least 10% of the total amount due.

(3) All subsequent monthly payments for the deferred payment plan must be assessed as equal monthly principal payments, together with interest.

(4) The deferred payment plan must include interest at a rate that is the same as the interest required under the State Prompt Payment Act.

(5) The deferred payment plan must be approved by the Secretary or Director of the State agency.

(c) State agencies may compromise past due debts. Any action taken by a State agency to compromise a past due debt must meet the following requirements:

(1) The amount of the compromised debt shall be no less than 80% of the total of the past due debt.

(2) Once a past due debt has been compromised, the debtor must remit to the State agency the total amount of the compromised debt. However, the State agency may collect the compromised debt through a payment plan not to exceed 6 months. If the State agency accepts the compromised debt through a payment plan, then the compromised debt shall be subject to the same rate of interest as required under the State Prompt Payment Act.

(3) Before a State agency accepts a compromised debt, the amount of the compromised debt must be approved by the State Comptroller.

(d) State agencies may sell a past due debt to one or more outside private vendors. Sales shall be conducted under rules adopted by the State Comptroller using a request for proposals procedure similar to that procedure under the Illinois Procurement Code. The outside private vendors shall remit to the State Agency the purchase price for debts sold under this subsection.

(e) The State agency shall deposit all amounts received under this Section into the General Revenue Fund.

(f) This Section does not apply to any tax debt owing to the Department of Revenue.

Section 15. The Tax Delinquency Amnesty Act is amended by changing Section 10 as follows:

(35 ILCS 745/10)

Sec. 10. Amnesty program. The Department shall establish an amnesty program for all taxpayers owing any tax imposed by reason of or pursuant to authorization by any law of the State of Illinois and collected by the Department.

The amnesty program shall be for a period from October 1, 2003 through November 15, 2003 and for a period beginning on October 1, 2010 and ending November 15, 2010.

The amnesty program shall provide that, upon payment by a taxpayer of all taxes due from that taxpayer to the State of Illinois for any taxable period ending (i) after June 30, 1983 and prior to July 1, 2002 for the tax amnesty period occurring from October 1, 2003 through November 15, 2003, and (ii) after June 30, 2002 and prior to July 1, 2010 for the tax amnesty period beginning on October 1, 2010 through November 15, 2010, the Department shall abate and not seek to collect any interest or penalties that may be applicable and the Department 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 invalidate any amnesty granted under this Act. 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 State tax imposed by any law of the State of Illinois.

Voluntary payments made under this Act shall be made by cash, check, guaranteed remittance, or ACH debit.

The Department 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 as follows: (i) one-half into the Common School Fund; (ii) one-half into the General Revenue Fund. Two percent of all money collected under this Act shall be deposited by the State Treasurer into the Tax Compliance and Administration Fund and, subject to appropriation, shall be used by the Department to cover costs associated with the administration of this Act.

(Source: P.A. 93-26, eff. 6-20-03.)

[May 26, 2010]

Section 20. The Uniform Penalty and Interest Act is amended by changing Sections 3-2, 3-3, 3-4, 3-5, 3-6, and 3-7.5 as follows:

(35 ILCS 735/3-2) (from Ch. 120, par. 2603-2)

Sec. 3-2. Interest.

(a) Interest paid by the Department to taxpayers and interest charged to taxpayers by the Department shall be paid at the annual rate determined by the Department. For periods prior to January 1, 2004, that rate shall be the underpayment rate established under Section 6621 of the Internal Revenue Code. For periods after December 31, 2003, that rate shall be:

(1) for the one-year period beginning with the date of underpayment or overpayment, the short-term federal rate established under Section 6621 of the Internal Revenue Code.

(2) for any period beginning the day after the one-year period described in paragraph

(1) of this subsection (a), the underpayment rate established under Section 6621 of the Internal Revenue Code.

(b) The interest rate shall be adjusted on a semiannual basis, on January 1 and July 1, based upon the underpayment rate or short-term federal rate going into effect on that January 1 or July 1 under Section 6621 of the Internal Revenue Code.

(c) This subsection (c) is applicable to returns due on and before December 31, 2000. Interest shall be simple interest calculated on a daily basis. Interest shall accrue upon tax and penalty due. If notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of such notice and demand, interest under this Section on the amount so paid shall not be imposed for the period after the date of the notice and demand.

(c-5) This subsection (c-5) is applicable to returns due on and after January 1, 2001. Interest shall be simple interest calculated on a daily basis. Interest shall accrue upon tax due. If notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of the notice and demand, interest under this Section on the amount so paid shall not be imposed for the period after the date of the notice and demand.

(d) No interest shall be paid upon any overpayment of tax if the overpayment is refunded or a credit approved within 90 days after the last date prescribed for filing the original return, or within 90 days of the receipt of the processable return, or within 90 days after the date of overpayment, whichever date is latest, as determined without regard to processing time by the Comptroller or without regard to the date on which the credit is applied to the taxpayer's account. In order for an original return to be processable for purposes of this Section, it must be in the form prescribed or approved by the Department, signed by the person authorized by law, and contain all information, schedules, and support documents necessary to determine the tax due and to make allocations of tax as prescribed by law. For the purposes of computing interest, a return shall be deemed to be processable unless the Department notifies the taxpayer that the return is not processable within 90 days after the receipt of the return; however, interest shall not accumulate for the period following this date of notice. Interest on amounts refunded or credited pursuant to the filing of an amended return or claim for refund shall be determined from the due date of the original return or the date of overpayment, whichever is later, to the date of payment by the Department without regard to processing time by the Comptroller or the date of credit by the Department or without regard to the date on which the credit is applied to the taxpayer's account. If a claim for refund relates to an overpayment attributable to a net loss carryback as provided by Section 207 of the Illinois Income Tax Act, the date of overpayment shall be the last day of the taxable year in which the loss was incurred.

(e) Interest on erroneous refunds. Any portion of the tax imposed by an Act to which this Act is applicable or any interest or penalty which has been erroneously refunded and which is recoverable by the Department shall bear interest from the date of payment of the refund. However, no interest will be charged if the erroneous refund is for an amount less than \$500 and is due to a mistake of the Department.

(f) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the interest charged by the Department under this Section shall be imposed at a rate that is 200% of the rate that would otherwise be imposed under this Section.

(g) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2010 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the interest charged by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 95-331, eff. 8-21-07.)

(35 ILCS 735/3-3) (from Ch. 120, par. 2603-3)

Sec. 3-3. Penalty for failure to file or pay.

(a) This subsection (a) is applicable before January 1, 1996. A penalty of 5% of the tax required to be shown due on a return shall be imposed for failure to file the tax return on or before the due date prescribed for filing determined with regard for any extension of time for filing (penalty for late filing or nonfiling). If any unprocessable return is corrected and filed within 21 days after notice by the Department, the late filing or nonfiling penalty shall not apply. If a penalty for late filing or nonfiling is imposed in addition to a penalty for late payment, the total penalty due shall be the sum of the late filing penalty and the applicable late payment penalty. Beginning on the effective date of this amendatory Act of 1995, in the case of any type of tax return required to be filed more frequently than annually, when the failure to file the tax return on or before the date prescribed for filing (including any extensions) is shown to be nonfraudulent and has not occurred in the 2 years immediately preceding the failure to file on the prescribed due date, the penalty imposed by Section 3-3(a) shall be abated.

(a-5) This subsection (a-5) is applicable to returns due on and after January 1, 1996 and on or before December 31, 2000. A penalty equal to 2% of the tax required to be shown due on a return, up to a maximum amount of \$250, determined without regard to any part of the tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed, shall be imposed for failure to file the tax return on or before the due date prescribed for filing determined with regard for any extension of time for filing. However, if any return is not filed within 30 days after notice of nonfiling mailed by the Department to the last known address of the taxpayer contained in Department records, an additional penalty amount shall be imposed equal to the greater of \$250 or 2% of the tax shown on the return. However, the additional penalty amount may not exceed \$5,000 and is determined without regard to any part of the tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed (penalty for late filing or nonfiling). If any unprocessable return is corrected and filed within 30 days after notice by the Department, the late filing or nonfiling penalty shall not apply. If a penalty for late filing or nonfiling is imposed in addition to a penalty for late payment, the total penalty due shall be the sum of the late filing penalty and the applicable late payment penalty. In the case of any type of tax return required to be filed more frequently than annually, when the failure to file the tax return on or before the date prescribed for filing (including any extensions) is shown to be nonfraudulent and has not occurred in the 2 years immediately preceding the failure to file on the prescribed due date, the penalty imposed by Section 3-3(a-5) shall be abated.

(a-10) This subsection (a-10) is applicable to returns due on and after January 1, 2001. A penalty equal to 2% of the tax required to be shown due on a return, up to a maximum amount of \$250, reduced by any tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed, shall be imposed for failure to file the tax return on or before the due date prescribed for filing determined with regard for any extension of time for filing. However, if any return is not filed within 30 days after notice of nonfiling mailed by the Department to the last known address of the taxpayer contained in Department records, an additional penalty amount shall be imposed equal to the greater of \$250 or 2% of the tax shown on the return. However, the additional penalty amount may not exceed \$5,000 and is determined without regard to any part of the tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed (penalty for late filing or nonfiling). If any unprocessable return is corrected and filed within 30 days after notice by the Department, the late filing or nonfiling penalty shall not apply. If a penalty for late filing or nonfiling is imposed in addition to a penalty for late payment, the total penalty due shall be the sum of the late filing penalty and the applicable late payment penalty. In the case of any type of tax return required to be filed more frequently than annually, when the failure to file the tax return on or before the date prescribed for filing (including any extensions) is shown to be nonfraudulent and has not occurred in the 2 years immediately preceding the failure to file on the prescribed due date, the penalty imposed by Section 3-3(a-10) shall be abated.

(b) This subsection is applicable before January 1, 1998. A penalty of 15% of the tax shown on the return or the tax required to be shown due on the return shall be imposed for failure to pay:

(1) the tax shown due on the return on or before the due date prescribed for payment of that tax, an amount of underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability); or

(2) the full amount of any tax required to be shown due on a return and which is not shown (penalty for late payment or nonpayment of additional liability), within 30 days after a notice of arithmetic error, notice and demand, or a final assessment is issued by the Department. In the case

of a final assessment arising following a protest and hearing, the 30-day period shall not begin until all proceedings in court for review of the final assessment have terminated or the period for obtaining a review has expired without proceedings for a review having been instituted. In the case of a notice of tax liability that becomes a final assessment without a protest and hearing, the penalty provided in this paragraph (2) shall be imposed at the expiration of the period provided for the filing of a protest.

(b-5) This subsection is applicable to returns due on and after January 1, 1998 and on or before December 31, 2000. A penalty of 20% of the tax shown on the return or the tax required to be shown due on the return shall be imposed for failure to pay:

(1) the tax shown due on the return on or before the due date prescribed for payment of that tax, an amount of underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability); or

(2) the full amount of any tax required to be shown due on a return and which is not shown (penalty for late payment or nonpayment of additional liability), within 30 days after a notice of arithmetic error, notice and demand, or a final assessment is issued by the Department. In the case of a final assessment arising following a protest and hearing, the 30-day period shall not begin until all proceedings in court for review of the final assessment have terminated or the period for obtaining a review has expired without proceedings for a review having been instituted. In the case of a notice of tax liability that becomes a final assessment without a protest and hearing, the penalty provided in this paragraph (2) shall be imposed at the expiration of the period provided for the filing of a protest.

(b-10) This subsection (b-10) is applicable to returns due on and after January 1, 2001 and on or before December 31, 2003. A penalty shall be imposed for failure to pay:

(1) the tax shown due on a return on or before the due date prescribed for payment of that tax, an amount of underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability). The amount of penalty imposed under this subsection (b-10)(1) shall be 2% of any amount that is paid no later than 30 days after the due date, 5% of any amount that is paid later than 30 days after the due date and not later than 90 days after the due date, 10% of any amount that is paid later than 90 days after the due date and not later than 180 days after the due date, and 15% of any amount that is paid later than 180 days after the due date. If notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of the notice and demand, then the penalty for late payment or nonpayment of admitted liability under this subsection (b-10)(1) on the amount so paid shall not accrue for the period after the date of the notice and demand.

(2) the full amount of any tax required to be shown due on a return and that is not shown (penalty for late payment or nonpayment of additional liability), within 30 days after a notice of arithmetic error, notice and demand, or a final assessment is issued by the Department. In the case of a final assessment arising following a protest and hearing, the 30-day period shall not begin until all proceedings in court for review of the final assessment have terminated or the period for obtaining a review has expired without proceedings for a review having been instituted. The amount of penalty imposed under this subsection (b-10)(2) shall be 20% of any amount that is not paid within the 30-day period. In the case of a notice of tax liability that becomes a final assessment without a protest and hearing, the penalty provided in this subsection (b-10)(2) shall be imposed at the expiration of the period provided for the filing of a protest.

(b-15) This subsection (b-15) is applicable to returns due on and after January 1, 2004 and on or before December 31, 2004. A penalty shall be imposed for failure to pay the tax shown due or required to be shown due on a return on or before the due date prescribed for payment of that tax, an amount of underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability). The amount of penalty imposed under this subsection (b-15)(1) shall be 2% of any amount that is paid no later than 30 days after the due date, 10% of any amount that is paid later than 30 days after the due date and not later than 90 days after the due date, 15% of any amount that is paid later than 90 days after the due date and not later than 180 days after the due date, and 20% of any amount that is paid later than 180 days after the due date. If notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of this notice and demand, then the penalty for late payment or nonpayment of admitted liability under this subsection (b-15)(1) on the amount so paid shall not accrue for the period after the date of the notice and demand.

(b-20) This subsection (b-20) is applicable to returns due on and after January 1, 2005.

(1) A penalty shall be imposed for failure to pay, prior to the due date for payment, any amount of tax the payment of which is required to be made prior to the filing of a return or without a return (penalty for late payment or nonpayment of estimated or accelerated tax). The amount of penalty imposed under this paragraph (1) shall be 2% of any amount that is paid no later than 30 days after the due date and 10% of any amount that is paid later than 30 days after the due date.

(2) A penalty shall be imposed for failure to pay the tax shown due or required to be shown due on a return on or before the due date prescribed for payment of that tax or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of tax). The amount of penalty imposed under this paragraph (2) shall be 2% of any amount that is paid no later than 30 days after the due date, 10% of any amount that is paid later than 30 days after the due date and prior to the date the Department has initiated an audit or investigation of the taxpayer, and 20% of any amount that is paid after the date the Department has initiated an audit or investigation of the taxpayer; provided that the penalty shall be reduced to 15% if the entire amount due is paid not later than 30 days after the Department has provided the taxpayer with an amended return (following completion of an occupation, use, or excise tax audit) or a form for waiver of restrictions on assessment (following completion of an income tax audit); provided further that the reduction to 15% shall be rescinded if the taxpayer makes any claim for refund or credit of the tax, penalties, or interest determined to be due upon audit, except in the case of a claim filed pursuant to subsection (b) of Section 506 of the Illinois Income Tax Act or to claim a carryover of a loss or credit, the availability of which was not determined in the audit. For purposes of this paragraph (2), any overpayment reported on an original return that has been allowed as a refund or credit to the taxpayer shall be deemed to have not been paid on or before the due date for payment and any amount paid under protest pursuant to the provisions of the State Officers and Employees Money Disposition Act shall be deemed to have been paid after the Department has initiated an audit and more than 30 days after the Department has provided the taxpayer with an amended return (following completion of an occupation, use, or excise tax audit) or a form for waiver of restrictions on assessment (following completion of an income tax audit).

(3) The penalty imposed under this subsection (b-20) shall be deemed assessed at the time the tax upon which the penalty is computed is assessed, except that, if the reduction of the penalty imposed under paragraph (2) of this subsection (b-20) to 15% is rescinded because a claim for refund or credit has been filed, the increase in penalty shall be deemed assessed at the time the claim for refund or credit is filed.

(c) For purposes of the late payment penalties, the basis of the penalty shall be the tax shown or required to be shown on a return, whichever is applicable, reduced by any part of the tax which is paid on time and by any credit which was properly allowable on the date the return was required to be filed.

(d) A penalty shall be applied to the tax required to be shown even if that amount is less than the tax shown on the return.

(e) This subsection (e) is applicable to returns due before January 1, 2001. If both a subsection (b)(1) or (b-5)(1) penalty and a subsection (b)(2) or (b-5)(2) penalty are assessed against the same return, the subsection (b)(2) or (b-5)(2) penalty shall be assessed against only the additional tax found to be due.

(e-5) This subsection (e-5) is applicable to returns due on and after January 1, 2001. If both a subsection (b-10)(1) penalty and a subsection (b-10)(2) penalty are assessed against the same return, the subsection (b-10)(2) penalty shall be assessed against only the additional tax found to be due.

(f) If the taxpayer has failed to file the return, the Department shall determine the correct tax according to its best judgment and information, which amount shall be prima facie evidence of the correctness of the tax due.

(g) The time within which to file a return or pay an amount of tax due without imposition of a penalty does not extend the time within which to file a protest to a notice of tax liability or a notice of deficiency.

(h) No return shall be determined to be unprocessable because of the omission of any information requested on the return pursuant to Section 2505-575 of the Department of Revenue Law (20 ILCS 2505/2505-575).

(i) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(j) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2010 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to

satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 92-742, eff. 7-25-02; 93-26, eff. 6-20-03; 93-32, eff. 6-20-03; 93-1068, eff. 1-15-05.)

(35 ILCS 735/3-4) (from Ch. 120, par. 2603-4)

Sec. 3-4. Penalty for failure to file correct information returns.

(a) Failure to file correct information returns - imposition of penalty.

(1) In general. Unless otherwise provided in a tax Act, in the case of a failure described in paragraph (2) of this subsection (a) by any person with respect to an information return, that person shall pay a penalty of \$5 for each return or statement with respect to which the failure occurs, but the total amount imposed on that person for all such failures during any calendar year shall not exceed \$25,000.

(2) Failures subject to penalty. The following failures are subject to the penalty imposed in paragraph (1) of this subsection (a):

(A) any failure to file an information return with the Department on or before the required filing date, or

(B) any failure to include all of the information required to be shown on the return or the inclusion of incorrect information.

(b) Reduction where correction in specified period.

(1) Correction within 60 days. If any failure described in subsection (a) (2) is corrected within 60 days after the required filing date:

(A) the penalty imposed by subsection (a) shall be reduced by 50%; and

(B) the total amount imposed on the person for all such failures during any calendar year which are so corrected shall not exceed 50% of the maximum prescribed in subsection (a) (1).

(c) Information return defined. An information return is any tax return required by a tax Act to be filed with the Department that does not, by law, require the payment of a tax liability.

(d) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(e) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2010 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 93-26, eff. 6-20-03.)

(35 ILCS 735/3-5) (from Ch. 120, par. 2603-5)

Sec. 3-5. Penalty for negligence.

(a) If any return or amended return is prepared negligently, but without intent to defraud, and filed, in addition to any penalty imposed under Section 3-3 of this Act, a penalty shall be imposed in an amount equal to 20% of any resulting deficiency.

(b) Negligence includes any failure to make a reasonable attempt to comply with the provisions of any tax Act and includes careless, reckless, or intentional disregard of the law or regulations.

(c) No penalty shall be imposed under this Section if it is shown that failure to comply with the tax Act is due to reasonable cause. A taxpayer is not negligent if the taxpayer shows substantial authority to support the return as filed.

(d) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department shall be imposed in an amount that is 200% of the amount that would otherwise be imposed in accordance with this Section.

(e) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2010 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 93-26, eff. 6-20-03.)

(35 ILCS 735/3-6) (from Ch. 120, par. 2603-6)

Sec. 3-6. Penalty for fraud.

(a) If any return or amended return is filed with intent to defraud, in addition to any penalty imposed under Section 3-3 of this Act, a penalty shall be imposed in an amount equal to 50% of any resulting deficiency.

(b) If any claim is filed with intent to defraud, a penalty shall be imposed in an amount equal to 50% of the amount fraudulently claimed for credit or refund.

(c) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(d) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2010 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 93-26, eff. 6-20-03.)

(35 ILCS 735/3-7.5)

Sec. 3-7.5. Bad check penalty.

(a) In addition to any other penalty provided in this Act, a penalty of \$25 shall be imposed on any person who issues a check or other draft to the Department that is not honored upon presentment. The penalty imposed under this Section shall be deemed assessed at the time of presentment of the check or other draft and shall be treated for all purposes, including collection and allocation, as part of the tax or other liability for which the check or other draft represented payment.

(b) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(c) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2010 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 93-26, eff. 6-20-03.)

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

AMENDMENT NO. 3 TO SENATE BILL 377

AMENDMENT NO. 3. Amend Senate Bill 377 by replacing everything after the enacting clause with the following:

"Section 5. The Uncollected State Claims Act is amended by adding Section 2.1 as follows:

(30 ILCS 205/2.1 new)

Sec. 2.1. Sale of debts certified as uncollectible. After accounts have been certified by the Attorney General as uncollectible pursuant to this Act, the State Comptroller may sell the debts to one or more outside private vendors. Sales shall be conducted under rules adopted by the State Comptroller using a request for proposals procedure similar to that procedure under the Illinois Procurement Code. The outside private vendors shall remit to the State Comptroller the purchase price for debts sold under this Section. The State Comptroller shall deposit the money received under this Section into the General Revenue Fund. This Section does not apply to any tax debt owing to the Department of Revenue.

Section 10. The Illinois State Collection Act of 1986 is amended by adding Section 9 as follows:

(30 ILCS 210/9 new)

Sec. 9. Deferral and compromise of past due debt.

(a) In this Section, "past due debt" means any debt owed to the State that has been outstanding for more than 12 months. "Past due debt" does not include any debt if any of the actions required under this Section would violate federal law or regulation.

[May 26, 2010]

(b) State agencies may enter into a deferred payment plan for the purpose of satisfying a past due debt. The deferred payment plan must meet the following requirements:

(1) The term of the deferred payment plan may not exceed 2 years.

(2) The first payment of the deferred payment plan must be at least 10% of the total amount due.

(3) All subsequent monthly payments for the deferred payment plan must be assessed as equal monthly principal payments, together with interest.

(4) The deferred payment plan must include interest at a rate that is the same as the interest required under the State Prompt Payment Act.

(5) The deferred payment plan must be approved by the Secretary or Director of the State agency.

(c) State agencies may compromise past due debts. Any action taken by a State agency to compromise a past due debt must meet the following requirements:

(1) The amount of the compromised debt shall be no less than 80% of the total of the past due debt.

(2) Once a past due debt has been compromised, the debtor must remit to the State agency the total amount of the compromised debt. However, the State agency may collect the compromised debt through a payment plan not to exceed 6 months. If the State agency accepts the compromised debt through a payment plan, then the compromised debt shall be subject to the same rate of interest as required under the State Prompt Payment Act.

(3) Before a State agency accepts a compromised debt, the amount of the compromised debt must be approved by the State Comptroller.

(d) State agencies may sell a past due debt to one or more outside private vendors. Sales shall be conducted under rules adopted by the State Comptroller using a request for proposals procedure similar to that procedure under the Illinois Procurement Code. The outside private vendors shall remit to the State Agency the purchase price for debts sold under this subsection.

(e) The State agency shall deposit all amounts received under this Section into the General Revenue Fund.

(f) This Section does not apply to any tax debt owing to the Department of Revenue.

Section 15. The Tax Delinquency Amnesty Act is amended by changing Section 10 as follows:

(35 ILCS 745/10)

Sec. 10. Amnesty program. The Department shall establish an amnesty program for all taxpayers owing any tax imposed by reason of or pursuant to authorization by any law of the State of Illinois and collected by the Department.

The amnesty program shall be for a period from October 1, 2003 through November 15, 2003 and for a period beginning on October 1, 2010 and ending November 15, 2010.

The amnesty program shall provide that, upon payment by a taxpayer of all taxes due from that taxpayer to the State of Illinois for any taxable period ending (i) after June 30, 1983 and prior to July 1, 2002 for the tax amnesty period occurring from October 1, 2003 through November 15, 2003, and (ii) after June 30, 2002 and prior to July 1, 2009 for the tax amnesty period beginning on October 1, 2010 through November 15, 2010, the Department shall abate and not seek to collect any interest or penalties that may be applicable and the Department 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 invalidate any amnesty granted under this Act. 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 State tax imposed by any law of the State of Illinois.

Participation in an amnesty program shall not preclude a taxpayer from claiming a refund for an overpayment of tax on an issue unrelated to the issues for which the taxpayer claimed amnesty or for an overpayment of tax by taxpayers estimating a non-final liability for the amnesty program pursuant to Section 506(b) of the Illinois Income Tax Act (35 ILCS 5/506(b)).

Voluntary payments made under this Act shall be made by cash, check, guaranteed remittance, or ACH debit.

The Department 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 as follows: (i) one-half into the Common School Fund; (ii) one-half into the General Revenue Fund. Two percent of all money collected under this Act shall be deposited by the State Treasurer into the Tax Compliance and Administration Fund and, subject to appropriation, shall be used by the Department to cover costs associated with the

administration of this Act.
(Source: P.A. 93-26, eff. 6-20-03.)

Section 20. The Uniform Penalty and Interest Act is amended by changing Sections 3-2, 3-3, 3-4, 3-5, 3-6, and 3-7.5 as follows:

(35 ILCS 735/3-2) (from Ch. 120, par. 2603-2)

Sec. 3-2. Interest.

(a) Interest paid by the Department to taxpayers and interest charged to taxpayers by the Department shall be paid at the annual rate determined by the Department. For periods prior to January 1, 2004, that rate shall be the underpayment rate established under Section 6621 of the Internal Revenue Code. For periods after December 31, 2003, that rate shall be:

(1) for the one-year period beginning with the date of underpayment or overpayment, the short-term federal rate established under Section 6621 of the Internal Revenue Code.

(2) for any period beginning the day after the one-year period described in paragraph

(1) of this subsection (a), the underpayment rate established under Section 6621 of the Internal Revenue Code.

(b) The interest rate shall be adjusted on a semiannual basis, on January 1 and July 1, based upon the underpayment rate or short-term federal rate going into effect on that January 1 or July 1 under Section 6621 of the Internal Revenue Code.

(c) This subsection (c) is applicable to returns due on and before December 31, 2000. Interest shall be simple interest calculated on a daily basis. Interest shall accrue upon tax and penalty due. If notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of such notice and demand, interest under this Section on the amount so paid shall not be imposed for the period after the date of the notice and demand.

(c-5) This subsection (c-5) is applicable to returns due on and after January 1, 2001. Interest shall be simple interest calculated on a daily basis. Interest shall accrue upon tax due. If notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of the notice and demand, interest under this Section on the amount so paid shall not be imposed for the period after the date of the notice and demand.

(d) No interest shall be paid upon any overpayment of tax if the overpayment is refunded or a credit approved within 90 days after the last date prescribed for filing the original return, or within 90 days of the receipt of the processable return, or within 90 days after the date of overpayment, whichever date is latest, as determined without regard to processing time by the Comptroller or without regard to the date on which the credit is applied to the taxpayer's account. In order for an original return to be processable for purposes of this Section, it must be in the form prescribed or approved by the Department, signed by the person authorized by law, and contain all information, schedules, and support documents necessary to determine the tax due and to make allocations of tax as prescribed by law. For the purposes of computing interest, a return shall be deemed to be processable unless the Department notifies the taxpayer that the return is not processable within 90 days after the receipt of the return; however, interest shall not accumulate for the period following this date of notice. Interest on amounts refunded or credited pursuant to the filing of an amended return or claim for refund shall be determined from the due date of the original return or the date of overpayment, whichever is later, to the date of payment by the Department without regard to processing time by the Comptroller or the date of credit by the Department or without regard to the date on which the credit is applied to the taxpayer's account. If a claim for refund relates to an overpayment attributable to a net loss carryback as provided by Section 207 of the Illinois Income Tax Act, the date of overpayment shall be the last day of the taxable year in which the loss was incurred.

(e) Interest on erroneous refunds. Any portion of the tax imposed by an Act to which this Act is applicable or any interest or penalty which has been erroneously refunded and which is recoverable by the Department shall bear interest from the date of payment of the refund. However, no interest will be charged if the erroneous refund is for an amount less than \$500 and is due to a mistake of the Department.

(f) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the interest charged by the Department under this Section shall be imposed at a rate that is 200% of the rate that would otherwise be imposed under this Section.

(g) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2009 that is eligible for amnesty under the Tax Delinquency Amnesty Act, except for any tax liability

reported pursuant to Section 506(b) of the Illinois Income Tax Act (35 ILCS 5/506(b)) that is not final and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the interest charged by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(h) No interest shall be paid to a taxpayer on any refund allowed under Section 15 of the Tax Delinquency Amnesty Act.

(Source: P.A. 95-331, eff. 8-21-07.)

(35 ILCS 735/3-3) (from Ch. 120, par. 2603-3)

Sec. 3-3. Penalty for failure to file or pay.

(a) This subsection (a) is applicable before January 1, 1996. A penalty of 5% of the tax required to be shown due on a return shall be imposed for failure to file the tax return on or before the due date prescribed for filing determined with regard for any extension of time for filing (penalty for late filing or nonfiling). If any unprocessable return is corrected and filed within 21 days after notice by the Department, the late filing or nonfiling penalty shall not apply. If a penalty for late filing or nonfiling is imposed in addition to a penalty for late payment, the total penalty due shall be the sum of the late filing penalty and the applicable late payment penalty. Beginning on the effective date of this amendatory Act of 1995, in the case of any type of tax return required to be filed more frequently than annually, when the failure to file the tax return on or before the date prescribed for filing (including any extensions) is shown to be nonfraudulent and has not occurred in the 2 years immediately preceding the failure to file on the prescribed due date, the penalty imposed by Section 3-3(a) shall be abated.

(a-5) This subsection (a-5) is applicable to returns due on and after January 1, 1996 and on or before December 31, 2000. A penalty equal to 2% of the tax required to be shown due on a return, up to a maximum amount of \$250, determined without regard to any part of the tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed, shall be imposed for failure to file the tax return on or before the due date prescribed for filing determined with regard for any extension of time for filing. However, if any return is not filed within 30 days after notice of nonfiling mailed by the Department to the last known address of the taxpayer contained in Department records, an additional penalty amount shall be imposed equal to the greater of \$250 or 2% of the tax shown on the return. However, the additional penalty amount may not exceed \$5,000 and is determined without regard to any part of the tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed (penalty for late filing or nonfiling). If any unprocessable return is corrected and filed within 30 days after notice by the Department, the late filing or nonfiling penalty shall not apply. If a penalty for late filing or nonfiling is imposed in addition to a penalty for late payment, the total penalty due shall be the sum of the late filing penalty and the applicable late payment penalty. In the case of any type of tax return required to be filed more frequently than annually, when the failure to file the tax return on or before the date prescribed for filing (including any extensions) is shown to be nonfraudulent and has not occurred in the 2 years immediately preceding the failure to file on the prescribed due date, the penalty imposed by Section 3-3(a-5) shall be abated.

(a-10) This subsection (a-10) is applicable to returns due on and after January 1, 2001. A penalty equal to 2% of the tax required to be shown due on a return, up to a maximum amount of \$250, reduced by any tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed, shall be imposed for failure to file the tax return on or before the due date prescribed for filing determined with regard for any extension of time for filing. However, if any return is not filed within 30 days after notice of nonfiling mailed by the Department to the last known address of the taxpayer contained in Department records, an additional penalty amount shall be imposed equal to the greater of \$250 or 2% of the tax shown on the return. However, the additional penalty amount may not exceed \$5,000 and is determined without regard to any part of the tax that is paid on time or by any credit that was properly allowable on the date the return was required to be filed (penalty for late filing or nonfiling). If any unprocessable return is corrected and filed within 30 days after notice by the Department, the late filing or nonfiling penalty shall not apply. If a penalty for late filing or nonfiling is imposed in addition to a penalty for late payment, the total penalty due shall be the sum of the late filing penalty and the applicable late payment penalty. In the case of any type of tax return required to be filed more frequently than annually, when the failure to file the tax return on or before the date prescribed for filing (including any extensions) is shown to be nonfraudulent and has not occurred in the 2 years immediately preceding the failure to file on the prescribed due date, the penalty imposed by Section 3-3(a-10) shall be abated.

(b) This subsection is applicable before January 1, 1998. A penalty of 15% of the tax shown on the return or the tax required to be shown due on the return shall be imposed for failure to pay:

(1) the tax shown due on the return on or before the due date prescribed for payment of

that tax, an amount of underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability); or

(2) the full amount of any tax required to be shown due on a return and which is not shown (penalty for late payment or nonpayment of additional liability), within 30 days after a notice of arithmetic error, notice and demand, or a final assessment is issued by the Department. In the case of a final assessment arising following a protest and hearing, the 30-day period shall not begin until all proceedings in court for review of the final assessment have terminated or the period for obtaining a review has expired without proceedings for a review having been instituted. In the case of a notice of tax liability that becomes a final assessment without a protest and hearing, the penalty provided in this paragraph (2) shall be imposed at the expiration of the period provided for the filing of a protest.

(b-5) This subsection is applicable to returns due on and after January 1, 1998 and on or before December 31, 2000. A penalty of 20% of the tax shown on the return or the tax required to be shown due on the return shall be imposed for failure to pay:

(1) the tax shown due on the return on or before the due date prescribed for payment of that tax, an amount of underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability); or

(2) the full amount of any tax required to be shown due on a return and which is not shown (penalty for late payment or nonpayment of additional liability), within 30 days after a notice of arithmetic error, notice and demand, or a final assessment is issued by the Department. In the case of a final assessment arising following a protest and hearing, the 30-day period shall not begin until all proceedings in court for review of the final assessment have terminated or the period for obtaining a review has expired without proceedings for a review having been instituted. In the case of a notice of tax liability that becomes a final assessment without a protest and hearing, the penalty provided in this paragraph (2) shall be imposed at the expiration of the period provided for the filing of a protest.

(b-10) This subsection (b-10) is applicable to returns due on and after January 1, 2001 and on or before December 31, 2003. A penalty shall be imposed for failure to pay:

(1) the tax shown due on a return on or before the due date prescribed for payment of that tax, an amount of underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability). The amount of penalty imposed under this subsection (b-10)(1) shall be 2% of any amount that is paid no later than 30 days after the due date, 5% of any amount that is paid later than 30 days after the due date and not later than 90 days after the due date, 10% of any amount that is paid later than 90 days after the due date and not later than 180 days after the due date, and 15% of any amount that is paid later than 180 days after the due date. If notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of the notice and demand, then the penalty for late payment or nonpayment of admitted liability under this subsection (b-10)(1) on the amount so paid shall not accrue for the period after the date of the notice and demand.

(2) the full amount of any tax required to be shown due on a return and that is not shown (penalty for late payment or nonpayment of additional liability), within 30 days after a notice of arithmetic error, notice and demand, or a final assessment is issued by the Department. In the case of a final assessment arising following a protest and hearing, the 30-day period shall not begin until all proceedings in court for review of the final assessment have terminated or the period for obtaining a review has expired without proceedings for a review having been instituted. The amount of penalty imposed under this subsection (b-10)(2) shall be 20% of any amount that is not paid within the 30-day period. In the case of a notice of tax liability that becomes a final assessment without a protest and hearing, the penalty provided in this subsection (b-10)(2) shall be imposed at the expiration of the period provided for the filing of a protest.

(b-15) This subsection (b-15) is applicable to returns due on and after January 1, 2004 and on or before December 31, 2004. A penalty shall be imposed for failure to pay the tax shown due or required to be shown due on a return on or before the due date prescribed for payment of that tax, an amount of underpayment of estimated tax, or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of admitted liability). The amount of penalty imposed under this subsection (b-15)(1) shall be 2% of any amount that is paid no later than 30 days after the due date, 10% of any amount that is paid later than 30 days after the due date and not later than 90 days after the due date, 15% of any amount that is paid later than 90 days after the due date and not later than 180 days

after the due date, and 20% of any amount that is paid later than 180 days after the due date. If notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of this notice and demand, then the penalty for late payment or nonpayment of admitted liability under this subsection (b-15)(1) on the amount so paid shall not accrue for the period after the date of the notice and demand.

(b-20) This subsection (b-20) is applicable to returns due on and after January 1, 2005.

(1) A penalty shall be imposed for failure to pay, prior to the due date for payment, any amount of tax the payment of which is required to be made prior to the filing of a return or without a return (penalty for late payment or nonpayment of estimated or accelerated tax). The amount of penalty imposed under this paragraph (1) shall be 2% of any amount that is paid no later than 30 days after the due date and 10% of any amount that is paid later than 30 days after the due date.

(2) A penalty shall be imposed for failure to pay the tax shown due or required to be shown due on a return on or before the due date prescribed for payment of that tax or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of tax). The amount of penalty imposed under this paragraph (2) shall be 2% of any amount that is paid no later than 30 days after the due date, 10% of any amount that is paid later than 30 days after the due date and prior to the date the Department has initiated an audit or investigation of the taxpayer, and 20% of any amount that is paid after the date the Department has initiated an audit or investigation of the taxpayer; provided that the penalty shall be reduced to 15% if the entire amount due is paid not later than 30 days after the Department has provided the taxpayer with an amended return (following completion of an occupation, use, or excise tax audit) or a form for waiver of restrictions on assessment (following completion of an income tax audit); provided further that the reduction to 15% shall be rescinded if the taxpayer makes any claim for refund or credit of the tax, penalties, or interest determined to be due upon audit, except in the case of a claim filed pursuant to subsection (b) of Section 506 of the Illinois Income Tax Act or to claim a carryover of a loss or credit, the availability of which was not determined in the audit. For purposes of this paragraph (2), any overpayment reported on an original return that has been allowed as a refund or credit to the taxpayer shall be deemed to have not been paid on or before the due date for payment and any amount paid under protest pursuant to the provisions of the State Officers and Employees Money Disposition Act shall be deemed to have been paid after the Department has initiated an audit and more than 30 days after the Department has provided the taxpayer with an amended return (following completion of an occupation, use, or excise tax audit) or a form for waiver of restrictions on assessment (following completion of an income tax audit).

(3) The penalty imposed under this subsection (b-20) shall be deemed assessed at the time the tax upon which the penalty is computed is assessed, except that, if the reduction of the penalty imposed under paragraph (2) of this subsection (b-20) to 15% is rescinded because a claim for refund or credit has been filed, the increase in penalty shall be deemed assessed at the time the claim for refund or credit is filed.

(c) For purposes of the late payment penalties, the basis of the penalty shall be the tax shown or required to be shown on a return, whichever is applicable, reduced by any part of the tax which is paid on time and by any credit which was properly allowable on the date the return was required to be filed.

(d) A penalty shall be applied to the tax required to be shown even if that amount is less than the tax shown on the return.

(e) This subsection (e) is applicable to returns due before January 1, 2001. If both a subsection (b)(1) or (b-5)(1) penalty and a subsection (b)(2) or (b-5)(2) penalty are assessed against the same return, the subsection (b)(2) or (b-5)(2) penalty shall be assessed against only the additional tax found to be due.

(e-5) This subsection (e-5) is applicable to returns due on and after January 1, 2001. If both a subsection (b-10)(1) penalty and a subsection (b-10)(2) penalty are assessed against the same return, the subsection (b-10)(2) penalty shall be assessed against only the additional tax found to be due.

(f) If the taxpayer has failed to file the return, the Department shall determine the correct tax according to its best judgment and information, which amount shall be prima facie evidence of the correctness of the tax due.

(g) The time within which to file a return or pay an amount of tax due without imposition of a penalty does not extend the time within which to file a protest to a notice of tax liability or a notice of deficiency.

(h) No return shall be determined to be unprocessable because of the omission of any information requested on the return pursuant to Section 2505-575 of the Department of Revenue Law (20 ILCS 2505/2505-575).

(i) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1,

2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(j) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2009 that is eligible for amnesty under the Tax Delinquency Amnesty Act, except for any tax liability reported pursuant to Section 506(b) of the Illinois Income Tax Act (35 ILCS 5/506(b)) that is not final, and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 92-742, eff. 7-25-02; 93-26, eff. 6-20-03; 93-32, eff. 6-20-03; 93-1068, eff. 1-15-05.)

(35 ILCS 735/3-4) (from Ch. 120, par. 2603-4)

Sec. 3-4. Penalty for failure to file correct information returns.

(a) Failure to file correct information returns - imposition of penalty.

(1) In general. Unless otherwise provided in a tax Act, in the case of a failure described in paragraph (2) of this subsection (a) by any person with respect to an information return, that person shall pay a penalty of \$5 for each return or statement with respect to which the failure occurs, but the total amount imposed on that person for all such failures during any calendar year shall not exceed \$25,000.

(2) Failures subject to penalty. The following failures are subject to the penalty imposed in paragraph (1) of this subsection (a):

(A) any failure to file an information return with the Department on or before the required filing date, or

(B) any failure to include all of the information required to be shown on the return or the inclusion of incorrect information.

(b) Reduction where correction in specified period.

(1) Correction within 60 days. If any failure described in subsection (a) (2) is corrected within 60 days after the required filing date:

(A) the penalty imposed by subsection (a) shall be reduced by 50%; and

(B) the total amount imposed on the person for all such failures during any calendar year which are so corrected shall not exceed 50% of the maximum prescribed in subsection (a) (1).

(c) Information return defined. An information return is any tax return required by a tax Act to be filed with the Department that does not, by law, require the payment of a tax liability.

(d) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(e) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2009 that is eligible for amnesty under the Tax Delinquency Amnesty Act, except for any tax liability reported pursuant to Section 506(b) of the Illinois Income Tax Act (35 ILCS 5/506(b)) that is not final, and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 93-26, eff. 6-20-03.)

(35 ILCS 735/3-5) (from Ch. 120, par. 2603-5)

Sec. 3-5. Penalty for negligence.

(a) If any return or amended return is prepared negligently, but without intent to defraud, and filed, in addition to any penalty imposed under Section 3-3 of this Act, a penalty shall be imposed in an amount equal to 20% of any resulting deficiency.

(b) Negligence includes any failure to make a reasonable attempt to comply with the provisions of any tax Act and includes careless, reckless, or intentional disregard of the law or regulations.

(c) No penalty shall be imposed under this Section if it is shown that failure to comply with the tax Act is due to reasonable cause. A taxpayer is not negligent if the taxpayer shows substantial authority to support the return as filed.

(d) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then

the penalty imposed by the Department shall be imposed in an amount that is 200% of the amount that would otherwise be imposed in accordance with this Section.

(e) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2009 that is eligible for amnesty under the Tax Delinquency Amnesty Act, except for any tax liability reported pursuant to Section 506(b) of the Illinois Income Tax Act (35 ILCS 5/506(b)) that is not final, and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 93-26, eff. 6-20-03.)

(35 ILCS 735/3-6) (from Ch. 120, par. 2603-6)

Sec. 3-6. Penalty for fraud.

(a) If any return or amended return is filed with intent to defraud, in addition to any penalty imposed under Section 3-3 of this Act, a penalty shall be imposed in an amount equal to 50% of any resulting deficiency.

(b) If any claim is filed with intent to defraud, a penalty shall be imposed in an amount equal to 50% of the amount fraudulently claimed for credit or refund.

(c) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(d) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2009 that is eligible for amnesty under the Tax Delinquency Amnesty Act, except for any tax liability reported pursuant to Section 506(b) of the Illinois Income Tax Act (35 ILCS 5/506(b)) that is not final, and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 93-26, eff. 6-20-03.)

(35 ILCS 735/3-7.5)

Sec. 3-7.5. Bad check penalty.

(a) In addition to any other penalty provided in this Act, a penalty of \$25 shall be imposed on any person who issues a check or other draft to the Department that is not honored upon presentment. The penalty imposed under this Section shall be deemed assessed at the time of presentment of the check or other draft and shall be treated for all purposes, including collection and allocation, as part of the tax or other liability for which the check or other draft represented payment.

(b) If a taxpayer has a tax liability for the taxable period ending after June 30, 1983 and prior to July 1, 2002 that is eligible for amnesty under the Tax Delinquency Amnesty Act and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(c) If a taxpayer has a tax liability for the taxable period ending after June 30, 2002 and prior to July 1, 2009 that is eligible for amnesty under the Tax Delinquency Amnesty Act, except for any tax liability reported pursuant to Section 506(b) of the Illinois Income Tax Act (35 ILCS 5/506(b)) that is not final, and the taxpayer fails to satisfy the tax liability during the amnesty period provided for in that Act for that taxable period, then the penalty imposed by the Department under this Section shall be imposed in an amount that is 200% of the amount that would otherwise be imposed under this Section.

(Source: P.A. 93-26, eff. 6-20-03.)

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

AMENDMENT NO. 6 TO SENATE BILL 377

AMENDMENT NO. 6. Amend Senate Bill 377, AS AMENDED, with reference to page and line numbers of House Amendment No. 3, by replacing "State Comptroller" with "Department of Revenue" each time it appears in the following places:

page 1, line 9;

page 1, line 11;

page 1, line 14;

page 1, lines 15 and 16;

page 3, line 18; and

[May 26, 2010]

page 3, line 21; and

on page 1, line 8, immediately after "General", by inserting ", or the State Agency for accounts of less than \$1,000."; and

on page 2, line 1, immediately after "Fund", by inserting "The State Comptroller shall provide the Department of Revenue with any information that the Department requests for the purpose of administering this Section."; and

on page 4, line 13, by replacing "15" with "8"; and

on page 4, line 20, by replacing "15" with "8"; and

on page 9, line 26, by deleting "Section 15 of".

Under the rules, the foregoing **Senate Bill No. 377**, with House Amendments numbered 1, 3 and 6, 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. 2534

A bill for AN ACT concerning State 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. 2534

House Amendment No. 2 to SENATE BILL NO. 2534

Passed the House, as amended, May 25, 2010.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2534

AMENDMENT NO. 1. Amend Senate Bill 2534 by replacing everything after the enacting clause with the following:

"Section 5. The New Markets Development Program Act is amended by changing Section 20 as follows:

(20 ILCS 663/20)

Sec. 20. Annual cap on credits. ~~The~~ ~~The~~ Department shall limit the monetary amount of qualified equity investments permitted under this Act to a level necessary to limit tax credit use at no more than \$10,000,000 of tax credits in any fiscal year. This limitation on qualified equity investments shall be based on the anticipated use of credits without regard to the potential for taxpayers to carry forward tax credits to later tax years.

(Source: P.A. 95-1024, eff. 12-31-08.)".

AMENDMENT NO. 2 TO SENATE BILL 2534

AMENDMENT NO. 2. Amend Senate Bill 2534, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Historic Preservation Tax Credit Pilot Program Act.

Section 5. Definitions. As used in this Section, unless the context clearly indicates otherwise:

(a) "Agency" means the Historic Preservation Agency.

(b) "Department" means the Department of Commerce and Economic Opportunity.

(c) "Qualified expenditures" means all the costs and expenses defined as qualified rehabilitation expenditures under Section 47 of the federal Internal Revenue Code which were incurred in connection with a qualified historic structure.

[May 26, 2010]

(d) "Qualified historic structure" means a hotel that is located in the City of Peoria and that is defined as a certified historic structure under Section 47 (c)(3) of the federal Internal Revenue Code.

(e) "Qualified rehabilitation plan" means a project that is approved by the Agency as being consistent with the standards in effect on the effective date of this Act for rehabilitation as adopted by the federal Secretary of the Interior.

(f) "Qualified taxpayer" means the owner of the qualified historic structure or any other person who may qualify for the federal rehabilitation credit allowed by Section 47 of the federal Internal Revenue Code. If the taxpayer is (i) a corporation having an election in effect under Subchapter S of the federal Internal Revenue Code, (ii) a partnership, or (iii) a limited liability company, the credit provided under this Act may be claimed by the shareholders of the corporation, the partners of the partnership, or the members of the limited liability company in the same manner as those shareholders, partners, or members account for their proportionate shares of the income or losses of the corporation, partnership, or limited liability company, or as provided in the by-laws or other executed agreement of the corporation, partnership, or limited liability company. Credits granted to a partnership, a limited liability company taxed as a partnership, or other multiple owners of property shall be passed through to the partners, members, or owners respectively on a pro rata basis or pursuant to an executed agreement among the partners, members, or owners documenting any alternate distribution method.

Section 15. Allowable credit. To the extent authorized by Section 25 of this Act, for taxable years beginning on or after January 1, 2010 and ending on or before December 31, 2015, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an amount equal to 25% of qualified expenditures incurred by a qualified taxpayer during the taxable year in the restoration and preservation of a qualified historic structure pursuant to a qualified rehabilitation plan, provided that the total amount of such expenditures (i) must equal \$5,000 or more, and (ii) must exceed 50% of the purchase price of the property. If the amount of any tax credit awarded under this Act exceeds the qualified taxpayer's income tax liability for the year in which the qualified rehabilitation plan was placed in service, the excess amount may be carried forward for deduction from the taxpayer's income tax liability in the next succeeding year or years until the total amount of the credit has been used, except that a credit may not be carried forward for deduction after the tenth taxable year after the taxable year in which the qualified rehabilitation plan was placed in service. To obtain a tax credit pursuant to this Act, an application must be made to the Department no later than 6 months after the effective date of this Act. The Department, in consultation with the Agency, shall determine the amount of eligible rehabilitation costs and expenses. The Agency shall determine whether the rehabilitation is consistent with the standards of the Secretary of the United States Department of the Interior for rehabilitation. Upon completion and review of the project, the Department shall issue a certificate in the amount of the eligible credits. At the time the certificate is issued, an issuance fee up to the maximum amount of 2% of the amount of the credits issued by the certificate may be collected from the applicant to administer the Act. If collected, this issuance fee shall be evenly divided between the Department and the Agency. The taxpayer must attach the certificate to the tax return on which the credits are to be claimed.

Section 20. Transfer of credits. Any qualified taxpayer, referred to in this Section as the assignor, may sell, assign, convey, or otherwise transfer tax credits allowed and earned under this Act. The taxpayer acquiring the credits, referred to in this Section as the assignee, may use the amount of the acquired credits to offset up to 100% of its income tax liability for either the taxable year in which the qualified rehabilitation plan was first placed into service or the taxable year in which such acquisition was made. Unused credit amounts claimed by the assignee may be carried forward for up to 10 years or carried back for up to 3 years, except that all credits must be claimed within 10 years after the tax year in which the qualified rehabilitation plan was first placed into service and may not be carried back to a tax year prior to the tax year in which the credit was issued. The assignor shall enter into a written agreement with the assignee establishing the terms and conditions of the agreement and shall perfect the transfer by notifying the Department in writing within 90 calendar days after the effective date of the transfer and shall provide any information as may be required by the Department to administer and carry out the provisions of this Section. If credits that have been transferred are subsequently reduced, adjusted, or recaptured, in whole or in part, by the Department, the Department of Revenue, or any other applicable government agency, only the original qualified taxpayer that was awarded the credits, and not any subsequent assignee of the credits, shall be held liable to repay any amount of such reduction, adjustment, or recapture of the credits.

Section 25. Pilot program; report. The Department may award no more than an aggregate of \$10,000,000 in total tax credits pursuant to one qualified rehabilitation plan for one qualified historic structure. On or before December 31, 2010 and on or before December 31 of each year thereafter through 2016, the Department must submit a report to the General Assembly evaluating the effectiveness of this Act in stimulating economic revitalization in the pilot program area.

Section 30. Powers. The Department and the Agency shall promulgate rules and regulations for the administration of this Act.

Section 35. The Illinois Income Tax Act is amended by adding Section 219 as follows:
(35 ILCS 5/219 new)

Sec. 219. Historic preservation credit. For tax years beginning on or after January 1, 2010 and ending on or before December 31, 2015, a taxpayer who qualifies for a credit under the Historic Preservation Tax Credit Pilot Program Act is entitled to a credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act as provided in that Act. If the taxpayer is a partnership or Subchapter S corporation, the credit shall be allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code.

If the amount of any tax credit awarded under this Section exceeds the qualified taxpayer's income tax liability for the year in which the qualified rehabilitation plan was placed in service, the excess amount may be carried forward or back as provided in the Historic Preservation Tax Credit Pilot Program Act.

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

Under the rules, the foregoing **Senate Bill No. 2534**, 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. 3514

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. 3514

House Amendment No. 3 to SENATE BILL NO. 3514

House Amendment No. 4 to SENATE BILL NO. 3514

House Amendment No. 5 to SENATE BILL NO. 3514

Passed the House, as amended, May 25, 2010.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 3514

AMENDMENT NO. 1. Amend Senate Bill 3514 by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by changing Section 14.1 as follows:

(30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

Sec. 14.1. Appropriations for State contributions to the State Employees' Retirement System; payroll requirements.

(a) Appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this Section. Except as otherwise provided in subsections (a-1) and (a-2), at the time of each payment of salary to an employee under the personal services line item, payment shall be made to the State Employees' Retirement System, from the amount appropriated for State contributions to the State Employees' Retirement System, of an amount calculated at the rate certified for the applicable fiscal year by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. If a line item appropriation to an employer

[May 26, 2010]

for this purpose is exhausted or is unavailable due to any limitation on appropriations that may apply, (including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act), the amounts shall be paid under the continuing appropriation for this purpose contained in the State Pension Funds Continuing Appropriation Act.

(a-1) Beginning on the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this subsection (a-1). At the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the General Revenue Fund from the amount appropriated for State contributions to the State Employees' Retirement System of an amount calculated at the rate certified for fiscal year 2004 by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. No payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(a-2) For fiscal year 2010 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2010 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2010 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(a-3) For fiscal year 2011 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2011 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2011 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(b) Except during the period beginning on the effective date of this amendatory Act of the 93rd General Assembly and ending at the time of the payment of the final payroll from fiscal year 2004 appropriations, the State Comptroller shall not approve for payment any payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System, the Comptroller shall promptly so notify the Retirement System.

(b-1) For fiscal year 2010 only, the State Comptroller shall not approve for payment any non-General Revenue Fund payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System of Illinois, the Comptroller shall promptly so notify the retirement system.

(c) Notwithstanding any other provisions of law, beginning July 1, 2007, required State and employee contributions to the State Employees' Retirement System of Illinois relating to affected legislative staff

employees shall be paid out of moneys appropriated for that purpose to the Commission on Government Forecasting and Accountability, rather than out of the lump-sum appropriations otherwise made for the payroll and other costs of those employees.

These payments must be made pursuant to payroll vouchers submitted by the employing entity as part of the regular payroll voucher process.

For the purpose of this subsection, "affected legislative staff employees" means legislative staff employees paid out of lump-sum appropriations made to the General Assembly, an Officer of the General Assembly, or the Senate Operations Commission, but does not include district-office staff or employees of legislative support services agencies.

(Source: P.A. 95-707, eff. 1-11-08; 96-45, eff. 7-15-09.)

Section 10. The General Obligation Bond Act is amended by changing Sections 2, 2.5, 7.2, 9, 11, 14.1, and 15 as follows:

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

Sec. 2. Authorization for Bonds. The State of Illinois is authorized to issue, sell and provide for the retirement of General Obligation Bonds of the State of Illinois for the categories and specific purposes expressed in Sections 2 through 8 of this Act, in the total amount of \$40,917,777,443 ~~\$37,217,777,443~~.

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

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

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

Of the total amount of Bonds authorized in this Act, the additional \$10,000,000,000 authorized by Public Act 93-2, ~~and~~ the \$3,466,000,000 authorized by Public Act 96-43, ~~and the \$3,700,000,000 authorized by this amendatory Act of the 96th General Assembly~~ shall be used solely as provided in Section 7.2.

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

(Source: P.A. 95-1026, eff. 1-12-09; 96-5, eff. 4-3-09; 96-36, eff. 7-13-09; 96-43, eff. 7-15-09; 96-885, eff. 3-11-10.)

(30 ILCS 330/2.5)

Sec. 2.5. Limitation on issuance of Bonds.

(a) Except as provided in subsection (b), no Bonds may be issued if, after the issuance, in the next State fiscal year after the issuance of the Bonds, the amount of debt service (including principal, whether payable at maturity or pursuant to mandatory sinking fund installments, and interest) on all then-outstanding Bonds, other than Bonds authorized by Public Act 96-43 or by this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~, would exceed 7% of the aggregate appropriations from the general funds (which consist of the General Revenue Fund, the Common School Fund, the General Revenue Common School Special Account Fund, and the Education Assistance Fund) and the Road Fund for the fiscal year immediately prior to the fiscal year of the issuance.

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

(Source: P.A. 96-43, eff. 7-15-09.)

(30 ILCS 330/7.2)

Sec. 7.2. State pension funding.

(a) The amount of \$10,000,000,000 is authorized to be used for the purpose of making contributions to the designated retirement systems. For the purposes of this Section, "designated retirement systems" means the State Employees' Retirement System of Illinois; the Teachers' Retirement System of the State of Illinois; the State Universities Retirement System; the Judges Retirement System of Illinois; and the General Assembly Retirement System.

The amount of \$3,466,000,000 of Bonds authorized by Public Act 96-43 ~~this amendatory Act of the 96th General Assembly~~ is authorized to be used for the purpose of making a portion of the State's Fiscal Year 2010 required contributions to the designated retirement systems.

[May 26, 2010]

The amount of \$3,700,000,000 of Bonds authorized by this amendatory Act of the 96th General Assembly is authorized to be used for the purpose of making the State's Fiscal Year 2011 required contributions to the designated retirement systems.

(b) The Pension Contribution Fund is created as a special fund in the State Treasury.

The proceeds of the additional \$10,000,000,000 of Bonds authorized by Public Act 93-2, less the amounts authorized in the Bond Sale Order to be deposited directly into the capitalized interest account of the General Obligation Bond Retirement and Interest Fund or otherwise directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund and used as provided in this Section.

The proceeds of the additional \$3,466,000,000 of Bonds authorized by ~~Public Act 96-43 this amendatory Act of the 96th General Assembly~~, less the amounts directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund, and the Comptroller and the Treasurer shall, as soon as practical, (i) first, transfer from the Pension Contribution Fund to the General Revenue Fund or Common School Fund an amount equal to the amount of payments, if any, made to the designated retirement systems from the General Revenue Fund or Common School Fund in State fiscal year 2010 and (ii) second, make transfers from the Pension Contribution Fund to the designated retirement systems pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension Code.

The additional \$3,700,000,000 of Bonds authorized by this amendatory Act of the 96th General Assembly may be issued only for the purpose of fulfilling the State's Fiscal Year 2011 required contributions to the designated retirement systems.

All or a portion of the Bonds shall be issued directly to the designated retirement systems, with the remaining amount necessary to make the required contributions sold by negotiated sale, if the State first obtains, prior to April 15, 2011, a written determination from the Internal Revenue Service that an issuance directly to the retirement systems is not a prohibited transaction under Section 503(b) of the Internal Revenue Code. If the State is unable to obtain a written determination from the Internal Revenue Service as required in the preceding sentence, the State may elect to issue by negotiated sale any amount of the additional \$3,700,000,000 of Bonds authorized by this amendatory Act of the 96th General Assembly that, in the sole determination of the Director of the Governor's Office of Management and Budget, is appropriate given market conditions at that time.

The proceeds of any Bonds authorized by this amendatory Act of the 96th General Assembly and sold by negotiated sale, less the amounts directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund, and the Comptroller and the Treasurer shall, as soon as practical, (i) first, transfer from the Pension Contribution Fund to the General Revenue Fund or Common School Fund an amount equal to the amount of payments, if any, made to the designated retirement systems from the General Revenue Fund or Common School Fund in State fiscal year 2011 and (ii) second, make transfers from the Pension Contribution Fund to the designated retirement systems pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension Code.

(c) Of the amount of Bond proceeds from the bond sale authorized by Public Act 93-2 first deposited into the Pension Contribution Fund, there shall be reserved for transfers under this subsection the sum of \$300,000,000, representing the required State contributions to the designated retirement systems for the last quarter of State fiscal year 2003, plus the sum of \$1,860,000,000, representing the required State contributions to the designated retirement systems for State fiscal year 2004.

Upon the deposit of sufficient moneys from the bond sale authorized by Public Act 93-2 into the Pension Contribution Fund, the Comptroller and Treasurer shall immediately transfer the sum of \$300,000,000 from the Pension Contribution Fund to the General Revenue Fund.

Whenever any payment of required State contributions for State fiscal year 2004 is made to one of the designated retirement systems, the Comptroller and Treasurer shall, as soon as practicable, transfer from the Pension Contribution Fund to the General Revenue Fund an amount equal to the amount of that payment to the designated retirement system. Beginning on the effective date of this amendatory Act of the 93rd General Assembly, the transfers from the Pension Contribution Fund to the General Revenue Fund shall be suspended until June 30, 2004, and the remaining balance in the Pension Contribution Fund shall be transferred directly to the designated retirement systems as provided in Section 6z-61 of the State Finance Act. On and after July 1, 2004, in the event that any amount is on deposit in the Pension Contribution Fund from time to time, the Comptroller and Treasurer shall continue to make such transfers based on fiscal year 2005 payments until the entire amount on deposit has been transferred.

(d) All amounts deposited into the Pension Contribution Fund, other than the amounts reserved for the transfers under subsection (c) from the bond sale authorized by Public Act 93-2 and other than amounts deposited into the Pension Contribution Fund from the bond sale authorized by Public Act 96-43 or this

~~amendatory Act of the 96th General Assembly~~ this amendatory Act of the 96th General Assembly, shall be appropriated to the designated retirement systems to reduce their actuarial reserve deficiencies. The amount of the appropriation to each designated retirement system shall constitute a portion of the total appropriation under this subsection that is the same as that retirement system's portion of the total actuarial reserve deficiency of the systems, as most recently determined by the Governor's Office of Management and Budget under Section 8.12 of the State Finance Act.

With respect to proceeds from the bond sale authorized by Public Act 93-2 only, within 15 days after any Bond proceeds in excess of the amounts initially reserved under subsection (c) are deposited into the Pension Contribution Fund, the Governor's Office of Management and Budget shall (i) allocate those proceeds among the designated retirement systems in proportion to their respective actuarial reserve deficiencies, as most recently determined under Section 8.12 of the State Finance Act, and (ii) certify those allocations to the designated retirement systems and the Comptroller.

Upon receiving certification of an allocation under this subsection, a designated retirement system shall submit to the Comptroller a voucher for the amount of its allocation. The voucher shall be paid out of the amount appropriated to that designated retirement system from the Pension Contribution Fund pursuant to this subsection.

(Source: P.A. 96-43, eff. 7-15-09.)

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

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

(a) Except as otherwise provided in this subsection, Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; provided however, that interest payable at fixed or variable rates shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Bonds, other than Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology, (i) except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011, must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring within the fiscal year in which the Bonds are issued or within the next succeeding fiscal year and (ii) must mature or be subject to mandatory redemption each fiscal year thereafter up to 25 years, except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 which must mature or be subject to mandatory redemption each fiscal year thereafter up to 16 years. Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring with the fiscal year in which the respective bonds are issued or with the next succeeding fiscal year, with the respective bonds issued maturing or subject to mandatory redemption each fiscal year thereafter up to 10 years. Notwithstanding any provision of this Act to the contrary, the Bonds authorized by Public Act 96-43 shall be payable within 5 years from their date and must be issued with principal or mandatory redemption amounts in equal amounts, with payment of principal or mandatory redemption beginning in the first fiscal year following the fiscal year in which the Bonds are issued.

Notwithstanding any provision of this Act to the contrary, the Bonds authorized by this amendatory Act of the 96th General Assembly shall be issued with payment of maturing principal or scheduled mandatory redemptions in accordance with the following schedule, except the following amounts shall be prorated if less than the total additional amount of Bonds authorized by this amendatory Act of the 96th General Assembly are issued:

<u>Fiscal Year After Issuance</u>	<u>Amount</u>
<u>1-2</u>	<u>\$0</u>
<u>3</u>	<u>\$100,000,000</u>
<u>4</u>	<u>\$300,000,000</u>
<u>5</u>	<u>\$600,000,000</u>

6-8 \$900,000,000

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

(b) In connection with the issuance of any series of Bonds, the State may enter into arrangements to provide additional security and liquidity for such Bonds, including, without limitation, bond or interest rate insurance or letters of credit, lines of credit, bond purchase contracts, or other arrangements whereby funds are made available to retire or purchase Bonds, thereby assuring the ability of owners of the Bonds to sell or redeem their Bonds. The State may enter into contracts and may agree to pay fees to persons providing such arrangements, but only under circumstances where the Director of the Governor's Office of Management and Budget certifies that he or she reasonably expects the total interest paid or to be paid on the Bonds, together with the fees for the arrangements (being treated as if interest), would not, taken together, cause the Bonds to bear interest, calculated to their stated maturity, at a rate in excess of the rate that the Bonds would bear in the absence of such arrangements.

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

(c) Prior to the issuance of any Variable Rate Bonds pursuant to subsection (a), the Director of the Governor's Office of Management and Budget shall adopt an interest rate risk management policy providing that the amount of the State's variable rate exposure with respect to Bonds shall not exceed 20%. This policy shall remain in effect while any Bonds are outstanding and the issuance of Bonds shall be subject to the terms of such policy. The terms of this policy may be amended from time to time by the Director of the Governor's Office of Management and Budget but in no event shall any amendment cause the permitted level of the State's variable rate exposure with respect to Bonds to exceed 20%.

(d) "Build America Bonds" in this Section means Bonds authorized by Section 54AA of the Internal Revenue Code of 1986, as amended ("Internal Revenue Code"), and bonds issued from time to time to refund or continue to refund "Build America Bonds".

(e) Notwithstanding any other provision of this Section, Qualified School Construction Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Qualified School Construction Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, and if the Qualified School Construction Bonds are issued with a supplemental coupon, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Qualified School Construction Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; except that interest payable at fixed or variable rates, if any, shall not exceed that permitted in

the Bond Authorization Act, as now or hereafter amended. Qualified School Construction Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Qualified School Construction Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Qualified School Construction Bonds must be issued with principal or mandatory redemption amounts or sinking fund payments into the General Obligation Bond Retirement and Interest Fund (or subaccount therefor) in equal amounts, with the first maturity issued, mandatory redemption payment or sinking fund payment occurring within the fiscal year in which the Qualified School Construction Bonds are issued or within the next succeeding fiscal year, with Qualified School Construction Bonds issued maturing or subject to mandatory redemption or with sinking fund payments thereof deposited each fiscal year thereafter up to 25 years. Sinking fund payments set forth in this subsection shall be permitted only to the extent authorized in Section 54F of the Internal Revenue Code or as otherwise determined by the Director of the Governor's Office of Management and Budget. "Qualified School Construction Bonds" in this subsection means Bonds authorized by Section 54F of the Internal Revenue Code and for bonds issued from time to time to refund or continue to refund such "Qualified School Construction Bonds".

(Source: P.A. 96-18, eff. 6-26-09; 96-37, eff. 7-13-09; 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

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

Sec. 11. Sale of Bonds. Except as otherwise provided in this Section, Bonds shall be sold from time to time pursuant to notice of sale and public bid or by negotiated sale in such amounts and at such times as is directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. At least 25%, based on total principal amount, of all Bonds issued each fiscal year shall be sold pursuant to notice of sale and public bid. At all times during each fiscal year, no more than 75%, based on total principal amount, of the Bonds issued each fiscal year, shall have been sold by negotiated sale. Failure to satisfy the requirements in the preceding 2 sentences shall not affect the validity of any previously issued Bonds; provided that all Bonds authorized by Public Act 96-43 or this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~ shall not be included in determining compliance for any fiscal year with the requirements of the preceding 2 sentences; and further provided that refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 shall not be subject to the requirements in the preceding 2 sentences.

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

If Bonds are to be sold pursuant to notice of sale and public bid, the Director of the Governor's Office of Management and Budget shall, from time to time, as Bonds are to be sold, advertise the sale of the Bonds in at least 2 daily newspapers, one of which is published in the City of Springfield and one in the City of Chicago. The sale of the Bonds shall also be advertised in the volume of the Illinois Procurement Bulletin that is published by the Department of Central Management Services. Each of the advertisements for proposals shall be published once at least 10 days prior to the date fixed for the opening of the bids. The Director of the Governor's Office of Management and Budget may reschedule the date of sale upon the giving of such additional notice as the Director deems adequate to inform prospective bidders of such change; provided, however, that all other conditions of the sale shall continue as originally advertised.

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

(Source: P.A. 96-18, eff. 6-26-09; 96-43, eff. 7-15-09.)

(30 ILCS 330/15) (from Ch. 127, par. 665)

Sec. 15. Computation of Principal and Interest; transfers.

(a) Upon each delivery of Bonds authorized to be issued under this Act, the Comptroller shall compute and certify to the Treasurer the total amount of principal of, interest on, and premium, if any, on Bonds issued that will be payable in order to retire such Bonds, the amount of principal of, interest on and premium, if any, on such Bonds that will be payable on each payment date according to the tenor of such Bonds during the then current and each succeeding fiscal year, and the amount of sinking fund payments needed to be deposited in connection with Qualified School Construction Bonds authorized by subsection (e) of Section 9. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of

Section 14 of this Act. With respect to the interest payable, such certifications shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act.

On or before the last day of each month the State Treasurer and Comptroller shall transfer from (1) the Road Fund with respect to Bonds issued under paragraph (a) of Section 4 of this Act or Bonds issued for the purpose of refunding such bonds, and from (2) the General Revenue Fund, with respect to all other Bonds issued under this Act, to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on Bonds payable, by their terms on the next payment date divided by the number of full calendar months between the date of such Bonds and the first such payment date, and thereafter, divided by the number of months between each succeeding payment date after the first. Such computations and transfers shall be made for each series of Bonds issued and delivered. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of Section 14 of this Act. Computations of interest shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act. Interest for which monies have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection. Notwithstanding any other provision in this Section, the transfer provisions provided in this paragraph shall not apply to transfers made in fiscal year 2010 or 2011 with respect to Bonds issued in fiscal year 2010 or 2011 pursuant to Section 7.2 of this Act. In the case of transfers made in fiscal year 2010 or 2011 with respect to the Bonds issued in fiscal year 2010 or 2011 pursuant to Section 7.2 of this Act, on or before the 15th day of the month prior to the required debt service payment, the State Treasurer and Comptroller shall transfer from the General Revenue Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the Bonds payable in that next month.

The transfer of monies herein and above directed is not required if monies in the General Obligation Bond Retirement and Interest Fund are more than the amount otherwise to be transferred as herein above provided, and if the Governor or his authorized representative notifies the State Treasurer and Comptroller of such fact in writing.

(b) After the effective date of this Act, the balance of, and monies directed to be included in the Capital Development Bond Retirement and Interest Fund, Anti-Pollution Bond Retirement and Interest Fund, Transportation Bond, Series A Retirement and Interest Fund, Transportation Bond, Series B Retirement and Interest Fund, and Coal Development Bond Retirement and Interest Fund shall be transferred to and deposited in the General Obligation Bond Retirement and Interest Fund. This Fund shall be used to make debt service payments on the State's general obligation Bonds heretofore issued which are now outstanding and payable from the Funds herein listed as well as on Bonds issued under this Act.

(c) The unused portion of federal funds received for a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall be deposited upon completion of the project in the General Obligation Bond Retirement and Interest Fund. Any federal funds received as reimbursement for the completed construction of a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall be deposited in the General Obligation Bond Retirement and Interest Fund.

(Source: P.A. 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

Section 15. The Illinois Pension Code is amended by changing Sections 1-113, 1-114, 2-124, 2-134, 14-131, 14-135.08, 15-155, 15-165, 16-158, 18-131, and 18-140 as follows:

(40 ILCS 5/1-113) (from Ch. 108 1/2, par. 1-113)

Sec. 1-113. Investment authority of certain pension funds, not including those established under Article 3 or 4. The investment authority of a board of trustees of a retirement system or pension fund established under this Code shall, if so provided in the Article establishing such retirement system or pension fund, embrace the following investments:

(1) Bonds, notes and other direct obligations of the United States Government; bonds, notes and other obligations of any United States Government agency or instrumentality, whether or not guaranteed; and obligations the principal and interest of which are guaranteed unconditionally by the United States Government or by an agency or instrumentality thereof.

(2) Obligations of the Inter-American Development Bank, the International Bank for Reconstruction

and Development, the African Development Bank, the International Finance Corporation, and the Asian Development Bank.

(3) Obligations of any state, or of any political subdivision in Illinois, or of any county or city in any other state having a population as shown by the last federal census of not less than 30,000 inhabitants provided that such political subdivision is not permitted by law to become indebted in excess of 10% of the assessed valuation of property therein and has not defaulted for a period longer than 30 days in the payment of interest and principal on any of its general obligations or indebtedness during a period of 10 calendar years immediately preceding such investment.

(3.1) Obligations of the State of Illinois issued in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act.

(4) Nonconvertible bonds, debentures, notes and other corporate obligations of any corporation created or existing under the laws of the United States or any state, district or territory thereof, provided there has been no default on the obligations of the corporation or its predecessor(s) during the 5 calendar years immediately preceding the purchase. Up to 5% of the assets of a pension fund established under Article 9 of this Code may be invested in nonconvertible bonds, debentures, notes, and other corporate obligations of corporations created or existing under the laws of a foreign country, provided there has been no default on the obligations of the corporation or its predecessors during the 5 calendar years immediately preceding the date of purchase.

(5) Obligations guaranteed by the Government of Canada, or by any Province of Canada, or by any Canadian city with a population of not less than 150,000 inhabitants, provided (a) they are payable in United States currency and are exempt from any Canadian withholding tax; (b) the investment in any one issue of bonds shall not exceed 10% of the amount outstanding; and (c) the total investments at book value in Canadian securities shall be limited to 5% of the total investment account of the board at book value.

(5.1) Direct obligations of the State of Israel for the payment of money, or obligations for the payment of money which are guaranteed as to the payment of principal and interest by the State of Israel, or common or preferred stock or notes issued by a bank owned or controlled in whole or in part by the State of Israel, on the following conditions:

(a) The total investments in such obligations shall not exceed 5% of the book value of the aggregate investments owned by the board;

(b) The State of Israel shall not be in default in the payment of principal or interest on any of its direct general obligations on the date of such investment;

(c) The bonds, stock or notes, and interest thereon shall be payable in currency of the United States;

(d) The bonds shall (1) contain an option for the redemption thereof after 90 days from date of purchase or (2) either become due 5 years from the date of their purchase or be subject to redemption 120 days after the date of notice for redemption;

(e) The investment in these obligations has been approved in writing by investment counsel employed by the board, which counsel shall be a national or state bank or trust company authorized to do a trust business in the State of Illinois, or an investment advisor qualified under the Federal Investment Advisors Act of 1940 and registered under the Illinois Securities Act of 1953;

(f) The fund or system making the investment shall have at least \$5,000,000 of net present assets.

(6) Notes secured by mortgages under Sections 203, 207, 220 and 221 of the National Housing Act which are insured by the Federal Housing Commissioner, or his successor assigns, or debentures issued by such Commissioner, which are guaranteed as to principal and interest by the Federal Housing Administration, or agency of the United States Government, provided the aggregate investment shall not exceed 20% of the total investment account of the board at book value, and provided further that the investment in such notes under Sections 220 and 221 shall in no event exceed one-half of the maximum investment in notes under this paragraph.

(7) Loans to veterans guaranteed in whole or part by the United States Government pursuant to Title III of the Act of Congress known as the "Servicemen's Readjustment Act of 1944," 58 Stat. 284, 38 U.S.C. 693, as amended or supplemented from time to time, provided such guaranteed loans are liens upon real estate.

(8) Common and preferred stocks and convertible debt securities authorized for investment of trust funds under the laws of the State of Illinois, provided:

(a) the common stocks, except as provided in subparagraph (g), are listed on a national securities exchange or board of trade, as defined in the federal Securities Exchange Act of 1934, or quoted in the National Association of Securities Dealers Automated Quotation System (NASDAQ);

(b) the securities are of a corporation created or existing under the laws of the United States or any state, district or territory thereof, except that up to 5% of the assets of a pension fund established under Article 9 of this Code may be invested in securities issued by corporations created or existing under the laws of a foreign country, if those securities are otherwise in conformance with this paragraph (8);

(c) the corporation is not in arrears on payment of dividends on its preferred stock;

(d) the total book value of all stocks and convertible debt owned by any pension fund or retirement system shall not exceed 40% of the aggregate book value of all investments of such pension fund or retirement system, except for a pension fund or retirement system governed by Article 9 or 17, where the total of all stocks and convertible debt shall not exceed 50% of the aggregate book value of all fund investments, and except for a pension fund or retirement system governed by Article 13, where the total market value of all stocks and convertible debt shall not exceed 65% of the aggregate market value of all fund investments;

(e) the book value of stock and convertible debt investments in any one corporation shall not exceed 5% of the total investment account at book value in which such securities are held, determined as of the date of the investment, and the investments in the stock of any one corporation shall not exceed 5% of the total outstanding stock of such corporation, and the investments in the convertible debt of any one corporation shall not exceed 5% of the total amount of such debt that may be outstanding;

(f) the straight preferred stocks or convertible preferred stocks and convertible debt securities are issued or guaranteed by a corporation whose common stock qualifies for investment by the board; and

(g) that any common stocks not listed or quoted as provided in subdivision 8(a) above be limited to the following types of institutions: (a) any bank which is a member of the Federal Deposit Insurance Corporation having capital funds represented by capital stock, surplus and undivided profits of at least \$20,000,000; (b) any life insurance company having capital funds represented by capital stock, special surplus funds and unassigned surplus totalling at least \$50,000,000; and (c) any fire or casualty insurance company, or a combination thereof, having capital funds represented by capital stock, net surplus and voluntary reserves of at least \$50,000,000.

(9) Withdrawable accounts of State chartered and federal chartered savings and loan associations insured by the Federal Savings and Loan Insurance Corporation; deposits or certificates of deposit in State and national banks insured by the Federal Deposit Insurance Corporation; and share accounts or share certificate accounts in a State or federal credit union, the accounts of which are insured as required by the Illinois Credit Union Act or the Federal Credit Union Act, as applicable.

No bank or savings and loan association shall receive investment funds as permitted by this subsection (9), unless it has complied with the requirements established pursuant to Section 6 of the Public Funds Investment Act.

(10) Trading, purchase or sale of listed options on underlying securities owned by the board.

(11) Contracts and agreements supplemental thereto providing for investments in the general account of a life insurance company authorized to do business in Illinois.

(12) Conventional mortgage pass-through securities which are evidenced by interests in Illinois owner-occupied residential mortgages, having not less than an "A" rating from at least one national securities rating service. Such mortgages may have loan-to-value ratios up to 95%, provided that any amount over 80% is insured by private mortgage insurance. The pool of such mortgages shall be insured by mortgage guaranty or equivalent insurance, in accordance with industry standards.

(13) Pooled or commingled funds managed by a national or State bank which is authorized to do a trust business in the State of Illinois, shares of registered investment companies as defined in the federal Investment Company Act of 1940 which are registered under that Act, and separate accounts of a life insurance company authorized to do business in Illinois, where such pooled or commingled funds, shares, or separate accounts are comprised of common or preferred stocks, bonds, or money market instruments.

(14) Pooled or commingled funds managed by a national or state bank which is authorized to do a trust business in the State of Illinois, separate accounts managed by a life insurance company authorized to do business in Illinois, and commingled group trusts managed by an investment adviser registered under the federal Investment Advisors Act of 1940 (15 U.S.C. 80b-1 et seq.) and under the Illinois Securities Law of 1953, where such pooled or commingled funds, separate accounts or commingled group trusts are comprised of real estate or loans upon real estate secured by first or second mortgages. The total investment in such pooled or commingled funds, commingled group trusts and separate accounts shall not exceed 10% of the aggregate book value of all investments owned by the fund.

(15) Investment companies which (a) are registered as such under the Investment Company Act of 1940, (b) are diversified, open-end management investment companies and (c) invest only in money market instruments.

(16) Up to 10% of the assets of the fund may be invested in investments not included in paragraphs (1) through (15) of this Section, provided that such investments comply with the requirements and restrictions set forth in Sections 1-109, 1-109.1, 1-109.2, 1-110 and 1-111 of this Code.

The board shall have the authority to enter into such agreements and to execute such documents as it determines to be necessary to complete any investment transaction.

Any limitations herein set forth shall be applicable only at the time of purchase and shall not require the liquidation of any investment at any time.

All investments shall be clearly held and accounted for to indicate ownership by such board. Such board may direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a national or state bank or trust company authorized to conduct a trust business in the State of Illinois.

Investments shall be carried at cost or at a value determined in accordance with generally accepted accounting principles and accounting procedures approved by such board.

(Source: P.A. 92-53, eff. 7-12-01.)

(40 ILCS 5/1-114) (from Ch. 108 1/2, par. 1-114)

Sec. 1-114. Liability for Breach of Fiduciary Duty. (a) Any person who is a fiduciary with respect to a retirement system or pension fund established under this Code who breaches any duty imposed upon fiduciaries by this Code shall be personally liable to make good to such retirement system or pension fund any losses to it resulting from each such breach, and to restore to such retirement system or pension fund any profits of such fiduciary which have been made through use of assets of the retirement system or pension fund by the fiduciary, and shall be subject to such equitable or remedial relief as the court may deem appropriate, including the removal of such fiduciary.

(b) No person shall be liable with respect to a breach of fiduciary duty under this Code if such breach occurred before such person became a fiduciary or after such person ceased to be a fiduciary.

(c) No person shall be liable with respect to a breach of fiduciary duty under this Code for investing in obligations of the State of Illinois issued in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act.

(Source: P.A. 82-960.)

(40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

Sec. 2-124. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with the contributions of participants, interest earned on investments, and other income will meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

(b) The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the prescribed rate of interest, using the formula in subsection (c).

(c) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$4,157,000.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$5,220,300.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$10,454,000 and shall be made from the proceeds of bonds sold in fiscal year 2010

[May 26, 2010]

pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System pursuant to this amendatory Act of the 96th General Assembly. Subject to the requirements of Section 7.2 of the General Obligation Bond Act, the State contribution for fiscal year 2011 may be made through any combination of (i) the transfer of bonds to the System in fiscal year 2011 and (ii) the proceeds of bonds sold by negotiated sale in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. If no bonds are issued directly to the System in accordance with Section 7.2 of the General Obligation Bond Act and if in the sole determination of the Director of the Governor's Office of Management and Budget market conditions do not support the issuance of bonds by negotiated sale in order to make all or a portion of the required contribution, he or she shall so inform the System in writing and the State contribution for fiscal year 2011 shall be only the System's pro rata share, based on the amounts recertified by each System pursuant to this amendatory Act of the 96th General Assembly, of the proceeds of bonds issued, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 2-134, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(d) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(e) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

Sec. 2-134. To certify required State contributions and submit vouchers.

[May 26, 2010]

(a) The Board shall certify to the Governor on or before December 15 of each year the amount of the required State contribution to the System for the next fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before May 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (d) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year. If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(c) The full amount of any annual appropriation for the System for State fiscal year 1995 shall be transferred and made available to the System at the beginning of that fiscal year at the request of the Board. Any excess funds remaining at the end of any fiscal year from appropriations shall be retained by the System as a general reserve to meet the System's accrued liabilities.

(Source: P.A. 94-4, eff. 6-1-05; 94-536, eff. 8-10-05; 95-331, eff. 8-21-07.)

(40 ILCS 5/14-131)

Sec. 14-131. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with other employer contributions from trust, federal, and other funds, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

For the purposes of this Section and Section 14-135.08, references to State contributions refer only to employer contributions and do not include employee contributions that are picked up or otherwise paid by the State or a department on behalf of the employee.

(b) The Board shall determine the total amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board, using the formula in subsection (e).

The Board shall also determine a State contribution rate for each fiscal year, expressed as a percentage of payroll, based on the total required State contribution for that fiscal year (less the amount received by the System from appropriations under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act, if any, for the fiscal year ending on the June 30 immediately preceding the applicable November 15 certification deadline), the estimated payroll (including all forms of compensation) for personal services rendered by eligible employees, and the recommendations of the actuary.

For the purposes of this Section and Section 14.1 of the State Finance Act, the term "eligible employees" includes employees who participate in the System, persons who may elect to participate in the System but have not so elected, persons who are serving a qualifying period that is required for participation, and annuitants employed by a department as described in subdivision (a)(1) or (a)(2) of Section 14-111.

(c) Contributions shall be made by the several departments for each pay period by warrants drawn by the State Comptroller against their respective funds or appropriations based upon vouchers stating the

[May 26, 2010]

amount to be so contributed. These amounts shall be based on the full rate certified by the Board under Section 14-135.08 for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, the several departments shall not make contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The several departments shall resume those contributions at the commencement of fiscal year 2005.

(c-1) Notwithstanding subsection (c) of this Section, for fiscal year 2010 only, contributions by the several departments are not required to be made for General Revenue Funds payrolls processed by the Comptroller. Payrolls paid by the several departments from all other State funds must continue to be processed pursuant to subsection (c) of this Section.

(c-2) For State fiscal year 2010 only, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the fiscal year 2010 General Revenue Fund appropriation to the System.

(c-3) Notwithstanding subsection (c) of this Section, for fiscal year 2011 only, contributions by the several departments are not required to be made for General Revenue Fund payrolls processed by the Comptroller. Payrolls paid by the several departments from all other State funds must continue to be processed pursuant to subsection (c) of this Section.

(d) If an employee is paid from trust funds or federal funds, the department or other employer shall pay employer contributions from those funds to the System at the certified rate, unless the terms of the trust or the federal-State agreement preclude the use of the funds for that purpose, in which case the required employer contributions shall be paid by the State. From the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, the department or other employer shall not pay contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The department or other employer shall resume payment of contributions at the commencement of fiscal year 2005.

(e) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that (i) for State fiscal year 1998, for all purposes of this Code and any other law of this State, the certified percentage of the applicable employee payroll shall be 5.052% for employees earning eligible creditable service under Section 14-110 and 6.500% for all other employees, notwithstanding any contrary certification made under Section 14-135.08 before the effective date of this amendatory Act of 1997, and (ii) in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a): 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2006 is \$203,783,900.

Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2007 is \$344,164,400.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2010 is \$723,703,100 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State General Revenue Fund

contribution for State fiscal year 2011 is the amount recertified by the System pursuant to this amendatory Act of the 96th General Assembly. Subject to the requirements of Section 7.2 of the General Obligation Bond Act, the State contribution for fiscal year 2011 may be made through any combination of (i) the transfer of bonds to the System in fiscal year 2011 and (ii) the proceeds of bonds sold by negotiated sale in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. If no bonds are issued directly to the System in accordance with Section 7.2 of the General Obligation Bond Act and if in the sole determination of the Director of the Governor's Office of Management and Budget market conditions do not support the issuance of bonds by negotiated sale in order to make all or a portion of the required contribution, he or she shall so inform the System in writing and the State contribution for fiscal year 2011 shall be only the System's pro rata share, based on the amounts recertified by each System pursuant to this amendatory Act of the 96th General Assembly, of the proceeds of bonds issued, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 14-135.08, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(f) After the submission of all payments for eligible employees from personal services line items in fiscal year 2004 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2004 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 93rd General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2004 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2004 through payments under this Section and under Section 6z-61 of the State Finance Act. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2004 Shortfall" for purposes of this Section, and the Fiscal Year 2004 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2004 Overpayment" for purposes of this Section, and the Fiscal Year 2004 Overpayment shall be repaid by the System to the Pension Contribution Fund as soon as practicable after the certification.

(g) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as

follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(h) For purposes of determining the required State contribution to the System for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the System's actuarially assumed rate of return.

(i) ~~(g)~~ After the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in fiscal year 2010 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2010 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 96th General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2010 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2010 through payments under this Section. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2010 Shortfall" for purposes of this Section, and the Fiscal Year 2010 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2010 Overpayment" for purposes of this Section, and the Fiscal Year 2010 Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised 11-3-09.)

(40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

Sec. 14-135.08. To certify required State contributions.

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

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

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required rates for State contributions to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required rates for State contributions to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before May 15, 2010, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(Source: P.A. 93-2, eff. 4-7-03; 93-839, eff. 7-30-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

Sec. 15-155. Employer contributions.

(a) The State of Illinois shall make contributions by appropriations of amounts which, together with the other employer contributions from trust, federal, and other funds, employee contributions, income from investments, and other income of this System, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis

of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (a-1).

(a-1) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$166,641,900.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$252,064,100.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$702,514,000 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System pursuant to this amendatory Act of the 96th General Assembly. Subject to the requirements of Section 7.2 of the General Obligation Bond Act, the State contribution for fiscal year 2011 may be made through any combination of (i) the transfer of bonds to the System in fiscal year 2011 and (ii) the proceeds of bonds sold by negotiated sale in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. If no bonds are issued directly to the System in accordance with Section 7.2 of the General Obligation Bond Act and if in the sole determination of the Director of the Governor's Office of Management and Budget market conditions do not support the issuance of bonds by negotiated sale in order to make all or a portion of the required contribution, he or she shall so inform the System in writing and the State contribution for fiscal year 2011 shall be only the System's pro rata share, based on the amounts recertified by each System pursuant to this amendatory Act of the 96th General Assembly, of the proceeds of bonds issued, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the

purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(b) If an employee is paid from trust or federal funds, the employer shall pay to the Board contributions from those funds which are sufficient to cover the accruing normal costs on behalf of the employee. However, universities having employees who are compensated out of local auxiliary funds, income funds, or service enterprise funds are not required to pay such contributions on behalf of those employees. The local auxiliary funds, income funds, and service enterprise funds of universities shall not be considered trust funds for the purpose of this Article, but funds of alumni associations, foundations, and athletic associations which are affiliated with the universities included as employers under this Article and other employers which do not receive State appropriations are considered to be trust funds for the purpose of this Article.

(b-1) The City of Urbana and the City of Champaign shall each make employer contributions to this System for their respective firefighter employees who participate in this System pursuant to subsection (h) of Section 15-107. The rate of contributions to be made by those municipalities shall be determined annually by the Board on the basis of the actuarial assumptions adopted by the Board and the recommendations of the actuary, and shall be expressed as a percentage of salary for each such employee. The Board shall certify the rate to the affected municipalities as soon as may be practical. The employer contributions required under this subsection shall be remitted by the municipality to the System at the same time and in the same manner as employee contributions.

(c) Through State fiscal year 1995: The total employer contribution shall be apportioned among the various funds of the State and other employers, whether trust, federal, or other funds, in accordance with actuarial procedures approved by the Board. State of Illinois contributions for employers receiving State appropriations for personal services shall be payable from appropriations made to the employers or to the System. The contributions for Class I community colleges covering earnings other than those paid from trust and federal funds, shall be payable solely from appropriations to the Illinois Community College Board or the System for employer contributions.

(d) Beginning in State fiscal year 1996, the required State contributions to the System shall be appropriated directly to the System and shall be payable through vouchers issued in accordance with subsection (c) of Section 15-165, except as provided in subsection (g).

(e) The State Comptroller shall draw warrants payable to the System upon proper certification by the System or by the employer in accordance with the appropriation laws and this Code.

(f) Normal costs under this Section means liability for pensions and other benefits which accrues to the System because of the credits earned for service rendered by the participants during the fiscal year and expenses of administering the System, but shall not include the principal of or any redemption premium or interest on any bonds issued by the Board or any expenses incurred or deposits required in connection therewith.

(g) If the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 6%, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in earnings that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection (g), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (h) or (i) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of subsection (h) or (i). Upon receiving a timely application for recalculation, the System shall review the application

and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(h) This subsection (h) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to participants under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to a participant at a time when the participant is 10 or more years from retirement eligibility under Section 15-135.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases resulting from overload work, including a contract for summer teaching, or overtime when the employer has certified to the System, and the System has approved the certification, that: (i) in the case of overloads (A) the overload work is for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid and (B) the earnings increases are equal to or less than the rate of pay for academic instruction computed using the participant's current salary rate and work schedule; and (ii) in the case of overtime, the overtime was necessary for the educational mission.

When assessing payment for any amount due under subsection (g), the System shall exclude any earnings increase resulting from (i) a promotion for which the employee moves from one classification to a higher classification under the State Universities Civil Service System, (ii) a promotion in academic rank for a tenured or tenure-track faculty position, or (iii) a promotion that the Illinois Community College Board has recommended in accordance with subsection (k) of this Section. These earnings increases shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions.

(i) When assessing payment for any amount due under subsection (g), the System shall exclude any salary increase described in subsection (h) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (g) of this Section.

(j) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

- (1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.
- (2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.
- (3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.
- (4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(k) The Illinois Community College Board shall adopt rules for recommending lists of promotional positions submitted to the Board by community colleges and for reviewing the promotional lists on an annual basis. When recommending promotional lists, the Board shall consider the similarity of the positions submitted to those positions recognized for State universities by the State Universities Civil Service System. The Illinois Community College Board shall file a copy of its findings with the System. The System shall consider the findings of the Illinois Community College Board when making determinations under this Section. The System shall not exclude any earnings increases resulting from a promotion when the promotion was not submitted by a community college. Nothing in this subsection (k) shall require any community college to submit any information to the Community College Board.

(l) For purposes of determining the required State contribution to the System, the value of the

System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(m) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

Sec. 15-165. To certify amounts and submit vouchers.

(a) The Board shall certify to the Governor on or before November 15 of each year the appropriation required from State funds for the purposes of this System for the following fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before May 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) The Board shall certify to the State Comptroller or employer, as the case may be, from time to time, by its president and secretary, with its seal attached, the amounts payable to the System from the various funds.

(c) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (b) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(d) So long as the payments received are the full amount lawfully vouchered under this Section, payments received by the System under this Section shall be applied first toward the employer contribution to the self-managed plan established under Section 15-158.2. Payments shall be applied second toward the employer's portion of the normal costs of the System, as defined in subsection (f) of Section 15-155. The balance shall be applied toward the unfunded actuarial liabilities of the System.

(e) In the event that the System does not receive, as a result of legislative enactment or otherwise, payments sufficient to fully fund the employer contribution to the self-managed plan established under Section 15-158.2 and to fully fund that portion of the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1), then any payments received shall be applied proportionately to the optional retirement program established under Section 15-158.2 and to the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1).

(Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

Sec. 16-158. Contributions by State and other employing units.

(a) The State shall make contributions to the System by means of appropriations from the Common School Fund and other State funds of amounts which, together with other employer contributions, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (b-3).

(a-1) Annually, on or before November 15, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before May 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Through State fiscal year 1995, the State contributions shall be paid to the System in accordance with Section 18-7 of the School Code.

(b-1) Beginning in State fiscal year 1996, on the 15th day of each month, or as soon thereafter as may be practicable, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a-1). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (a) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this subsection, the difference shall be paid from the Common School Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(b-2) Allocations from the Common School Fund apportioned to school districts not coming under this System shall not be diminished or affected by the provisions of this Article.

(b-3) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a), and notwithstanding any contrary certification made under subsection (a-1) before the effective date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$534,627,700.

Notwithstanding any other provision of this Article, the total required State contribution for State

[May 26, 2010]

fiscal year 2007 is \$738,014,500.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$2,089,268,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System pursuant to this amendatory Act of the 96th General Assembly. Subject to the requirements of Section 7.2 of the General Obligation Bond Act, the State contribution for fiscal year 2011 may be made through any combination of (i) the transfer of bonds to the System in fiscal year 2011 and (ii) the proceeds of bonds sold by negotiated sale in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund, the Common School Fund, or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. If no bonds are issued directly to the System in accordance with Section 7.2 of the General Obligation Bond Act and if in the sole determination of the Director of the Governor's Office of Management and Budget market conditions do not support the issuance of bonds by negotiated sale in order to make all or a portion of the required contribution, he or she shall so inform the System in writing and the State contribution for fiscal year 2011 shall be only the System's pro rata share, based on the amounts recertified by each System pursuant to this amendatory Act of the 96th General Assembly, of the proceeds of bonds issued, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund, the Common School Fund, or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(c) Payment of the required State contributions and of all pensions, retirement annuities, death benefits, refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State.

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full

accruing retirement costs based upon that service, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System.

(d) Effective July 1, 1986, any employer of a teacher as defined in paragraph (8) of Section 16-106 shall pay the employer's normal cost of benefits based upon the teacher's service, in addition to employee contributions, as determined by the System. Such employer contributions shall be forwarded monthly in accordance with guidelines established by the System.

However, with respect to benefits granted under Section 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8) of Section 16-106, the employer's contribution shall be 12% (rather than 20%) of the member's highest annual salary rate for each year of creditable service granted, and the employer shall also pay the required employee contribution on behalf of the teacher. For the purposes of Sections 16-133.4 and 16-133.5, a teacher as defined in paragraph (8) of Section 16-106 who is serving in that capacity while on leave of absence from another employer under this Article shall not be considered an employee of the employer from which the teacher is on leave.

(e) Beginning July 1, 1998, every employer of a teacher shall pay to the System an employer contribution computed as follows:

- (1) Beginning July 1, 1998 through June 30, 1999, the employer contribution shall be equal to 0.3% of each teacher's salary.
- (2) Beginning July 1, 1999 and thereafter, the employer contribution shall be equal to 0.58% of each teacher's salary.

The school district or other employing unit may pay these employer contributions out of any source of funding available for that purpose and shall forward the contributions to the System on the schedule established for the payment of member contributions.

These employer contributions are intended to offset a portion of the cost to the System of the increases in retirement benefits resulting from this amendatory Act of 1998.

Each employer of teachers is entitled to a credit against the contributions required under this subsection (e) with respect to salaries paid to teachers for the period January 1, 2002 through June 30, 2003, equal to the amount paid by that employer under subsection (a-5) of Section 6.6 of the State Employees Group Insurance Act of 1971 with respect to salaries paid to teachers for that period.

The additional 1% employee contribution required under Section 16-152 by this amendatory Act of 1998 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

If an employer is required by a contract in effect on May 1, 1998 between the employer and an employee organization to pay, on behalf of all its full-time employees covered by this Article, all mandatory employee contributions required under this Article, then the employer shall be excused from paying the employer contribution required under this subsection (e) for the balance of the term of that contract. The employer and the employee organization shall jointly certify to the System the existence of the contractual requirement, in such form as the System may prescribe. This exclusion shall cease upon the termination, extension, or renewal of the contract at any time after May 1, 1998.

(f) If the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation. The changes made to this subsection (f) by this amendatory Act of the 94th General Assembly apply without regard to whether the teacher was in service on or after its effective date.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application

must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (g) or (h) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(g) This subsection (g) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to a teacher at a time when the teacher is 10 or more years from retirement eligibility under Section 16-132 or 16-133.2.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

When assessing payment for any amount due under subsection (f), the System shall exclude a salary increase resulting from a promotion (i) for which the employee is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board that is a different certification or supervisory endorsement than is required for the teacher's previous position and (ii) to a position that has existed and been filled by a member for no less than one complete academic year and the salary increase from the promotion is an increase that results in an amount no greater than the lesser of the average salary paid for other similar positions in the district requiring the same certification or the amount stipulated in the collective bargaining agreement for a similar position requiring the same certification.

When assessing payment for any amount due under subsection (f), the System shall exclude any payment to the teacher from the State of Illinois or the State Board of Education over which the employer does not have discretion, notwithstanding that the payment is included in the computation of final average salary.

(h) When assessing payment for any amount due under subsection (f), the System shall exclude any salary increase described in subsection (g) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (f) of this Section.

(i) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

- (1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.
- (2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.
- (3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.
- (4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(j) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June

30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(k) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

Sec. 18-131. Financing; employer contributions.

(a) The State of Illinois shall make contributions to this System by appropriations of the amounts which, together with the contributions of participants, net earnings on investments, and other income, will meet the costs of maintaining and administering this System on a 90% funded basis in accordance with actuarial recommendations.

(b) The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the prescribed rate of interest, using the formula in subsection (c).

(c) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$29,189,400.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$35,236,800.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$78,832,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System pursuant to this amendatory Act of the 96th General Assembly. Subject to the requirements of Section 7.2 of the General Obligation Bond Act, the State contribution for fiscal year 2011 may be made through any combination of (i) the transfer of bonds to the System in fiscal year 2011 and (ii) the proceeds of bonds sold by negotiated sale in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. If no bonds are issued directly to the System in accordance with Section 7.2 of the General Obligation Bond Act and if in the sole determination of the Director of the Governor's Office of Management and Budget market conditions do not support the issuance of bonds by negotiated sale in order to make all or a portion of the required contribution, he or she shall so inform the System in writing and the State contribution for fiscal year 2011 shall be only the System's pro rata share, based on the amounts recertified by each System pursuant to this amendatory Act of the 96th General Assembly, of the proceeds of bonds issued, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

[May 26, 2010]

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 18-140, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(d) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(e) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

Sec. 18-140. To certify required State contributions and submit vouchers.

(a) The Board shall certify to the Governor, on or before November 15 of each year, the amount of the required State contribution to the System for the following fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before May 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (c) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance

[May 26, 2010]

Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

Section 20. The State Pension Funds Continuing Appropriation Act is amended by adding Section 1.8 as follows:

(40 ILCS 15/1.8 new)

Sec. 1.8. Suspension of appropriations for FY11. Notwithstanding any other provision of this Act, no appropriation otherwise required from the General Revenue Fund or the Common School Fund under this Act is required or shall be made for State fiscal year 2011.

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

AMENDMENT NO. 3 TO SENATE BILL 3514

AMENDMENT NO. 3. Amend Senate Bill 3514, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 3. The State Finance Act is amended by changing Section 14.1 as follows:

(30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

Sec. 14.1. Appropriations for State contributions to the State Employees' Retirement System; payroll requirements.

(a) Appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this Section. Except as otherwise provided in subsections (a-1) and (a-2), at the time of each payment of salary to an employee under the personal services line item, payment shall be made to the State Employees' Retirement System, from the amount appropriated for State contributions to the State Employees' Retirement System, of an amount calculated at the rate certified for the applicable fiscal year by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. If a line item appropriation to an employer for this purpose is exhausted or is unavailable due to any limitation on appropriations that may apply, (including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act), the amounts shall be paid under the continuing appropriation for this purpose contained in the State Pension Funds Continuing Appropriation Act.

(a-1) Beginning on the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this subsection (a-1). At the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the General Revenue Fund from the amount appropriated for State contributions to the State Employees' Retirement System of an amount calculated at the rate certified for fiscal year 2004 by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. No payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(a-2) For fiscal year 2010 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2010 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2010 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(a-3) For fiscal year 2011 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate

[May 26, 2010]

certified for fiscal year 2011 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2011 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(b) Except during the period beginning on the effective date of this amendatory Act of the 93rd General Assembly and ending at the time of the payment of the final payroll from fiscal year 2004 appropriations, the State Comptroller shall not approve for payment any payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System, the Comptroller shall promptly so notify the Retirement System.

(b-1) For fiscal year 2010 only, the State Comptroller shall not approve for payment any non-General Revenue Fund payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System of Illinois, the Comptroller shall promptly so notify the retirement system.

(c) Notwithstanding any other provisions of law, beginning July 1, 2007, required State and employee contributions to the State Employees' Retirement System of Illinois relating to affected legislative staff employees shall be paid out of moneys appropriated for that purpose to the Commission on Government Forecasting and Accountability, rather than out of the lump-sum appropriations otherwise made for the payroll and other costs of those employees.

These payments must be made pursuant to payroll vouchers submitted by the employing entity as part of the regular payroll voucher process.

For the purpose of this subsection, "affected legislative staff employees" means legislative staff employees paid out of lump-sum appropriations made to the General Assembly, an Officer of the General Assembly, or the Senate Operations Commission, but does not include district-office staff or employees of legislative support services agencies.

(Source: P.A. 95-707, eff. 1-11-08; 96-45, eff. 7-15-09.)

Section 5. The General Obligation Bond Act is amended by changing Sections 2, 2.5, 7.2, 9, 11, and 15 as follows:

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

Sec. 2. Authorization for Bonds. The State of Illinois is authorized to issue, sell and provide for the retirement of General Obligation Bonds of the State of Illinois for the categories and specific purposes expressed in Sections 2 through 8 of this Act, in the total amount of ~~\$41,314,125,743~~ ~~\$37,217,777,443~~.

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

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

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

Of the total amount of Bonds authorized in this Act, the additional \$10,000,000,000 authorized by Public Act 93-2, ~~and~~ the \$3,466,000,000 authorized by Public Act 96-43, ~~and~~ the \$4,096,348,300 authorized by this amendatory Act of the 96th General Assembly shall be used solely as provided in Section 7.2.

The issuance and sale of Bonds pursuant to the General Obligation Bond Act is an economical and

[May 26, 2010]

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

(Source: P.A. 95-1026, eff. 1-12-09; 96-5, eff. 4-3-09; 96-36, eff. 7-13-09; 96-43, eff. 7-15-09; 96-885, eff. 3-11-10.)

(30 ILCS 330/2.5)

Sec. 2.5. Limitation on issuance of Bonds.

(a) Except as provided in subsection (b), no Bonds may be issued if, after the issuance, in the next State fiscal year after the issuance of the Bonds, the amount of debt service (including principal, whether payable at maturity or pursuant to mandatory sinking fund installments, and interest) on all then-outstanding Bonds, other than Bonds authorized by Public Act 96-43 and other than Bonds authorized by this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~, would exceed 7% of the aggregate appropriations from the general funds (which consist of the General Revenue Fund, the Common School Fund, the General Revenue Common School Special Account Fund, and the Education Assistance Fund) and the Road Fund for the fiscal year immediately prior to the fiscal year of the issuance.

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

(Source: P.A. 96-43, eff. 7-15-09.)

(30 ILCS 330/7.2)

Sec. 7.2. State pension funding.

(a) The amount of \$10,000,000,000 is authorized to be used for the purpose of making contributions to the designated retirement systems. For the purposes of this Section, "designated retirement systems" means the State Employees' Retirement System of Illinois; the Teachers' Retirement System of the State of Illinois; the State Universities Retirement System; the Judges Retirement System of Illinois; and the General Assembly Retirement System.

The amount of \$3,466,000,000 of Bonds authorized by Public Act 96-43 ~~this amendatory Act of the 96th General Assembly~~ is authorized to be used for the purpose of making a portion of the State's Fiscal Year 2010 required contributions to the designated retirement systems.

The amount of \$4,096,348,300 of Bonds authorized by this amendatory Act of the 96th General Assembly is authorized to be used for the purpose of making a portion of the State's Fiscal Year 2011 required contributions to the designated retirement systems.

(b) The Pension Contribution Fund is created as a special fund in the State Treasury.

The proceeds of the additional \$10,000,000,000 of Bonds authorized by Public Act 93-2, less the amounts authorized in the Bond Sale Order to be deposited directly into the capitalized interest account of the General Obligation Bond Retirement and Interest Fund or otherwise directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund and used as provided in this Section.

The proceeds of the additional \$3,466,000,000 of Bonds authorized by Public Act 96-43 ~~this amendatory Act of the 96th General Assembly~~, less the amounts directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund, and the Comptroller and the Treasurer shall, as soon as practical, (i) first, transfer from the Pension Contribution Fund to the General Revenue Fund or Common School Fund an amount equal to the amount of payments, if any, made to the designated retirement systems from the General Revenue Fund or Common School Fund in State fiscal year 2010 and (ii) second, make transfers from the Pension Contribution Fund to the designated retirement systems pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension Code.

The proceeds of the additional \$4,096,348,300 of Bonds authorized by this amendatory Act of the 96th General Assembly, less the amounts directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund, and the Comptroller and the Treasurer shall, as soon as practical, (i) first, transfer from the Pension Contribution Fund to the General Revenue Fund or Common School Fund an amount equal to the amount of payments, if any, made to the designated retirement systems from the General Revenue Fund or Common School Fund in State fiscal year 2011 and (ii) second, make transfers from the Pension Contribution Fund to the designated retirement systems pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension Code.

(c) Of the amount of Bond proceeds from the bond sale authorized by Public Act 93-2 first deposited into the Pension Contribution Fund, there shall be reserved for transfers under this subsection the sum of \$300,000,000, representing the required State contributions to the designated retirement systems for the

last quarter of State fiscal year 2003, plus the sum of \$1,860,000,000, representing the required State contributions to the designated retirement systems for State fiscal year 2004.

Upon the deposit of sufficient moneys from the bond sale authorized by Public Act 93-2 into the Pension Contribution Fund, the Comptroller and Treasurer shall immediately transfer the sum of \$300,000,000 from the Pension Contribution Fund to the General Revenue Fund.

Whenever any payment of required State contributions for State fiscal year 2004 is made to one of the designated retirement systems, the Comptroller and Treasurer shall, as soon as practicable, transfer from the Pension Contribution Fund to the General Revenue Fund an amount equal to the amount of that payment to the designated retirement system. Beginning on the effective date of this amendatory Act of the 93rd General Assembly, the transfers from the Pension Contribution Fund to the General Revenue Fund shall be suspended until June 30, 2004, and the remaining balance in the Pension Contribution Fund shall be transferred directly to the designated retirement systems as provided in Section 6z-61 of the State Finance Act. On and after July 1, 2004, in the event that any amount is on deposit in the Pension Contribution Fund from time to time, the Comptroller and Treasurer shall continue to make such transfers based on fiscal year 2005 payments until the entire amount on deposit has been transferred.

(d) All amounts deposited into the Pension Contribution Fund, other than the amounts reserved for the transfers under subsection (c) from the bond sale authorized by Public Act 93-2, ~~and other than amounts deposited into the Pension Contribution Fund from the bond sale authorized by Public Act 96-43 and other than amounts deposited into the Pension Contribution Fund from the bond sale authorized by this amendatory Act of the 96th General Assembly~~ ~~this amendatory Act of the 96th General Assembly~~, shall be appropriated to the designated retirement systems to reduce their actuarial reserve deficiencies. The amount of the appropriation to each designated retirement system shall constitute a portion of the total appropriation under this subsection that is the same as that retirement system's portion of the total actuarial reserve deficiency of the systems, as most recently determined by the Governor's Office of Management and Budget under Section 8.12 of the State Finance Act.

With respect to proceeds from the bond sale authorized by Public Act 93-2 only, within 15 days after any Bond proceeds in excess of the amounts initially reserved under subsection (c) are deposited into the Pension Contribution Fund, the Governor's Office of Management and Budget shall (i) allocate those proceeds among the designated retirement systems in proportion to their respective actuarial reserve deficiencies, as most recently determined under Section 8.12 of the State Finance Act, and (ii) certify those allocations to the designated retirement systems and the Comptroller.

Upon receiving certification of an allocation under this subsection, a designated retirement system shall submit to the Comptroller a voucher for the amount of its allocation. The voucher shall be paid out of the amount appropriated to that designated retirement system from the Pension Contribution Fund pursuant to this subsection.

(Source: P.A. 96-43, eff. 7-15-09.)

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

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

(a) Except as otherwise provided in this subsection, Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; provided however, that interest payable at fixed or variable rates shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Bonds, other than Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology, (i) except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011, must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring within the fiscal year in which the Bonds are issued or within the next succeeding fiscal year and (ii) must mature or be subject to mandatory redemption each fiscal year thereafter up to 25 years, except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 which must mature or be subject to mandatory redemption each fiscal

year thereafter up to 16 years. Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring with the fiscal year in which the respective bonds are issued or with the next succeeding fiscal year, with the respective bonds issued maturing or subject to mandatory redemption each fiscal year thereafter up to 10 years. Notwithstanding any provision of this Act to the contrary, the Bonds authorized by Public Act 96-43 shall be payable within 5 years from their date and must be issued with principal or mandatory redemption amounts in equal amounts, with payment of principal or mandatory redemption beginning in the first fiscal year following the fiscal year in which the Bonds are issued.

Notwithstanding any provision of this Act to the contrary, the Bonds authorized by this amendatory Act of the 96th General Assembly shall be payable within 8 years from their date and shall be issued with payment of maturing principal or scheduled mandatory redemptions in accordance with the following schedule, except the following amounts shall be prorated if less than the total additional amount of Bonds authorized by this amendatory Act of the 96th General Assembly are issued:

<u>Fiscal Year After Issuance</u>	<u>Amount</u>
<u>1-2</u>	<u>\$0</u>
<u>3</u>	<u>\$110,712,120</u>
<u>4</u>	<u>\$332,136,360</u>
<u>5</u>	<u>\$664,272,720</u>
<u>6-8</u>	<u>\$996,409,080</u>

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

(b) In connection with the issuance of any series of Bonds, the State may enter into arrangements to provide additional security and liquidity for such Bonds, including, without limitation, bond or interest rate insurance or letters of credit, lines of credit, bond purchase contracts, or other arrangements whereby funds are made available to retire or purchase Bonds, thereby assuring the ability of owners of the Bonds to sell or redeem their Bonds. The State may enter into contracts and may agree to pay fees to persons providing such arrangements, but only under circumstances where the Director of the Governor's Office of Management and Budget certifies that he or she reasonably expects the total interest paid or to be paid on the Bonds, together with the fees for the arrangements (being treated as if interest), would not, taken together, cause the Bonds to bear interest, calculated to their stated maturity, at a rate in excess of the rate that the Bonds would bear in the absence of such arrangements.

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

(c) Prior to the issuance of any Variable Rate Bonds pursuant to subsection (a), the Director of the Governor's Office of Management and Budget shall adopt an interest rate risk management policy

providing that the amount of the State's variable rate exposure with respect to Bonds shall not exceed 20%. This policy shall remain in effect while any Bonds are outstanding and the issuance of Bonds shall be subject to the terms of such policy. The terms of this policy may be amended from time to time by the Director of the Governor's Office of Management and Budget but in no event shall any amendment cause the permitted level of the State's variable rate exposure with respect to Bonds to exceed 20%.

(d) "Build America Bonds" in this Section means Bonds authorized by Section 54AA of the Internal Revenue Code of 1986, as amended ("Internal Revenue Code"), and bonds issued from time to time to refund or continue to refund "Build America Bonds".

(e) Notwithstanding any other provision of this Section, Qualified School Construction Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Qualified School Construction Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, and if the Qualified School Construction Bonds are issued with a supplemental coupon, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Qualified School Construction Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; except that interest payable at fixed or variable rates, if any, shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. Qualified School Construction Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Qualified School Construction Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Qualified School Construction Bonds must be issued with principal or mandatory redemption amounts or sinking fund payments into the General Obligation Bond Retirement and Interest Fund (or subaccount therefor) in equal amounts, with the first maturity issued, mandatory redemption payment or sinking fund payment occurring within the fiscal year in which the Qualified School Construction Bonds are issued or within the next succeeding fiscal year, with Qualified School Construction Bonds issued maturing or subject to mandatory redemption or with sinking fund payments thereof deposited each fiscal year thereafter up to 25 years. Sinking fund payments set forth in this subsection shall be permitted only to the extent authorized in Section 54F of the Internal Revenue Code or as otherwise determined by the Director of the Governor's Office of Management and Budget. "Qualified School Construction Bonds" in this subsection means Bonds authorized by Section 54F of the Internal Revenue Code and for bonds issued from time to time to refund or continue to refund such "Qualified School Construction Bonds".

(Source: P.A. 96-18, eff. 6-26-09; 96-37, eff. 7-13-09; 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

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

Sec. 11. Sale of Bonds. Except as otherwise provided in this Section, Bonds shall be sold from time to time pursuant to notice of sale and public bid or by negotiated sale in such amounts and at such times as is directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. At least 25%, based on total principal amount, of all Bonds issued each fiscal year shall be sold pursuant to notice of sale and public bid. At all times during each fiscal year, no more than 75%, based on total principal amount, of the Bonds issued each fiscal year, shall have been sold by negotiated sale. Failure to satisfy the requirements in the preceding 2 sentences shall not affect the validity of any previously issued Bonds; provided that all Bonds authorized by Public Act 96-43 and this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~ shall not be included in determining compliance for any fiscal year with the requirements of the preceding 2 sentences; and further provided that refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 shall not be subject to the requirements in the preceding 2 sentences.

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

If Bonds are to be sold pursuant to notice of sale and public bid, the Director of the Governor's Office of Management and Budget shall, from time to time, as Bonds are to be sold, advertise the sale of the Bonds in at least 2 daily newspapers, one of which is published in the City of Springfield and one in the City of Chicago. The sale of the Bonds shall also be advertised in the volume of the Illinois Procurement Bulletin that is published by the Department of Central Management Services. Each of the advertisements for proposals shall be published once at least 10 days prior to the date fixed for the

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

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

(Source: P.A. 96-18, eff. 6-26-09; 96-43, eff. 7-15-09.)

(30 ILCS 330/15) (from Ch. 127, par. 665)

Sec. 15. Computation of Principal and Interest; transfers.

(a) Upon each delivery of Bonds authorized to be issued under this Act, the Comptroller shall compute and certify to the Treasurer the total amount of principal of, interest on, and premium, if any, on Bonds issued that will be payable in order to retire such Bonds, the amount of principal of, interest on and premium, if any, on such Bonds that will be payable on each payment date according to the tenor of such Bonds during the then current and each succeeding fiscal year, and the amount of sinking fund payments needed to be deposited in connection with Qualified School Construction Bonds authorized by subsection (e) of Section 9. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of Section 14 of this Act. With respect to the interest payable, such certifications shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act.

On or before the last day of each month the State Treasurer and Comptroller shall transfer from (1) the Road Fund with respect to Bonds issued under paragraph (a) of Section 4 of this Act or Bonds issued for the purpose of refunding such bonds, and from (2) the General Revenue Fund, with respect to all other Bonds issued under this Act, to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on Bonds payable, by their terms on the next payment date divided by the number of full calendar months between the date of such Bonds and the first such payment date, and thereafter, divided by the number of months between each succeeding payment date after the first. Such computations and transfers shall be made for each series of Bonds issued and delivered. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of Section 14 of this Act. Computations of interest shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act. Interest for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection. Notwithstanding any other provision in this Section, the transfer provisions provided in this paragraph shall not apply to transfers made in fiscal year 2010 or fiscal year 2011 with respect to Bonds issued in fiscal year 2010 for fiscal year 2011 pursuant to Section 7.2 of this Act. In the case of transfers made in fiscal year 2010 or fiscal year 2011 with respect to the Bonds issued in fiscal year 2010 or fiscal year 2011 pursuant to Section 7.2 of this Act, on or before the 15th day of the month prior to the required debt service payment, the State Treasurer and Comptroller shall transfer from the General Revenue Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the Bonds payable in that next month.

The transfer of monies herein and above directed is not required if monies in the General Obligation Bond Retirement and Interest Fund are more than the amount otherwise to be transferred as herein above provided, and if the Governor or his authorized representative notifies the State Treasurer and Comptroller of such fact in writing.

(b) After the effective date of this Act, the balance of, and monies directed to be included in the Capital Development Bond Retirement and Interest Fund, Anti-Pollution Bond Retirement and Interest Fund, Transportation Bond, Series A Retirement and Interest Fund, Transportation Bond, Series B Retirement and Interest Fund, and Coal Development Bond Retirement and Interest Fund shall be transferred to and deposited in the General Obligation Bond Retirement and Interest Fund. This Fund shall be used to make debt service payments on the State's general obligation Bonds heretofore issued which are now outstanding and payable from the Funds herein listed as well as on Bonds issued under this Act.

[May 26, 2010]

(c) The unused portion of federal funds received for a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall be deposited upon completion of the project in the General Obligation Bond Retirement and Interest Fund. Any federal funds received as reimbursement for the completed construction of a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall be deposited in the General Obligation Bond Retirement and Interest Fund. (Source: P.A. 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

Section 10. The Illinois Pension Code is amended by changing Sections 2-124, 2-134, 14-131, 14-135.08, 15-155, 15-165, 16-158, 18-131, and 18-140 as follows:

(40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

Sec. 2-124. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with the contributions of participants, interest earned on investments, and other income will meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

(b) The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the prescribed rate of interest, using the formula in subsection (c).

(c) For State fiscal years ~~2012~~ 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$4,157,000.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$5,220,300.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$10,454,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before June 15, 2010 pursuant to Section 2-134 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 2-134, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(d) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(e) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

Sec. 2-134. To certify required State contributions and submit vouchers.

(a) The Board shall certify to the Governor on or before December 15 of each year the amount of the required State contribution to the System for the next fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (d) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year. If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(c) The full amount of any annual appropriation for the System for State fiscal year 1995 shall be transferred and made available to the System at the beginning of that fiscal year at the request of the Board. Any excess funds remaining at the end of any fiscal year from appropriations shall be retained by the System as a general reserve to meet the System's accrued liabilities.

[May 26, 2010]

(Source: P.A. 94-4, eff. 6-1-05; 94-536, eff. 8-10-05; 95-331, eff. 8-21-07.)

(40 ILCS 5/14-131)

Sec. 14-131. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with other employer contributions from trust, federal, and other funds, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

For the purposes of this Section and Section 14-135.08, references to State contributions refer only to employer contributions and do not include employee contributions that are picked up or otherwise paid by the State or a department on behalf of the employee.

(b) The Board shall determine the total amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board, using the formula in subsection (e).

The Board shall also determine a State contribution rate for each fiscal year, expressed as a percentage of payroll, based on the total required State contribution for that fiscal year (less the amount received by the System from appropriations under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act, if any, for the fiscal year ending on the June 30 immediately preceding the applicable November 15 certification deadline), the estimated payroll (including all forms of compensation) for personal services rendered by eligible employees, and the recommendations of the actuary.

For the purposes of this Section and Section 14.1 of the State Finance Act, the term "eligible employees" includes employees who participate in the System, persons who may elect to participate in the System but have not so elected, persons who are serving a qualifying period that is required for participation, and annuitants employed by a department as described in subdivision (a)(1) or (a)(2) of Section 14-111.

(c) Contributions shall be made by the several departments for each pay period by warrants drawn by the State Comptroller against their respective funds or appropriations based upon vouchers stating the amount to be so contributed. These amounts shall be based on the full rate certified by the Board under Section 14-135.08 for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, the several departments shall not make contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The several departments shall resume those contributions at the commencement of fiscal year 2005.

(c-1) Notwithstanding subsection (c) of this Section, for fiscal year 2010 only, contributions by the several departments are not required to be made for General Revenue Funds payrolls processed by the Comptroller. Payrolls paid by the several departments from all other State funds must continue to be processed pursuant to subsection (c) of this Section.

(c-2) For State fiscal year 2010 only, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the fiscal year 2010 General Revenue Fund appropriation to the System.

(d) If an employee is paid from trust funds or federal funds, the department or other employer shall pay employer contributions from those funds to the System at the certified rate, unless the terms of the trust or the federal-State agreement preclude the use of the funds for that purpose, in which case the required employer contributions shall be paid by the State. From the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, the department or other employer shall not pay contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The department or other employer shall resume payment of contributions at the commencement of fiscal year 2005.

(e) For State fiscal years ~~2012~~ ~~2011~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that (i) for State fiscal year 1998, for all purposes of this Code and any other law of this State, the certified percentage of the

applicable employee payroll shall be 5.052% for employees earning eligible creditable service under Section 14-110 and 6.500% for all other employees, notwithstanding any contrary certification made under Section 14-135.08 before the effective date of this amendatory Act of 1997, and (ii) in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a): 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2006 is \$203,783,900.

Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2007 is \$344,164,400.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2010 is \$723,703,100 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2011 is the amount recertified by the System on or before June 15, 2010 pursuant to Section 14-135.08 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 14-135.08, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(f) After the submission of all payments for eligible employees from personal services line items in fiscal year 2004 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2004 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 93rd General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2004 in

order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2004 through payments under this Section and under Section 6z-6l of the State Finance Act. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2004 Shortfall" for purposes of this Section, and the Fiscal Year 2004 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2004 Overpayment" for purposes of this Section, and the Fiscal Year 2004 Overpayment shall be repaid by the System to the Pension Contribution Fund as soon as practicable after the certification.

(g) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(h) For purposes of determining the required State contribution to the System for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the System's actuarially assumed rate of return.

(i) ~~(g)~~ After the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in fiscal year 2010 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2010 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 96th General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2010 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2010 through payments under this Section. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2010 Shortfall" for purposes of this Section, and the Fiscal Year 2010 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2010 Overpayment" for purposes of this Section, and the Fiscal Year 2010 Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised 11-3-09.)

(40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

Sec. 14-135.08. To certify required State contributions.

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

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

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required rates for State contributions to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required rates for State contributions to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor and to each

department the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(Source: P.A. 93-2, eff. 4-7-03; 93-839, eff. 7-30-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

Sec. 15-155. Employer contributions.

(a) The State of Illinois shall make contributions by appropriations of amounts which, together with the other employer contributions from trust, federal, and other funds, employee contributions, income from investments, and other income of this System, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (a-1).

(a-1) For State fiscal years 2012 ~~2011~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$166,641,900.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$252,064,100.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$702,514,000 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before June 15, 2010 pursuant to Section 15-165 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the

purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(b) If an employee is paid from trust or federal funds, the employer shall pay to the Board contributions from those funds which are sufficient to cover the accruing normal costs on behalf of the employee. However, universities having employees who are compensated out of local auxiliary funds, income funds, or service enterprise funds are not required to pay such contributions on behalf of those employees. The local auxiliary funds, income funds, and service enterprise funds of universities shall not be considered trust funds for the purpose of this Article, but funds of alumni associations, foundations, and athletic associations which are affiliated with the universities included as employers under this Article and other employers which do not receive State appropriations are considered to be trust funds for the purpose of this Article.

(b-1) The City of Urbana and the City of Champaign shall each make employer contributions to this System for their respective firefighter employees who participate in this System pursuant to subsection (h) of Section 15-107. The rate of contributions to be made by those municipalities shall be determined annually by the Board on the basis of the actuarial assumptions adopted by the Board and the recommendations of the actuary, and shall be expressed as a percentage of salary for each such employee. The Board shall certify the rate to the affected municipalities as soon as may be practical. The employer contributions required under this subsection shall be remitted by the municipality to the System at the same time and in the same manner as employee contributions.

(c) Through State fiscal year 1995: The total employer contribution shall be apportioned among the various funds of the State and other employers, whether trust, federal, or other funds, in accordance with actuarial procedures approved by the Board. State of Illinois contributions for employers receiving State appropriations for personal services shall be payable from appropriations made to the employers or to the System. The contributions for Class I community colleges covering earnings other than those paid from trust and federal funds, shall be payable solely from appropriations to the Illinois Community College Board or the System for employer contributions.

(d) Beginning in State fiscal year 1996, the required State contributions to the System shall be appropriated directly to the System and shall be payable through vouchers issued in accordance with subsection (c) of Section 15-165, except as provided in subsection (g).

(e) The State Comptroller shall draw warrants payable to the System upon proper certification by the System or by the employer in accordance with the appropriation laws and this Code.

(f) Normal costs under this Section means liability for pensions and other benefits which accrues to the System because of the credits earned for service rendered by the participants during the fiscal year and expenses of administering the System, but shall not include the principal of or any redemption premium or interest on any bonds issued by the Board or any expenses incurred or deposits required in connection therewith.

(g) If the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 6%, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in earnings that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection (g), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (h) or (i) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of subsection (h) or (i). Upon receiving a timely application for recalculation, the System shall review the application

and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(h) This subsection (h) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to participants under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to a participant at a time when the participant is 10 or more years from retirement eligibility under Section 15-135.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases resulting from overload work, including a contract for summer teaching, or overtime when the employer has certified to the System, and the System has approved the certification, that: (i) in the case of overloads (A) the overload work is for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid and (B) the earnings increases are equal to or less than the rate of pay for academic instruction computed using the participant's current salary rate and work schedule; and (ii) in the case of overtime, the overtime was necessary for the educational mission.

When assessing payment for any amount due under subsection (g), the System shall exclude any earnings increase resulting from (i) a promotion for which the employee moves from one classification to a higher classification under the State Universities Civil Service System, (ii) a promotion in academic rank for a tenured or tenure-track faculty position, or (iii) a promotion that the Illinois Community College Board has recommended in accordance with subsection (k) of this Section. These earnings increases shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions.

(i) When assessing payment for any amount due under subsection (g), the System shall exclude any salary increase described in subsection (h) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (g) of this Section.

(j) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

- (1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.
- (2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.
- (3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.
- (4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(k) The Illinois Community College Board shall adopt rules for recommending lists of promotional positions submitted to the Board by community colleges and for reviewing the promotional lists on an annual basis. When recommending promotional lists, the Board shall consider the similarity of the positions submitted to those positions recognized for State universities by the State Universities Civil Service System. The Illinois Community College Board shall file a copy of its findings with the System. The System shall consider the findings of the Illinois Community College Board when making determinations under this Section. The System shall not exclude any earnings increases resulting from a promotion when the promotion was not submitted by a community college. Nothing in this subsection (k) shall require any community college to submit any information to the Community College Board.

(l) For purposes of determining the required State contribution to the System, the value of the

System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(m) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

Sec. 15-165. To certify amounts and submit vouchers.

(a) The Board shall certify to the Governor on or before November 15 of each year the appropriation required from State funds for the purposes of this System for the following fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) The Board shall certify to the State Comptroller or employer, as the case may be, from time to time, by its president and secretary, with its seal attached, the amounts payable to the System from the various funds.

(c) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (b) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(d) So long as the payments received are the full amount lawfully vouchered under this Section, payments received by the System under this Section shall be applied first toward the employer contribution to the self-managed plan established under Section 15-158.2. Payments shall be applied second toward the employer's portion of the normal costs of the System, as defined in subsection (f) of Section 15-155. The balance shall be applied toward the unfunded actuarial liabilities of the System.

(e) In the event that the System does not receive, as a result of legislative enactment or otherwise, payments sufficient to fully fund the employer contribution to the self-managed plan established under Section 15-158.2 and to fully fund that portion of the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1), then any payments received shall be applied proportionately to the optional retirement program established under Section 15-158.2 and to the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1).

(Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

Sec. 16-158. Contributions by State and other employing units.

(a) The State shall make contributions to the System by means of appropriations from the Common School Fund and other State funds of amounts which, together with other employer contributions, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (b-3).

(a-1) Annually, on or before November 15, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Through State fiscal year 1995, the State contributions shall be paid to the System in accordance with Section 18-7 of the School Code.

(b-1) Beginning in State fiscal year 1996, on the 15th day of each month, or as soon thereafter as may be practicable, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a-1). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (a) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this subsection, the difference shall be paid from the Common School Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(b-2) Allocations from the Common School Fund apportioned to school districts not coming under this System shall not be diminished or affected by the provisions of this Article.

(b-3) For State fiscal years 2012 ~~2014~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a), and notwithstanding any contrary certification made under subsection (a-1) before the effective date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$534,627,700.

Notwithstanding any other provision of this Article, the total required State contribution for State

[May 26, 2010]

fiscal year 2007 is \$738,014,500.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$2,089,268,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before June 15, 2010 pursuant to subsection (a-1) of this Section and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include, in addition to the amount certified by the System, an amount necessary to meet employer contributions required by the State as an employer under paragraph (e) of this Section, which may also be used by the System for contributions required by paragraph (a) of Section 16-127.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(c) Payment of the required State contributions and of all pensions, retirement annuities, death benefits, refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State.

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System.

(d) Effective July 1, 1986, any employer of a teacher as defined in paragraph (8) of Section 16-106 shall pay the employer's normal cost of benefits based upon the teacher's service, in addition to employee contributions, as determined by the System. Such employer contributions shall be forwarded monthly in accordance with guidelines established by the System.

However, with respect to benefits granted under Section 16-133.4 or 16-133.5 to a teacher as defined

in paragraph (8) of Section 16-106, the employer's contribution shall be 12% (rather than 20%) of the member's highest annual salary rate for each year of creditable service granted, and the employer shall also pay the required employee contribution on behalf of the teacher. For the purposes of Sections 16-133.4 and 16-133.5, a teacher as defined in paragraph (8) of Section 16-106 who is serving in that capacity while on leave of absence from another employer under this Article shall not be considered an employee of the employer from which the teacher is on leave.

(e) Beginning July 1, 1998, every employer of a teacher shall pay to the System an employer contribution computed as follows:

- (1) Beginning July 1, 1998 through June 30, 1999, the employer contribution shall be equal to 0.3% of each teacher's salary.
- (2) Beginning July 1, 1999 and thereafter, the employer contribution shall be equal to 0.58% of each teacher's salary.

The school district or other employing unit may pay these employer contributions out of any source of funding available for that purpose and shall forward the contributions to the System on the schedule established for the payment of member contributions.

These employer contributions are intended to offset a portion of the cost to the System of the increases in retirement benefits resulting from this amendatory Act of 1998.

Each employer of teachers is entitled to a credit against the contributions required under this subsection (e) with respect to salaries paid to teachers for the period January 1, 2002 through June 30, 2003, equal to the amount paid by that employer under subsection (a-5) of Section 6.6 of the State Employees Group Insurance Act of 1971 with respect to salaries paid to teachers for that period.

The additional 1% employee contribution required under Section 16-152 by this amendatory Act of 1998 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

If an employer is required by a contract in effect on May 1, 1998 between the employer and an employee organization to pay, on behalf of all its full-time employees covered by this Article, all mandatory employee contributions required under this Article, then the employer shall be excused from paying the employer contribution required under this subsection (e) for the balance of the term of that contract. The employer and the employee organization shall jointly certify to the System the existence of the contractual requirement, in such form as the System may prescribe. This exclusion shall cease upon the termination, extension, or renewal of the contract at any time after May 1, 1998.

(f) If the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation. The changes made to this subsection (f) by this amendatory Act of the 94th General Assembly apply without regard to whether the teacher was in service on or after its effective date.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (g) or (h) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments

must be concluded within 3 years after the employer's receipt of the bill.

(g) This subsection (g) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to a teacher at a time when the teacher is 10 or more years from retirement eligibility under Section 16-132 or 16-133.2.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

When assessing payment for any amount due under subsection (f), the System shall exclude a salary increase resulting from a promotion (i) for which the employee is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board that is a different certification or supervisory endorsement than is required for the teacher's previous position and (ii) to a position that has existed and been filled by a member for no less than one complete academic year and the salary increase from the promotion is an increase that results in an amount no greater than the lesser of the average salary paid for other similar positions in the district requiring the same certification or the amount stipulated in the collective bargaining agreement for a similar position requiring the same certification.

When assessing payment for any amount due under subsection (f), the System shall exclude any payment to the teacher from the State of Illinois or the State Board of Education over which the employer does not have discretion, notwithstanding that the payment is included in the computation of final average salary.

(h) When assessing payment for any amount due under subsection (f), the System shall exclude any salary increase described in subsection (g) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (f) of this Section.

(i) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

- (1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.
- (2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.
- (3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.
- (4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(j) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(k) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

Sec. 18-131. Financing; employer contributions.

(a) The State of Illinois shall make contributions to this System by appropriations of the amounts

which, together with the contributions of participants, net earnings on investments, and other income, will meet the costs of maintaining and administering this System on a 90% funded basis in accordance with actuarial recommendations.

(b) The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the prescribed rate of interest, using the formula in subsection (c).

(c) For State fiscal years ~~2012~~ 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$29,189,400.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$35,236,800.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$78,832,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before June 15, 2010 pursuant to Section 18-140 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 18-140, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year

2011, the State is contributing at the rate otherwise required under this Section.

(d) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(e) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

Sec. 18-140. To certify required State contributions and submit vouchers.

(a) The Board shall certify to the Governor, on or before November 15 of each year, the amount of the required State contribution to the System for the following fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (c) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

Section 15. The State Pension Funds Continuing Appropriation Act is amended by changing Sections 1.1 and 1.2 and by adding Section 1.8 as follows:

(40 ILCS 15/1.1)

Sec. 1.1. Appropriations to certain retirement systems.

(a) There is hereby appropriated from the General Revenue Fund to the General Assembly Retirement System, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 2-134 of the Illinois Pension Code.

(b) There is hereby appropriated from the General Revenue Fund to the State Universities Retirement System, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions, including any deficiency in the required contributions of the optional retirement program established under Section 15-158.2 of the Illinois Pension Code, is less than the total amount of the vouchers for required State

contributions lawfully submitted by the retirement system for that month under Section 15-165 of the Illinois Pension Code.

(c) There is hereby appropriated from the Common School Fund to the Teachers' Retirement System of the State of Illinois, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 16-158 of the Illinois Pension Code.

(d) There is hereby appropriated from the General Revenue Fund to the Judges Retirement System of Illinois, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 18-140 of the Illinois Pension Code.

(e) The continuing appropriations provided by this Section shall first be available in State fiscal year 1996.

(f) For State fiscal year 2010 only, the continuing appropriations provided by this Section are equal to the amount certified by each System on or before December 31, 2008, less (i) the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act and (ii) any amounts received from the State Pensions Fund.

(g) For State fiscal year 2011 only, the continuing appropriations provided by this Section are equal to the amount certified by each System on or before June 15, 2010, less (i) the gross proceeds of the bonds sold in fiscal year 2011 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act and (ii) any amounts received from the State Pensions Fund.

(Source: P.A. 96-43, eff. 7-15-09.)

(40 ILCS 15/1.2)

Sec. 1.2. Appropriations for the State Employees' Retirement System.

(a) From each fund from which an amount is appropriated for personal services to a department or other employer under Article 14 of the Illinois Pension Code, there is hereby appropriated to that department or other employer, on a continuing annual basis for each State fiscal year, an additional amount equal to the amount, if any, by which (1) an amount equal to the percentage of the personal services line item for that department or employer from that fund for that fiscal year that the Board of Trustees of the State Employees' Retirement System of Illinois has certified under Section 14-135.08 of the Illinois Pension Code to be necessary to meet the State's obligation under Section 14-131 of the Illinois Pension Code for that fiscal year, exceeds (2) the amounts otherwise appropriated to that department or employer from that fund for State contributions to the State Employees' Retirement System for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the final payment from a department or employer's personal services line item for fiscal year 2004, payments to the State Employees' Retirement System that otherwise would have been made under this subsection (a) shall be governed by the provisions in subsection (a-1).

(a-1) If a Fiscal Year 2004 Shortfall is certified under subsection (f) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2004 Shortfall.

(a-2) If a Fiscal Year 2010 Shortfall is certified under subsection (g) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2010 Shortfall.

(b) The continuing appropriations provided for by this Section shall first be available in State fiscal year 1996.

(c) Beginning in Fiscal Year 2005, any continuing appropriation under this Section arising out of an appropriation for personal services from the Road Fund to the Department of State Police or the Secretary of State shall be payable from the General Revenue Fund rather than the Road Fund.

(d) For State fiscal year 2010 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before December 31, 2008, less the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.

(e) For State fiscal year 2011 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before June 15, 2010, less the gross proceeds of the bonds sold in fiscal year 2011 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.

[May 26, 2010]

(Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised 11-3-09.)

(40 ILCS 15/1.8 new)

Sec. 1.8. Suspension of appropriations for fiscal year 2011. Notwithstanding any other provision of this Act, no appropriation otherwise required from the General Revenue Fund or the Common School Fund under this Act is required to be made prior to October 31, 2010; however, after October 31st the system shall be immediately appropriated an amount that would have been otherwise available through this Act.

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

AMENDMENT NO. 4 TO SENATE BILL 3514

AMENDMENT NO. 4. Amend Senate Bill 3514, AS AMENDED, as follows:

immediately below the enacting clause, by inserting the following:

"ARTICLE 5."; and

immediately above Section 99, by inserting the following:

"ARTICLE 99."

AMENDMENT NO. 5 TO SENATE BILL 3514

AMENDMENT NO. 5. Amend Senate Bill 3514, AS AMENDED, with reference to page and line numbers of House Amendment No. 3, on page 5, line 6, after "2010", by inserting "and fiscal year 2011"; and

on page 42, immediately below line 18, by inserting the following:

"(j) After the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in fiscal year 2011 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2011 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 96th General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2011 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2011 through payments under this Section. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2011 Shortfall" for purposes of this Section, and the Fiscal Year 2011 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2011 Overpayment" for purposes of this Section, and the Fiscal Year 2011 Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification."; and

on page 84, by replacing line 22 with the following:

"prior to September 30, 2010; however, after September 30th the".

Under the rules, the foregoing **Senate Bill No. 3514**, with House Amendments numbered 1, 3, 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 a bill of the following title, to-wit:

SENATE BILL NO. 3660

A bill for AN ACT concerning State 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. 3660

House Amendment No. 9 to SENATE BILL NO. 3660

House Amendment No. 12 to SENATE BILL NO. 3660

[May 26, 2010]

House Amendment No. 14 to SENATE BILL NO. 3660
 House Amendment No. 17 to SENATE BILL NO. 3660
 House Amendment No. 18 to SENATE BILL NO. 3660
 House Amendment No. 19 to SENATE BILL NO. 3660
 Passed the House, as amended, May 25, 2010.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 3660

AMENDMENT NO. 1. Amend Senate Bill 3660 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Enterprise Zone Act is amended by changing Section 1 as follows:
 (20 ILCS 655/1) (from Ch. 67 1/2, par. 601)

Sec. 1. This Act shall be known and may be cited as the ~~the~~ "Illinois Enterprise Zone Act".
 (Source: P.A. 82-1019)."

AMENDMENT NO. 9 TO SENATE BILL 3660

AMENDMENT NO. 9. Amend Senate Bill 3660, AS AMENDED, by replacing everything after the enacting clause with the following:

"ARTICLE 1. EMERGENCY BUDGET ACT OF FISCAL YEAR 2011

Section 1-1. Short title. This Act may be cited as the Emergency Budget Act of Fiscal Year 2011. References in this Article to "this Act" mean this Article.

Section 1-5. Legislative intent and purpose. The General Assembly hereby finds and declares that the State is confronted with an unprecedented fiscal crisis. It is the purpose of this Act to authorize changes in State programs that are necessary to implement the State fiscal year 2011 budget. It is also the purpose of this Act to implement budget measures that prioritize the payment of vouchers that (i) were submitted to the State Comptroller prior to July 1, 2010 and (ii) are at least 60 days past due on the effective date of this Act. This Act is to be liberally construed and interpreted in a manner that allows the State to address the fiscal crisis for the State fiscal year 2011.

Section 1-10. Designation of contingency reserve. Beginning on July 1, 2010 and until January 9, 2011, the Governor may designate amounts to be set aside as a contingency reserve from the amounts appropriated from the General Revenue Fund, the Common School Fund, the Education Assistance Fund, and any special fund of the State for State fiscal year 2011 for all boards, commissions, agencies, institutions, authorities, colleges, universities, and bodies politic and corporate of the State, but not other constitutional officers, the legislative or judicial branch, the office of the Executive Inspector General, or the Executive Ethics Commission. The total contingency reserve may not exceed one-third of the sum of (i) the total dollar amount of vouchers that have been submitted to the State Comptroller for payment but for which warrants have not been issued by the Comptroller as of July 1, 2010 and (ii) the total dollar amount of any fiscal year 2010 mandated statutory transfers that have not been executed as of July 1, 2010. The State Comptroller shall certify the total dollar amount of those outstanding vouchers and transfers to the Governor on or before July 8, 2010.

Section 1-15. Contingency reserve restrictions. Until January 9, 2011, the amounts placed in contingency reserve shall not be transferred, obligated, encumbered, expended, or otherwise committed unless the Governor authorizes the removal of the amounts from the contingency reserve or the State, by an Act of the 96th General Assembly, generates incremental revenues sufficient to support such transfers, obligations, encumbrances, expenditures, or other commitments.

Section 1-20. All State programs subject to appropriation. Notwithstanding any other Act to the contrary, during State fiscal year 2011, any expenditure from State funds authorized or required by any State law are made subject to appropriation through January 9, 2011 of that fiscal year. No moneys shall be obligated or expended during that time unless they are supported by available State fiscal year 2011 appropriations that are not otherwise obligated or reserved pursuant to Section 1-10 of this Act. The provisions of this Section do not apply to non-appropriated funds, non-appropriated accounts, locally

[May 26, 2010]

held funds, or appropriations with continuing authority.

Section 1-35. Act takes precedence. In case of any conflict between the provisions of this Act and any other law, executive order, or administrative regulation, the provisions of this Act prevail and control.

Section 1-90. Repealer. This Act is repealed on July 1, 2011.

ARTICLE 3. RAILSPLITTER TOBACCO SETTLEMENT AUTHORITY ACT

Section 3-1. Short title. This Act may be cited as the Railsplitter Tobacco Settlement Authority Act. References in the Article to "this Act" mean this Article.

Section 3-2. Definitions. In this Act words or terms shall have the following meanings unless the context or usage clearly indicates that another meaning is intended.

(a) "Authority" means the Railsplitter Tobacco Settlement Authority created and established pursuant to Section 3-4 of this Act.

(b) "Authorized officer" means any of the members of the Authority identified and described in Section 3-4 of this Act.

(c) "Bond" means any instrument evidencing the obligation to pay money authorized or issued by or on behalf of the Authority pursuant to the authorization granted by this Act, including without limitation, bonds, notes, or certificates.

(d) "Bondholder" means, in the case of a bond issued in registered form, the registered owner of the bond and otherwise, the owner of the bond.

(e) "Budget Director" means the Director of the Governor's Office of Management and Budget.

(f) "Consent Decree" means the Consent Decree and Final Judgment of the Circuit Court of Cook County, Illinois, dated December 8, 1998, as the same has been and may be corrected, amended or modified, in the action entitled People of the State of Illinois v. Philip Morris Incorporated, et al. (No. 96 L 13146).

(g) "Master Settlement Agreement" means the Master Settlement Agreement, dated November 23, 1998, among the attorneys general of 46 states, including the State of Illinois, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa and the Territory of the Northern Mariana Islands, on the one hand, and certain tobacco manufacturers, on the other hand, and the subject of the Consent Decree.

(h) "Master Settlement Escrow Agent" means the escrow agent under the Master Settlement Agreement.

(i) "Net proceeds of bonds" means the gross proceeds of the sale of bonds issued under Section 3-6 of this Act, less any amounts applied or to be applied to pay transaction and administrative expenses, including underwriting discount, and to fund any reserves deemed necessary or appropriate by the Authority, but does not include any investment earnings realized thereon.

(j) "Participating manufacturer" means a tobacco product manufacturer that is or becomes a signatory to the Master Settlement Agreement.

(k) "Pledged tobacco revenues" means the State's tobacco settlement revenues sold to the Authority pursuant to the sale agreement and pledged by the Authority for the payment of bonds and any related bond facility.

(l) "Qualifying statute" has the meaning given that term in the Master Settlement Agreement, constituting the Tobacco Product Manufacturers' Escrow Act.

(m) "Related bond facility" means any interest rate exchange or similar agreement or any bond insurance policy, letter of credit or other credit enhancement facility, liquidity facility, guaranteed investment or reinvestment agreement, or other similar agreement, arrangement or contract.

(n) "Residual interest in tobacco settlement revenues" means any tobacco settlement revenues determined as moneys are received, to be not required for the identified period in which revenues are received, to pay principal or interest on bonds or administrative or transaction expenses of the Authority or to fund reserves or other requirements relating to bonds issued or related bond facilities made under this Act.

(o) "Sale agreement" means any agreement authorized pursuant to this Act in which the State provides for the sale of all or a portion of the tobacco settlement revenues to the Authority.

(p) "State" means the State of Illinois.

(q) "State Finance Act" means the State Finance Act of the State, as amended (30 ILCS 105/1 et seq.).

(r) "Tobacco settlement bond proceeds account" means the Account by that name within the Tobacco

[May 26, 2010]

Settlement Recovery Fund established under Section 6z-43(a) of the State Finance Act.

(s) "Tobacco Settlement Residual Account" means the Account by that name within the Tobacco Settlement Recovery Fund established under Section 6z-43(a) of the State Finance Act.

(t) "Tobacco settlement revenues" means all tobacco settlement payments received by the State on and after the effective date of this Act and required to be made, pursuant to the terms of the Master Settlement Agreement, by participating manufacturers and the State's rights to receive the tobacco settlement payments on and after the effective date of this Act, exclusive of any payments made with respect to liability to make those payments for calendar years completed before the effective date of this Act.

Section 3-3. Transfer and sale of State's right to tobacco settlement revenues. During fiscal years 2010 and 2011, the State may sell, convey, or otherwise transfer to the Authority the tobacco settlement revenues in exchange for the net proceeds of bonds and a right to the residual interest in tobacco settlement revenues. Unless otherwise directed by statute, the net proceeds of bonds shall be deposited in the Tobacco Settlement Bond Proceeds Account, and the residual interest in tobacco settlement revenues received by the State from time to time shall be deposited in the Tobacco Settlement Residual Account, in each case to be applied for the purposes and in the manner described in this Act and in Section 6z-43 of the State Finance Act.

Any sale, conveyance, or other transfer authorized by this Section shall be evidenced by an instrument or agreement in writing signed on behalf of the State by the Governor. A certified copy of the instrument or agreement shall be filed with the Governor, Comptroller, Treasurer, Budget Director, Speaker and Minority Leader of the House of Representatives, President and Minority Leader of the Senate, and the Commission on Government Forecasting and Accountability promptly upon execution and delivery thereof. The instrument or agreement may include an irrevocable direction to the Master Settlement Escrow Agent to pay all or a specified portion of the tobacco settlement revenues directly to or upon the order of the Authority, or to any escrow agent or any trustee under an indenture or other agreement securing any bonds issued or related bond facilities made under this Act. Upon execution and delivery of the sale agreement as provided in this Act, the sale, conveyance, or other transfer of the right to receive the Tobacco Settlement Revenues, shall, for all purposes, be a true sale and absolute conveyance of all right, title, and interest therein and not as a pledge or other security interest for any borrowing, valid, binding, and enforceable in accordance with the terms thereof and such instrument or agreements and any related instrument, agreement, or other arrangement, including any pledge, grant of security interest, or other encumbrance made by Authority to secure any Bonds issued by the Authority, and shall not be subject to disavowal, disaffirmance, cancellation, or avoidance by reason of insolvency of any party, lack of consideration, or any other fact, occurrence, or rule of law. On and after the effective date of the sale of any portion (including all) of the tobacco settlement revenues, the State shall have no right, title or interest in or to the portion of the tobacco settlement revenues sold, and the portion of the tobacco settlement revenues so sold shall be the property of the Authority, and shall be received, held and disbursed by the Authority in a trust fund outside the State treasury. Any portions of the tobacco settlement revenues sold and held in trust shall be invested in accordance with the Public Funds Investment Act.

The State may not transfer any right to those amounts received by the State which were deposited into the Disputed Payments Account or withheld in accordance with Section XI(f)(2) of the Master Settlement Agreement prior to the closing of any Bonds issued pursuant to this Act.

The procedures and requirements set forth in this Section shall be the sole procedures and requirements applicable to the sale of the tobacco settlement revenues.

Section 3-4. Establishment and Powers of Authority. The Authority is hereby established as a special purpose corporation which shall be body corporate and politic of, but having a legal existence independent and separate from, the State and, accordingly, the assets, liabilities, and funds of the Authority shall be neither consolidated nor commingled with those of the State treasury. The Authority and its corporate existence shall continue until 6 months after all its liabilities have been met or otherwise discharged. Upon the termination of the existence of the Authority, all of its rights and property shall pass to and be vested in the State. The Authority shall be established for the express limited public purposes set forth in this Act, and no part of the net earnings of the Authority shall inure to any private individual.

The Authority shall be governed by a 3-member board consisting of the Budget Director and two other members appointed by the Governor. The powers of the Authority shall be subject to the terms, conditions, and limitations contained within this Act, and any applicable covenants or agreements of the

Authority in any indenture or other agreement relating to any then outstanding bonds or related bond facilities. The Authority may enter into contracts regarding any matter connected with any corporate purpose within the objects and purposes of this Act. The members of the Authority and the Chief Financial Officer of the Authority shall receive no salary or other compensation, either direct or indirect, for serving as members of the Authority, other than reimbursement for actual and necessary expenses incurred in the performance of such person's duties. The Authority may elect one of its members as chairman, who shall sign instruments or agreements authorized by this Act on behalf of the Authority. The Authority may also appoint a Chief Financial Officer of the Authority who may or may not be a member of the Authority in order to provide financial analysis and advice regarding any transaction of the Authority. Notwithstanding the foregoing, the Authority shall not be authorized to make any covenant, pledge, promise or agreement purporting to bind the State with respect to Tobacco Settlement Revenues, except as otherwise specifically authorized by this Act.

The Authority may not file a voluntary petition under or be or become a debtor or bankrupt under the federal bankruptcy code or any other federal or State bankruptcy, insolvency, or moratorium law or statute as may, from time to time, be in effect and neither any public officer nor any organization, entity, or other person shall authorize the Authority to be or become a debtor or bankrupt under the federal bankruptcy code or any other federal or State bankruptcy, insolvency, or moratorium law or statute, as may, from time to time be in effect.

The Authority may not guarantee the debts of another.

Section 3-5. Certain powers of the Authority. The Authority shall have the power to:

- (1) sue and be sued;
- (2) have a seal and alter the same at pleasure;
- (3) make and alter by-laws for its organization and internal management and make rules and regulations governing the use of its property and facilities;
- (4) appoint by and with the consent of the Attorney General, assistant attorneys for such Authority; those assistant attorneys shall be under the control, direction, and supervision of the Attorney General and shall serve at his or her pleasure;
- (5) retain special counsel, subject to the approval of the Attorney General, as needed from time to time, and fix their compensation, provided however, such special counsel shall be subject to the control, direction and supervision of the Attorney General and shall serve at his or her pleasure;
- (6) make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this Section and to commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement, provided that any underwriter, financial advisor, bond counsel, or other professional providing services to the Authority may be selected pursuant to solicitations issued and completed by the Governor's Office of Management and Budget for those services;
- (7) appoint officers and agents, prescribe their duties and qualifications, fix their compensation and engage the services of private consultants and counsel on a contract basis for rendering professional and technical assistance and advice, provided that this shall not be construed to limit the authority of the Attorney General provided in Section 4 of the Attorney General Act;
- (8) pay its operating expenses and its financing costs, including its reasonable costs of issuance and sale and those of the Attorney General, if any, in a total amount not greater than 1% of the principal amount of the proceeds of the bond sale;
- (9) borrow money in its name and issue negotiable bonds and provide for the rights of the holders thereof as otherwise provided in this Act;
- (10) procure insurance against any loss in connection with its activities, properties, and assets in such amount and from such insurers as it deems desirable;
- (11) invest any funds or other moneys under its custody and control in investment securities or under any related bond facility;
- (12) as security for the payment of the principal of and interest on any Bonds issued by it pursuant to this Act and any agreement made in connection therewith and for its obligations under any Related Bond Facility, pledge all or any part of the tobacco settlement revenues;
- (13) do any and all things necessary or convenient to carry out its purposes and exercise the powers expressly given and granted in this Section.

Section 3-6. Bonds of the Authority.

(a) The Authority shall have power and is hereby authorized to issue bonds, in an amount no greater than \$1,750,000,000, to provide sufficient funds for the purchase of all or a portion of the tobacco

[May 26, 2010]

settlement revenues pursuant to Section 3-3 of this Act and the payment or provision for financing costs.

The issuance of bonds shall be authorized by a resolution of the Authority, adopted by a majority of the members of the Authority without further authorization or approval. The issue of the bonds of the Authority shall be special revenue obligations payable from and secured by a pledge of the pledged tobacco revenues, those proceeds of such Bonds deposited in a reserve fund for the benefit of Bondholders, and earnings on funds of the Authority, upon such terms and conditions as specified by the Authority in the resolution under which the Bonds are issued or in a related trust indenture.

The Authority shall have the power and is hereby authorized from time to time to issue bonds, whenever it deems refunding expedient, to refund any outstanding bonds by the issuance of new bonds, provided that the refunding debt matures within the term of the bonds to be refunded. The refunding bonds may be exchanged for the bonds to be refunded or sold and the proceeds applied to the purchase, redemption, or payment of such bonds.

(b) The bonds of each issue shall be dated, shall bear interest (which may be includable in or excludable from the gross income of the owners for federal income tax purposes) at such fixed or variable rates, payable at or prior to maturity, and shall mature at such time or times, not more than 19 years after the date of issuance, as may be determined by the Authority and may be made redeemable before maturity, at the option of the Authority, at such price or prices and under such terms and conditions as may be fixed by the Authority. The principal and interest of such bonds may be made payable in any lawful medium. The resolution or the certificate of the officer of the Authority approving the issuance of the bonds shall determine the form of the bonds and the manner of execution of the bonds and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest thereof, which may be at any bank or trust company within or outside the State. If any officer whose signature or a facsimile thereof appears on any bonds shall cease to be such officer before the delivery of such bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery.

(c) The Authority may sell such bonds pursuant to notice of sale and public bid or by negotiated sale in accordance with the corresponding procedures applicable to like sales of general obligation bonds under Section 11 of the General Obligation Bond Act. The proceeds of such bonds shall be disbursed for the purposes for which such bonds were issued under such restrictions as the sale agreement and the resolution authorizing the issuance of such bonds or the related trust indenture may provide. Such bonds shall be issued upon approval of the Authority and without any other approvals, filings, proceedings or the happening of any other conditions or things other than the approvals, findings, proceedings, conditions, and things that are specified and required by this Act.

(d) Any pledge made by the Authority shall be valid and binding at the time the pledge is made. The assets, property, revenues, reserves, or earnings so pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether such parties have notice thereof. Notwithstanding any other provision of law to the contrary, neither the resolution nor any indenture or other instrument by which a pledge is created or by which the Authority's interest in pledged assets, property, revenues, reserves, or earnings thereon is assigned need be filed, perfected or recorded in any public records in order to protect the pledge thereof or perfect the lien thereof as against third parties, except that a copy thereof shall be filed in the records of the Authority.

(e) Whether or not the bonds of the Authority are of such form and character as to be negotiable instruments under the terms of the Uniform Commercial Code, the bonds are hereby made negotiable instruments for all purposes, subject only to the provisions of the bonds for registration.

(f) At the sole discretion of the Authority, any bonds issued by the Authority and any related bond facility made under the provisions of this Act shall be secured by a resolution or trust indenture by and between the Authority and the indenture trustee, which may be any trust company or bank having the powers of a trust company, whether located within or outside the State. Such trust indenture or resolution providing for the issuance of such bonds shall, without limitation, (i) provide for the creation and maintenance of such reserves as the Authority shall determine to be proper; (ii) include covenants setting forth the duties of the Authority in relation to the bonds, the income of the Authority, the related sale agreement and the related tobacco settlement revenues; (iii) contain provisions relating to the prompt transfer of the residual interest upon receipt of the tobacco settlement revenues; (iv) contain provisions respecting the custody, safeguarding, and application of all moneys and securities; (v) contain such provisions for protecting and enforcing against the Authority or the State the rights and remedies (pursuant thereto and to the sale agreement) of the owners of the bonds and any provider of a related bond facility as may be reasonable and proper and not in violation of law; and (vi) contain such other

provisions as the Authority may deem reasonable and proper for priorities and subordination among the owners of the bonds and providers of related bond facilities. Any reference in this Act to a resolution of the Authority shall include any trust indenture authorized thereby.

(g) The net proceeds of bonds and any earnings thereon shall never be pledged to, nor made available for, payment of the bonds or any interest or redemption price thereon or any other debt or obligation of the Authority. The net proceeds of bonds shall be deposited by the State in the Tobacco Settlement Bond Proceeds Account, and shall be used by the State (either directly or by reimbursement) for the payment of outstanding obligations of the General Revenue Fund or to supplement the Tobacco Settlement Residual Account to pay for appropriated obligations of the Tobacco Settlement Recovery Fund for State fiscal year 2011 through 2013. Any residual interest in tobacco settlement revenues shall be deposited in the Tobacco Settlement Residual Account, and shall be used by the State (either directly or by reimbursement) in accordance with Section 6z-43 of the State Finance Act for appropriated obligations of the Tobacco Settlement Recovery Fund. With respect to any bonds of the Authority, the interest on which is intended to be excludable from the gross income of the owners for federal income tax purposes, the Authority and the authorized officers may provide restrictions on the use of net proceeds of bonds and other amounts in the sale agreement or otherwise in a tax regulatory agreement only as necessary to assure such tax-exempt status.

(h) The Authority may enter into, amend, or terminate, as it determines to be necessary or appropriate, any related bond facility (i) to facilitate the issuance, sale, resale, purchase, repurchase, or payment of bonds, interest rate savings or market diversification, or the making or performance of swap contracts, including without limitation bond insurance, letters of credit and liquidity facilities, or (ii) to attempt to manage or hedge risk or achieve a desirable effective interest rate or cash flow. Such facility shall be made upon the terms and conditions established by the Authority, including without limitation provisions as to security, default, termination, payment, remedy, jurisdiction and consent to service of process.

(i) The Authority may enter into, amend, or terminate, as it deems to be necessary or appropriate, any related bond facility to place the obligations or investments of the Authority, as represented by the bonds or the investment of reserves securing the bonds or related bond facilities or other tobacco settlement revenues or its other assets, in whole or in part, on the interest rate, cash flow, or other basis approved by the Authority, which facility may include without limitation contracts commonly known as interest rate swap agreements, forward purchase contracts, or guaranteed investment contracts and futures or contracts providing for payments based on levels of, or changes in, interest rates. These contracts or arrangements may be entered into by the Authority in connection with, or incidental to, entering into, or maintaining any (i) agreement which secures bonds of the Authority or (ii) investment or contract providing for investment of reserves or similar facility guaranteeing an investment rate for a period of years not to exceed the underlying term of the bonds. The determination by the Authority that a related bond facility or the amendment or termination thereof is necessary or appropriate as aforesaid shall be conclusive. Any related bond facility may contain such provisions as to security, default, termination, payment, remedy, jurisdiction, and consent to service of process and other terms and conditions as determined by the Authority, after giving due consideration to the creditworthiness of the counterparty or other obligated party, including any rating by any nationally recognized rating agency, and any other criteria as may be appropriate.

(j) Bonds or any related bond facility may contain a recital that they are issued or executed, respectively, pursuant to this Act, which recital shall be conclusive evidence of their validity, respectively, and the regularity of the proceedings relating thereto.

Section 3-7. State not liable on bonds or related bond facilities. No bond or related bond facility shall constitute an indebtedness or an obligation of the State of Illinois or any subdivision thereof, within the purview of any constitutional or statutory limitation or provision or a charge against the general credit or taxing powers, if any, of any of them but shall be payable solely from pledged tobacco revenues. No owner of any bond or provider of any related bond facility shall have the right to compel the exercise of the taxing power of the State to pay any principal installment of, redemption premium, if any, or interest on the bonds or to make any payment due under any related bond facility.

Section 3-8. Agreement with the State.

(a) The State pledges and agrees with the Authority, and the owners of the bonds of the Authority in which the Authority has included such pledge and agreement, that the State shall (i) irrevocably direct the escrow agent under the Master Settlement Agreement to transfer all pledged tobacco revenues directly to the Authority or its assignee, (ii) enforce its right to collect all moneys due from the

participating manufacturers under the Master Settlement Agreement and, in addition, shall diligently enforce the qualifying statute as contemplated in Section IX(d)(2)(B) of the Master Settlement Agreement against all nonparticipating manufacturers selling tobacco products in the State and that are not in compliance with the qualifying statute, in each case in the manner and to the extent deemed necessary in the judgment of and consistent with the discretion of the Attorney General of the State, provided, however, that the sale agreement shall provide (a) that the remedies available to the Authority and the bondholders for any breach of the pledges and agreements of the State set forth in this clause shall be limited to injunctive relief, and (b) that the State shall be deemed to have diligently enforced the qualifying statute so long as there has been no judicial determination by a court of competent jurisdiction in this State, in an action commenced by a participating tobacco manufacturer under the Master Settlement Agreement, that the State has failed to diligently enforce the qualifying statute for the purposes of Section IX(d)(2)(B) of the Master Settlement Agreement, (iii) in any materially adverse way, neither amend the Master Settlement Agreement nor the Consent Decree or take any other action that would (a) impair the Authority's right to receive pledged tobacco revenues, or (b) limit or alter the rights hereby vested in the Authority to fulfill the terms of its agreements with the bondholders, or (c) impair the rights and remedies of such bondholders or the security for such bonds until such bonds, together with the interest thereon and all costs and expenses in connection with any action or proceedings by or on behalf of such bondholders, are fully paid and discharged (provided, that nothing herein shall be construed to preclude the State's regulation of smoking, smoking cessation activities and laws, and taxation and regulation of the sale of cigarettes or the like or to restrict the right of the State to amend, modify, repeal, or otherwise alter statutes imposing or relating to the taxes), and (iv) not amend, supersede or repeal the Master Settlement Agreement or the qualifying statute in any way that would materially adversely affect the amount of any payment to, or the rights to such payments of, the Authority or such bondholders. This pledge and agreement may be included in the sale agreement and the Authority may include this pledge and agreement in any contract with the bondholders of the Authority.

(b) The provisions of this Act, the bonds issued pursuant to this Act, and the pledges and agreements by the State and the Authority to the bondholders shall be not be interpreted or construed to limit or impair the authority or discretion of the Attorney General to administer and enforce provisions of the Master Settlement Agreement or to direct, control, and settle any litigation or arbitration proceeding arising from or relating to the Master Settlement Agreement.

Section 3-9. Enforcement of contract. The provisions of this Act and of any resolution or proceeding authorizing the issuance of bonds or a related bond facility shall constitute a contract with the holders of the bonds or the related bond facility, and the provisions thereof shall be enforceable either by mandamus or other proceeding in any Illinois court of competent jurisdiction to enforce and compel the performance of all duties required by this Act and by any resolution authorizing the issuance of bonds a related bond facility adopted in response hereto.

Section 3-10. Bonds as legal investments. The State and all counties, cities, villages, incorporated towns and other municipal corporations, political subdivisions and public bodies, and public officers of any thereof, all 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, all 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 pursuant to this Act, it being the purpose of this Section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension, and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this Section may be construed as relieving any person, firm, or corporation from any duty of exercising reasonable care in selecting securities for purchase or investment.

Section 3-12. Exemption from taxation. It is hereby determined that the creation of the Authority and the carrying out of its corporate purposes are in all respects for the benefit of the people of the State and are public purposes. Accordingly, the property of the Authority, its income and its operations shall be exempt from taxation. The Authority shall not be required to pay any fees, taxes or assessments of any kind, whether state or local, including, but not limited to, fees, taxes, ad valorem taxes on real property, sales taxes or other taxes, upon or with respect to any property owned by it or under its jurisdiction, control or supervision, or upon the uses thereof, or upon or with respect to its activities or operations in

furtherance of the powers conferred upon it by this Act.

Section 3-13. Illinois State Auditing Act. The Auditor General shall conduct financial audits and program audits of the Authority, in accordance with the Illinois State Auditing Act.

Section 3-15. Supplemental nature of Act; construction and purpose. The powers conferred by this Act shall be in addition to and supplemental to the powers conferred by any other law, general or special, and may be exercised notwithstanding the provisions of any other such law. Insofar as the provisions of this Act are inconsistent with the provisions of any other law, general or special, the provisions of this Act shall be controlling.

Section 3-16. Severability. If any provision of this Act is held invalid, such provision shall be deemed to be excised and the invalidity thereof shall not affect any of the other provisions of this Act. If the application of any provision of this Act to any person or circumstance is held invalid, it shall not affect the application of such provision to such persons or circumstances other than those as to which it is held invalid.

ARTICLE 5. AMENDATORY PROVISIONS

Section 5-5. 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, (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, ~~or~~ (iv) emergency rules adopted pursuant to subsection (n) of this Section or (v) emergency rules adopted pursuant to subsection (o) of this Section. 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

[May 26, 2010]

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 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.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of this amendatory Act of the 96th General Assembly or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of this amendatory Act of the 96th General Assembly or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after the effective date of this amendatory Act of the 96th General Assembly through January 9, 2011.

(Source: P.A. 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 96-45, eff. 7-15-09.)

Section 5-10. The General Assembly Compensation Act is amended by adding Section 1.6 as follows:
(25 ILCS 115/1.6 new)

Sec. 1.6. FY11 furlough days. During the first 6 months of the fiscal year beginning July 1, 2010, every member of the 96th General Assembly is mandatorily required to forfeit 6 days of compensation. The State Comptroller shall deduct the equivalent of 1/365th of the annual salary of each member of the 96th General Assembly from the compensation of that member in each of the first 6 months of the fiscal year. During the second 6 months of the fiscal year beginning July 1, 2010, every member of the 97th General Assembly is mandatorily required to forfeit 6 days of compensation. The State Comptroller shall deduct the equivalent of 1/365th of the annual salary of each member of the 97th General Assembly from the compensation of that member in each of the second 6 months of the fiscal year. For purposes of this Section, annual compensation includes compensation paid to each member by the State for one year of service pursuant to Section 1, except any payments made for mileage and allowances for travel and meals. The forfeiture required by this Section is not considered a change in salary and shall not impact pension or other benefits provided to members of the General Assembly.

Section 5-15. The State Finance Act is amended by changing Sections 6z-43, 14.1, and 25 and by adding Sections 5h and 14.2 as follows:

(30 ILCS 105/5h new)

Sec. 5h. Cash flow borrowing and general funds liquidity.

(a) In order to meet cash flow deficits and to maintain liquidity in the General Revenue Fund and the Common School Fund, on and after July 1, 2010 and through January 9, 2011, the State Treasurer and the State Comptroller shall make transfers to the General Revenue Fund or the Common School Fund, as directed by the Governor, out of special funds of the State, to the extent allowed by federal law. 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. No such transfer may reduce the cumulative balance of all of the special funds of the State to an amount less than the total debt service payable during the 12 months immediately following the date of the transfer on any bonded indebtedness of the State and any certificates issued under the Short Term Borrowing Act. Notwithstanding any other provision of this Section, no such transfer may be made from any special fund that is exclusively collected by or appropriated to any other constitutional officer without the written approval of that constitutional officer.

(b) If moneys have been transferred to the General Revenue Fund or the Common School Fund pursuant to subsection (a) of this Section, this amendatory Act of the 96th General Assembly shall constitute the irrevocable and continuing authority for and direction to the State Treasurer and State Comptroller to reimburse the funds of origin from the General Revenue Fund or the Common School Fund, as appropriate, by transferring to the funds of origin, at such times and in such amounts as directed by the Governor when necessary to support appropriated expenditures from the funds, an amount equal to that transferred from them plus any interest that would have accrued thereon had the transfer not occurred, except that any moneys transferred pursuant to subsection (a) of this Section shall be repaid to the fund of origin within 18 months after the date on which they were borrowed.

(c) On the first day of each quarterly period in each fiscal year, the Governor's Office of Management and Budget shall provide to the President and the Minority Leader of the Senate, the Speaker and the Minority Leader of the House of Representatives, and the Commission on Government Forecasting and Accountability a report on all transfers made pursuant to this Section in the prior quarterly period. The report must be provided in both written and electronic format. The report must include all of the following:

(1) The date each transfer was made.

(2) The amount of each transfer.

(3) In the case of a transfer from the General Revenue Fund or the Common School Fund to a fund of origin pursuant to subsection (b) of this Section, the amount of interest being paid to the fund of origin.

(4) The end of day balance of both the fund of origin and the General Revenue Fund or the Common School Fund, whichever the case may be, on the date the transfer was made.

(30 ILCS 105/6z-43)

Sec. 6z-43. Tobacco Settlement Recovery Fund.

(a) There is created in the State Treasury a special fund to be known as the Tobacco Settlement Recovery Fund, which shall contain 3 accounts: (i) the General Account, (ii) the Tobacco Settlement Bond Proceeds Account and (iii) the Tobacco Settlement Residual Account. There shall be deposited into the several accounts of the Tobacco Settlement Recovery Fund ~~into which shall be deposited~~ all monies paid to the State pursuant to (1) the Master Settlement Agreement entered in the case of People of the State of Illinois v. Philip Morris, et al. (Circuit Court of Cook County, No. 96-L13146) and (2) any settlement with or judgment against any tobacco product manufacturer other than one participating in the Master Settlement Agreement in satisfaction of any released claim as defined in the Master Settlement Agreement, as well as any other monies as provided by law. ~~Moneys~~ ~~All earnings on Fund investments~~ shall be deposited into the Tobacco Settlement Bond Proceeds Account and the Tobacco Settlement Residual Account as provided by the terms of the Railsplitter Tobacco Settlement Authority Act, provided that an annual amount not less than \$2,500,000, subject to appropriation, shall be deposited into the Tobacco Settlement Residual Account for use by the Attorney General for enforcement of the Master Settlement Agreement. All other moneys available to be deposited into the Tobacco Settlement Recovery Fund shall be deposited into the General Account. An investment made from moneys credited to a specific account constitutes part of that account and such account shall be credited with all income from the investment of such moneys. ~~Fund. Upon the creation of the Fund, the State Comptroller shall order the State Treasurer to transfer into the Fund any monies paid to the State as described in item (1) or (2) of this Section before the creation of the Fund plus any interest earned on the investment of those monies.~~ The Treasurer may invest the moneys in the several accounts the Fund in the same manner, in the same types of investments, and subject to the same limitations provided in the Illinois Pension Code for the investment of pension funds other than those established under Article 3 or 4 of the Code. Notwithstanding the foregoing, to the extent necessary to preserve the tax-exempt status of any Bonds issued pursuant to the Railsplitter Tobacco Settlement Authority Act, the interest on which is intended to be excludable from the gross income of the owners for federal income tax purposes, moneys on deposit in the Tobacco Settlement Bond Proceeds Account and the Tobacco Settlement Residual Account may be invested in obligations the interest upon which is tax-exempt under the provisions of Section 103 of the Internal Revenue Code of 1986, as now or hereafter amended, or any successor code or provision.

(b) Moneys on deposit in the Tobacco Settlement Bond Proceeds Account and the Tobacco Settlement Residual Account may be expended, subject to appropriation, for the purposes authorized in Section 6(g) of the Railsplitter Tobacco Settlement Authority Act.

(c) ~~(b)~~ As soon as may be practical after June 30, 2001, upon notification from and at the direction of the Governor, the State Comptroller shall direct and the State Treasurer shall transfer the unencumbered balance in the Tobacco Settlement Recovery Fund as of June 30, 2001, as determined by the Governor,

[May 26, 2010]

into the Budget Stabilization Fund. The Treasurer may invest the moneys in the Budget Stabilization Fund in the same manner, in the same types of investments, and subject to the same limitations provided in the Illinois Pension Code for the investment of pension funds other than those established under Article 3 or 4 of the Code.

~~(c) In addition to any other deposits authorized by law, after any delivery of any bonds as authorized by Section 7.5 of the General Obligation Bond Act for deposits to the General Revenue Fund and the Budget Stabilization Fund (referred to as "tobacco securitization general obligation bonds"), the Governor shall certify, on or before June 30, 2003 and June 30 of each year thereafter, to the State Comptroller and State Treasurer the total amount of principal of, interest on, and premium, if any, due on those bonds in the next fiscal year beginning with amounts due in fiscal year 2004. As soon as practical after the annual payment of tobacco settlement moneys to the Tobacco Settlement Recovery Fund as described in item (1) of subsection (a), the State Treasurer and State Comptroller shall transfer from the Tobacco Settlement Recovery Fund to the General Obligation Bond Retirement and Interest Fund the amount certified by the Governor, plus any cumulative deficiency in those transfers for prior years.~~

(d) All federal financial participation moneys received pursuant to expenditures from the Fund shall be deposited into the General Account Fund.

(Source: P.A. 95-331, eff. 8-21-07.)

(30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

Sec. 14.1. Appropriations for State contributions to the State Employees' Retirement System; payroll requirements.

(a) Appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this Section. Except as otherwise provided in subsections (a-1) and (a-2), at the time of each payment of salary to an employee under the personal services line item, payment shall be made to the State Employees' Retirement System, from the amount appropriated for State contributions to the State Employees' Retirement System, of an amount calculated at the rate certified for the applicable fiscal year by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. If a line item appropriation to an employer for this purpose is exhausted or is unavailable due to any limitation on appropriations that may apply, (including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act), the amounts shall be paid under the continuing appropriation for this purpose contained in the State Pension Funds Continuing Appropriation Act.

(a-1) Beginning on the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this subsection (a-1). At the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the General Revenue Fund from the amount appropriated for State contributions to the State Employees' Retirement System of an amount calculated at the rate certified for fiscal year 2004 by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. No payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(a-2) For fiscal year 2010 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2010 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2010 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(a-3) For fiscal year 2011 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2011 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent

that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2011 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(b) Except during the period beginning on the effective date of this amendatory Act of the 93rd General Assembly and ending at the time of the payment of the final payroll from fiscal year 2004 appropriations, the State Comptroller shall not approve for payment any payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System, the Comptroller shall promptly so notify the Retirement System.

(b-1) For fiscal year 2010 only, the State Comptroller shall not approve for payment any non-General Revenue Fund payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System of Illinois, the Comptroller shall promptly so notify the retirement system.

(c) Notwithstanding any other provisions of law, beginning July 1, 2007, required State and employee contributions to the State Employees' Retirement System of Illinois relating to affected legislative staff employees shall be paid out of moneys appropriated for that purpose to the Commission on Government Forecasting and Accountability, rather than out of the lump-sum appropriations otherwise made for the payroll and other costs of those employees.

These payments must be made pursuant to payroll vouchers submitted by the employing entity as part of the regular payroll voucher process.

For the purpose of this subsection, "affected legislative staff employees" means legislative staff employees paid out of lump-sum appropriations made to the General Assembly, an Officer of the General Assembly, or the Senate Operations Commission, but does not include district-office staff or employees of legislative support services agencies.

(Source: P.A. 95-707, eff. 1-11-08; 96-45, eff. 7-15-09.)

(30 ILCS 105/14.2 new)

Sec. 14.2. Fiscal year 2011 State officer compensation forfeiture.

(a) During the fiscal year beginning on July 1, 2010, each State officer listed in subsection (b) is required to forfeit one day of compensation each month. The State Comptroller shall deduct the equivalent of 1/261st of the annual compensation of each of those State officers that is paid from the General Revenue Fund from the compensation of that State officer in each month of the fiscal year. For purposes of this Section, annual compensation includes compensation paid to each of those State officers by the State for one year of service, except any payments made for mileage and allowances for travel and meals. The forfeiture required by this Section is not considered a change in salary and shall not impact pension or other benefits provided to those State officers.

(b) "State officers" for the purposes of subsection (a) are the following:

Governor

Lieutenant Governor

Secretary of State

Attorney General

Comptroller

State Treasurer

Department on Aging: Director

Department of Agriculture: Director and Assistant Director

Department of Central Management Services: Director and Assistant Directors

Department of Children and Family Services: Director

Department of Corrections: Director and Assistant Director
Department of Commerce and Economic Opportunity: Director and Assistant Director
Environmental Protection Agency: Director
Department of Financial and Professional Regulation: Secretary and Directors
Department of Human Services: Secretary and Assistant Secretaries
Department of Juvenile Justice: Director
Department of Labor: Director, Assistant Director, Chief Factory Inspector, and Superintendent of Safety Inspection and Education
Department of State Police: Director and Assistant Director
Department of Military Affairs: Adjutant General and Chief Assistants to the Adjutant General
Department of Natural Resources: Director, Assistant Director, Mine Officers, and Miners'
Examining Officers
Illinois Labor Relations Board: Chairman, State Labor Relations Board members, and Local Labor Relations Board members
Department of Healthcare and Family Services: Director and Assistant Director
Department of Public Health: Director and Assistant Director
Department of Revenue: Director and Assistant Director
Property Tax Appeal Board: Chairman and members
Department of Veterans' Affairs: Director and Assistant Director
Civil Service Commission: Chairman and members
Commerce Commission: Chairman and members
State Board of Elections: Chairman, Vice-Chairman, and members
Illinois Emergency Management Agency: Director and Assistant Director
Department of Human Rights: Director
Human Rights Commission: Chairman and members
Illinois Workers' Compensation Commission: Chairman and members
Liquor Control Commission: Chairman, members, and Secretary
Executive Ethics Commission: members
Illinois Power Agency: Director
Pollution Control Board: Chairman and members
Prisoner Review Board: Chairman and members
Secretary of State Merit Commission: Chairman and members
Educational Labor Relations Board: Chairman and members
Department of Transportation: Secretary and Assistant Secretary
Office of Small Business Utility Advocate: small business utility advocate
Executive Inspector General for the Office of the Governor
Executive Inspector General for the Office of the Attorney General
Executive Inspector General for the Office of the Secretary of State
Executive Inspector General for the Office of the Comptroller
Executive Inspector General for the Office of the Treasurer
Office of Auditor General: Auditor General and Deputy Auditors General.

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

Sec. 25. Fiscal year limitations.

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

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

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

All outstanding liabilities as of June 30, 2010, payable from appropriations that would otherwise

[May 26, 2010]

expire at the conclusion of the lapse period for fiscal year 2010, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2010, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2010.

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

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

Medical payments may be made by the Department of Human Services from its appropriations relating to substance abuse treatment services for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, provided the payments are made on a fee-for-service basis consistent with requirements established for Medicaid reimbursement by the Department of Healthcare and Family Services.

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

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

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

Lease payments may be made under the sale and leaseback provisions of Section 7.5 of the State Property Control Act with respect to the Illinois State Toll Highway Authority headquarters building and surrounding land without regard to any fiscal year limitations.

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

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

(e) The Department of Healthcare and Family Services, the Department of Human Services (acting as successor to the Department of Public Aid), and the Department of Human Services making fee-for-service payments relating to substance abuse treatment services provided during a previous fiscal year shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before November 30, a report that shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for (i) services provided in prior fiscal years and (ii) services for which claims were received in prior fiscal years.

(f) The Department of Human Services (as successor to the Department of Public Aid) shall annually

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

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

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

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

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

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

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

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

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

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

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

(Source: P.A. 95-331, eff. 8-21-07.)

Section 5-20. The State Pension Funds Continuing Appropriation Act is amended by changing Section 1.2 as follows:

(40 ILCS 15/1.2)

Sec. 1.2. Appropriations for the State Employees' Retirement System.

(a) From each fund from which an amount is appropriated for personal services to a department or other employer under Article 14 of the Illinois Pension Code, there is hereby appropriated to that department or other employer, on a continuing annual basis for each State fiscal year, an additional amount equal to the amount, if any, by which (1) an amount equal to the percentage of the personal services line item for that department or employer from that fund for that fiscal year that the Board of Trustees of the State Employees' Retirement System of Illinois has certified under Section 14-135.08 of the Illinois Pension Code to be necessary to meet the State's obligation under Section 14-131 of the Illinois Pension Code for that fiscal year, exceeds (2) the amounts otherwise appropriated to that department or employer from that fund for State contributions to the State Employees' Retirement System for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the final payment from a department or employer's personal services line item for fiscal year 2004, payments to the State Employees' Retirement System that otherwise would have been made under this subsection (a) shall be governed by the provisions in subsection (a-1).

(a-1) If a Fiscal Year 2004 Shortfall is certified under subsection (f) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2004 Shortfall.

(a-2) If a Fiscal Year 2010 Shortfall is certified under subsection (g) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a

continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2010 Shortfall.

(b) The continuing appropriations provided for by this Section shall first be available in State fiscal year 1996.

(c) Beginning in Fiscal Year 2005, any continuing appropriation under this Section arising out of an appropriation for personal services from the Road Fund to the Department of State Police or the Secretary of State shall be payable from the General Revenue Fund rather than the Road Fund.

(d) For State fiscal year 2010 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before December 31, 2008, less the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.

(e) For State fiscal year 2011 only, the continuing appropriation under this Section provided to the State Employees' Retirement System is limited to an amount equal to the amount certified by the System on or before December 31, 2009, less any amounts received pursuant to subsection (a-3) of Section 14.1 of the State Finance Act.

(Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised 11-3-09.)

ARTICLE 97. SEVERABILITY

Section 97-1. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

ARTICLE 99. EFFECTIVE DATE

Section 99-1. Effective date. This Act takes effect upon becoming law."

AMENDMENT NO. 12 TO SENATE BILL 3660

AMENDMENT NO. 12. Amend Senate Bill 3660, AS AMENDED, by inserting Article 25 in its proper numeric sequence as follows:

"ARTICLE 25. ADDITIONAL AMENDATORY PROVISIONS

Section 25-5. The State Budget Law of the Civil Administrative Code of Illinois is amended by changing Sections 50-5 and 50-10 and by adding Sections 50-7 and 50-25 as follows:

(15 ILCS 20/50-5)

Sec. 50-5. Governor to submit State budget.

(a) The Governor shall, as soon as possible and not later than the second Wednesday in March in 2010 (March 10, 2010) and the third Wednesday in February of each year beginning in 2011, except as otherwise provided in this Section, submit a State budget, embracing therein the amounts recommended by the Governor to be appropriated to the respective departments, offices, and institutions, and for all other public purposes, the estimated revenues from taxation, the estimated revenues from sources other than taxation, and an estimate of the amount required to be raised by taxation. The amounts recommended by the Governor for appropriation to the respective departments, offices and institutions shall be formulated according to the various functions and activities for which the respective department, office or institution of the State government (including the elective officers in the executive department and including the University of Illinois and the judicial department) is responsible. The amounts relating to particular functions and activities shall be further formulated in accordance with the object classification specified in Section 13 of the State Finance Act. In addition, the amounts recommended by the Governor for appropriation shall take into account each State agency's effectiveness in achieving its prioritized goals for the previous fiscal year, as set forth in Section 50-25 of this Law, giving priority to agencies and programs that have demonstrated a focus on the prevention of waste and the maximum yield from resources.

Beginning in fiscal year 2011, the Governor shall distribute written quarterly budget statements to the General Assembly and the State Comptroller. The statements shall be submitted on Wednesday of the last week of the last month of each quarter of the fiscal year and, as is currently the practice on the effective date of this amendatory Act of the 96th General Assembly, shall be posted on the Comptroller's website on the same day. The statements shall be prepared and presented in an executive summary format that includes, for the fiscal year to date, individual itemizations for each revenue source as well as individual itemizations of expenditures and obligations, by the classified line items set forth in Section

[May 26, 2010]

13 of the State Finance Act and for other purposes, with an appropriate level of detail. The statement shall include a calculation of the actual total budget surplus or deficit. The Governor shall also present periodic budget addresses throughout the fiscal year at the invitation of the General Assembly.

The Governor shall not propose expenditures and the General Assembly shall not enact appropriations that exceed the resources estimated to be available, as provided in this Section. Appropriations may be adjusted during the fiscal year by means of one or more supplemental appropriation bills if any State agency either fails to meet or exceeds the goals set forth in Section 50-25 of this Law.

For the purposes of Article VIII, Section 2 of the 1970 Illinois Constitution, the State budget for the following funds shall be prepared on the basis of revenue and expenditure measurement concepts that are in concert with generally accepted accounting principles for governments:

- (1) General Revenue Fund.
- (2) Common School Fund.
- (3) Educational Assistance Fund.
- (4) Road Fund.
- (5) Motor Fuel Tax Fund.
- (6) Agricultural Premium Fund.

These funds shall be known as the "budgeted funds". The revenue estimates used in the State budget for the budgeted funds shall include the estimated beginning fund balance, plus revenues estimated to be received during the budgeted year, plus the estimated receipts due the State as of June 30 of the budgeted year that are expected to be collected during the lapse period following the budgeted year, minus the receipts collected during the first 2 months of the budgeted year that became due to the State in the year before the budgeted year. Revenues shall also include estimated federal reimbursements associated with the recognition of Section 25 of the State Finance Act liabilities. For any budgeted fund for which current year revenues are anticipated to exceed expenditures, the surplus shall be considered to be a resource available for expenditure in the budgeted fiscal year.

Expenditure estimates for the budgeted funds included in the State budget shall include the costs to be incurred by the State for the budgeted year, to be paid in the next fiscal year, excluding costs paid in the budgeted year which were carried over from the prior year, where the payment is authorized by Section 25 of the State Finance Act. For any budgeted fund for which expenditures are expected to exceed revenues in the current fiscal year, the deficit shall be considered as a use of funds in the budgeted fiscal year.

Revenues and expenditures shall also include transfers between funds that are based on revenues received or costs incurred during the budget year.

Appropriations for expenditures shall also include all anticipated statutory continuing appropriation obligations that are expected to be incurred during the budgeted fiscal year.

By March 15 of each year, the Commission on Government Forecasting and Accountability shall prepare revenue and fund transfer estimates in accordance with the requirements of this Section and report those estimates to the General Assembly and the Governor.

For all funds other than the budgeted funds, the proposed expenditures shall not exceed funds estimated to be available for the fiscal year as shown in the budget. Appropriation for a fiscal year shall not exceed funds estimated by the General Assembly to be available during that year.

(b) This subsection applies only to the process for the proposed fiscal year 2011 budget.

By February 24, 2010, the Governor must file a written report with the Secretary of the Senate and the Clerk of the House of Representatives containing the following:

- (1) for fiscal year 2010, the revenues for all budgeted funds, both actual to date and estimated for the full fiscal year;
- (2) for fiscal year 2010, the expenditures for all budgeted funds, both actual to date and estimated for the full fiscal year;
- (3) for fiscal year 2011, the estimated revenues for all budgeted funds, including without limitation the affordable General Revenue Fund appropriations, for the full fiscal year; and
- (4) for fiscal year 2011, an estimate of the anticipated liabilities for all budgeted funds, including without limitation the affordable General Revenue Fund appropriations, debt service on bonds issued, and the State's contributions to the pension systems, for the full fiscal year.

Between February 24, 2010 and March 10, 2010, the members of the General Assembly and members of the public may make written budget recommendations to the Governor, and the Governor shall promptly make those recommendations available to the public through the Governor's Internet website.

(Source: P.A. 96-1, eff. 2-17-09; 96-320, eff. 1-1-10; 96-881, eff. 2-11-10.)

(15 ILCS 20/50-7 new)

Sec. 50-7. Online budget survey. Beginning in February of 2011, and during February of each year

thereafter, the Governor's Office of Management and Budget shall post on its website a survey that will allow residents of the State to prioritize proposed spending measures for the next fiscal year. The Office shall post the results of each survey on its website.

(15 ILCS 20/50-10) (was 15 ILCS 20/38.1)

Sec. 50-10. Budget contents. The budget shall be submitted by the Governor with line item and program data. The budget shall also contain performance data presenting an estimate for the current fiscal year, projections for the budget year, and information for the 3 prior fiscal years comparing department objectives with actual accomplishments, formulated according to the various functions and activities, and, wherever the nature of the work admits, according to the work units, for which the respective departments, offices, and institutions of the State government (including the elective officers in the executive department and including the University of Illinois and the judicial department) are responsible.

For the fiscal year beginning July 1, 1992 and for each fiscal year thereafter, the budget shall include the performance measures of each department's accountability report.

For the fiscal year beginning July 1, 1997 and for each fiscal year thereafter, the budget shall include one or more line items appropriating moneys to the Department of Human Services to fund participation in the Home-Based Support Services Program for Mentally Disabled Adults under the Developmental Disability and Mental Disability Services Act by persons described in Section 2-17 of that Act.

The budget shall contain a capital development section in which the Governor will present (1) information on the capital projects and capital programs for which appropriations are requested, (2) the capital spending plans, which shall document the first and subsequent years cash requirements by fund for the proposed bonded program, and (3) a statement that shall identify by year the principal and interest costs until retirement of the State's general obligation debt. In addition, the principal and interest costs of the budget year program shall be presented separately, to indicate the marginal cost of principal and interest payments necessary to retire the additional bonds needed to finance the budget year's capital program. In 2004 only, the capital development section of the State budget shall be submitted by the Governor not later than the fourth Tuesday of March (March 23, 2004).

For the budget year, the current year, and 3 prior fiscal years, the Governor shall also include in the budget estimates of or actual values for the assets and liabilities for General Assembly Retirement System, State Employees' Retirement System of Illinois, State Universities Retirement System, Teachers' Retirement System of the State of Illinois, and Judges Retirement System of Illinois.

The budget submitted by the Governor shall contain, in addition, in a separate book, a tabulation of all position and employment titles in each such department, office, and institution, the number of each, and the salaries for each, formulated according to divisions, bureaus, sections, offices, departments, boards, and similar subdivisions, which shall correspond as nearly as practicable to the functions and activities for which the department, office, or institution is responsible.

Together with the budget, the Governor shall transmit the estimates of receipts and expenditures, as received by the Director of the Governor's Office of Management and Budget, of the elective officers in the executive and judicial departments and of the University of Illinois.

An applicable appropriations committee of each chamber of the General Assembly, for fiscal year 2012 and thereafter, must review individual line item appropriations and the total budget for each State agency, as defined in the Illinois State Auditing Act.

(Source: P.A. 93-662, eff. 2-11-04.)

(15 ILCS 20/50-25 new)

Sec. 50-25. Statewide prioritized goals. For fiscal year 2012 and each fiscal year thereafter, prior to the submission of the State budget, the Governor, in consultation with the appropriation committees of the General Assembly, shall: (i) prioritize outcomes that are most important for each State agency of the executive branch under the jurisdiction of the Governor to achieve for the next fiscal year and (ii) set goals to accomplish those outcomes according to the priority of the outcome. In addition, each other constitutional officer of the executive branch, in consultation with the appropriation committees of the General Assembly, shall: (i) prioritize outcomes that are most important for his or her office to achieve for the next fiscal year and (ii) set goals to accomplish those outcomes according to the priority of the outcome. The Governor and each constitutional officer shall separately conduct performance analyses to determine which programs, strategies, and activities will best achieve those desired outcomes. The Governor shall recommend that appropriations be made to State agencies and officers for the next fiscal year based on the agreed upon goals and priorities. Each agency and officer may develop its own strategies for meeting those goals and shall review and analyze those strategies on a regular basis. The Governor shall also implement procedures to measure annual progress toward the State's highest priority outcomes and shall develop a statewide reporting system that compares the actual results with budgeted

results. Those performance measures and results shall be posted on the State Comptroller's website, and compiled for distribution in the Comptroller's Public Accountability Report, as is currently the practice on the effective date of this amendatory Act of the 96th General Assembly.

Section 25-10. The Governor's Office of Management and Budget Act is amended by changing Section 2.1 as follows:

(20 ILCS 3005/2.1) (from Ch. 127, par. 412.1)

Sec. 2.1.

To assist the Governor in submitting a recommended budget, including estimated receipts and revenue, to the General Assembly, and to consult with the Commission on Government Forecasting and Accountability, at the Commission's request, in compiling a report on the estimated income of the State, as required under Section 4 of the Commission on Government Forecasting and Accountability Act.
(Source: P.A. 76-2411.)

Section 25-15. The Commission on Government Forecasting and Accountability Act is amended by changing Sections 3 and 4 as follows:

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

Sec. 3. The Commission shall:

- (1) Study from time to time and report to the General Assembly on economic development and trends in the State.
- (2) Make such special economic and fiscal studies as it deems appropriate or desirable or as the General Assembly may request.
- (3) Based on its studies, recommend such State fiscal and economic policies as it deems appropriate or desirable to improve the functioning of State government and the economy of the various regions within the State.
- (4) Prepare annually a State economic report.
- (5) Provide information for all appropriate legislative organizations and personnel on economic trends in relation to long range planning and budgeting.
- (6) Study and make such recommendations as it deems appropriate to the General Assembly on local and regional economic and fiscal policy and on federal fiscal policy as it may affect Illinois.
- (7) Review capital expenditures, appropriations and authorizations for both the State's general obligation and revenue bonding authorities. At the direction of the Commission, specific reviews may include economic feasibility reviews of existing or proposed revenue bond projects to determine the accuracy of the original estimate of useful life of the projects, maintenance requirements and ability to meet debt service requirements through their operating expenses.
- (8) Receive and review all executive agency and revenue bonding authority annual and 3 year plans. The Commission shall prepare a consolidated review of these plans, an updated assessment of current State agency capital plans, a report on the outstanding and unissued bond authorizations, an evaluation of the State's ability to market further bond issues and shall submit them as the "Legislative Capital Plan Analysis" to the House and Senate Appropriations Committees at least once a year. The Commission shall annually submit to the General Assembly on the first Wednesday of April a report on the State's long-term capital needs, with particular emphasis upon and detail of the 5-year period in the immediate future.
- (9) Study and make recommendations it deems appropriate to the General Assembly on State bond financing, bondability guidelines, and debt management. At the direction of the Commission, specific studies and reviews may take into consideration short and long-run implications of State bonding and debt management policy.
- (10) Comply with the provisions of the "State Debt Impact Note Act" as now or hereafter amended.
- (11) Comply with the provisions of the Pension Impact Note Act, as now or hereafter amended.
- (12) By August 1st of each year, the Commission must prepare and cause to be published a summary report of State appropriations for the State fiscal year beginning the previous July 1st. The summary report must discuss major categories of appropriations, the issues the General Assembly faced in allocating appropriations, comparisons with appropriations for previous State fiscal years, and other matters helpful in providing the citizens of Illinois with an overall understanding of appropriations for that fiscal year. The summary report must be written in plain language and designed for readability. Publication must be in newspapers of general circulation in the various areas of the State to ensure distribution statewide. The summary report must also be published on the General Assembly's web site.
- (13) Comply with the provisions of the State Facilities Closure Act.
- (14) For fiscal year 2012 and thereafter, develop a 3-year budget forecast for the State, including

opportunities and threats concerning anticipated revenues and expenditures, with an appropriate level of detail.

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

(Source: P.A. 92-67, eff. 7-12-01; 93-632, eff. 2-1-04; 93-839, eff. 7-30-04.)

(25 ILCS 155/4) (from Ch. 63, par. 344)

Sec. 4. (a) The Commission shall publish, at the convening of each regular session of the General Assembly, a report on the estimated income of the State from all applicable revenue sources for the next ensuing fiscal year and of any other funds estimated to be available for such fiscal year. The Commission, in its discretion, may consult with the Governor's Office of Management and Budget in preparing the report. On the third Wednesday in March after the session convenes, the Commission shall issue a revised and updated set of revenue figures reflecting the latest available information. The House and Senate by joint resolution shall adopt or modify such estimates as may be appropriate. The joint resolution shall constitute the General Assembly's estimate, under paragraph (b) of Section 2 of Article VIII of the Constitution, of the funds estimated to be available during the next fiscal year.

(b) On the third Wednesday in March, the Commission shall issue estimated:

- (1) pension funding requirements under P.A. 86-273; and
- (2) liabilities of the State employee group health insurance program.

These estimated costs shall be for the fiscal year beginning the following July 1.

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

(Source: P.A. 93-632, eff. 2-1-04.)".

AMENDMENT NO. 14 TO SENATE BILL 3660

AMENDMENT NO. 14. Amend Senate Bill 3660, AS AMENDED, in Article 1, by inserting Section 1-25 in its proper numeric sequence as follows:

"Section 1-25. State agencies; review of contracts. As soon as possible after the effective date of this Act, each State agency of the executive branch shall review each of its existing contracts. Those State agencies shall seek to modify or terminate and re-bid those contracts if, upon review of the contract, the agency determines that it is in the best interest of the State to do so. For the purposes of this Section, "contract" has the meaning ascribed to that term in the Illinois Procurement Code.".

AMENDMENT NO. 17 TO SENATE BILL 3660

AMENDMENT NO. 17. Amend Senate Bill 3660, AS AMENDED, by inserting Article 30 in its proper numeric sequence as follows:

"ARTICLE 30. GENERAL ASSEMBLY PER DIEM

Section 5. The General Assembly Compensation Act is amended by changing Section 1 as follows:
(25 ILCS 115/1) (from Ch. 63, par. 14)

Sec. 1. Each member of the General Assembly shall receive an annual salary of \$28,000 or as set by the Compensation Review Board, whichever is greater. The following named officers, committee chairmen and committee minority spokesmen shall receive additional amounts per year for their services as such officers, committee chairmen and committee minority spokesmen respectively, as set by the Compensation Review Board or, as follows, whichever is greater: Beginning the second Wednesday in January 1989, the Speaker and the minority leader of the House of Representatives and the President and the minority leader of the Senate, \$16,000 each; the majority leader in the House of Representatives \$13,500; 6 assistant majority leaders and 5 assistant minority leaders in the Senate, \$12,000 each; 6 assistant majority leaders and 6 assistant minority leaders in the House of Representatives, \$10,500 each; 2 Deputy Majority leaders in the House of Representatives \$11,500 each; and 2 Deputy Minority leaders

[May 26, 2010]

in the House of Representatives, \$11,500 each; the majority caucus chairman and minority caucus chairman in the Senate, \$12,000 each; and beginning the second Wednesday in January, 1989, the majority conference chairman and the minority conference chairman in the House of Representatives, \$10,500 each; beginning the second Wednesday in January, 1989, the chairman and minority spokesman of each standing committee of the Senate, except the Rules Committee, the Committee on Committees, and the Committee on Assignment of Bills, \$6,000 each; and beginning the second Wednesday in January, 1989, the chairman and minority spokesman of each standing and select committee of the House of Representatives, \$6,000 each. A member who serves in more than one position as an officer, committee chairman, or committee minority spokesman shall receive only one additional amount based on the position paying the highest additional amount. The compensation provided for in this Section to be paid per year to members of the General Assembly, including the additional sums payable per year to officers of the General Assembly shall be paid in 12 equal monthly installments. The first such installment is payable on January 31, 1977. All subsequent equal monthly installments are payable on the last working day of the month. A member who has held office any part of a month is entitled to compensation for an entire month.

Mileage shall be paid at the rate of 20 cents per mile before January 9, 1985, and at the mileage allowance rate in effect under regulations promulgated pursuant to 5 U.S.C. 5707(b)(2) beginning January 9, 1985, for the number of actual highway miles necessarily and conveniently traveled by the most feasible route to be present upon convening of the sessions of the General Assembly by such member in each and every trip during each session in going to and returning from the seat of government, to be computed by the Comptroller. A member traveling by public transportation for such purposes, however, shall be paid his actual cost of that transportation instead of on the mileage rate if his cost of public transportation exceeds the amount to which he would be entitled on a mileage basis. No member may be paid, whether on a mileage basis or for actual costs of public transportation, for more than one such trip for each week the General Assembly is actually in session. Each member shall also receive an allowance of \$36 per day for lodging and meals while in attendance at sessions of the General Assembly before January 9, 1985; beginning January 9, 1985, such food and lodging allowance shall be equal to the amount per day permitted to be deducted for such expenses under the Internal Revenue Code; however, beginning May 31, 1995, no allowance for food and lodging while in attendance at sessions is authorized for periods of time after the last day in May of each calendar year, except (i) if the General Assembly is convened in special session by either the Governor or the presiding officers of both houses, as provided by subsection (b) of Section 5 of Article IV of the Illinois Constitution or (ii) if the General Assembly is convened to consider bills vetoed, item vetoed, reduced, or returned with specific recommendations for change by the Governor as provided in Section 9 of Article IV of the Illinois Constitution. Notwithstanding any other provision, for fiscal year 2011 only (i) the allowance for lodging and meals is \$111 per day and (ii) mileage for automobile travel shall be reimbursed at a rate of \$0.39 per mile.

If a member dies having received only a portion of the amount payable as compensation, the unpaid balance shall be paid to the surviving spouse of such member, or, if there be none, to the estate of such member.

(Source: P.A. 89-405, eff. 11-8-95.)"

AMENDMENT NO. 18 TO SENATE BILL 3660

AMENDMENT NO. 18. Amend Senate Bill 3660, AS AMENDED, by inserting Article 35 in its proper numeric sequence as follows:

"ARTICLE 35. FY11 COLAS

Section 35-5. The Compensation Review Act is amended by changing Section 5.6 and by adding Section 5.7 as follows:

(25 ILCS 120/5.6)

Sec. 5.6. FY10 COLA's prohibited. Notwithstanding any former or current provision of this Act, any other law, any report of the Compensation Review Board, or any resolution of the General Assembly to the contrary, members of the General Assembly, State's attorneys, other than the county supplement, the elected constitutional officers of State government, and certain appointed officers of State government, including members of State departments, agencies, boards, and commissions whose annual compensation was recommended or determined by the Compensation Review Board, are prohibited from receiving and shall not receive any increase in compensation that would otherwise apply based on a cost of living adjustment, as authorized by Senate Joint Resolution 192 of the 86th General Assembly,

[May 26, 2010]

for or during the fiscal year beginning July 1, 2009. ~~That cost of living adjustment shall apply again in the fiscal year beginning July 1, 2010 and thereafter.~~

(Source: P.A. 96-800, eff. 10-30-09.)

(25 ILCS 120/5.7 new)

Sec. 5.7. FY11 COLA's prohibited. Notwithstanding any former or current provision of this Act, any other law, any report of the Compensation Review Board, or any resolution of the General Assembly to the contrary, members of the General Assembly, State's attorneys, other than the county supplement, elected executive branch constitutional officers of State government, and persons in certain appointed offices of State government, including the membership of State departments, agencies, boards, and commissions, whose annual compensation previously was recommended or determined by the Compensation Review Board, are prohibited from receiving and shall not receive any increase in compensation that would otherwise apply based on a cost of living adjustment, as authorized by Senate Joint Resolution 192 of the 86th General Assembly, for or during the fiscal year beginning July 1, 2010. That cost of living adjustment shall apply again in the fiscal year beginning July 1, 2011 and thereafter."

AMENDMENT NO. 19 TO SENATE BILL 3660

AMENDMENT NO. 19. Amend Senate Bill 3660, AS AMENDED, with reference to page and line numbers of House Amendment No. 9, on page 35, line 2, by replacing "1/365th" with "1/261st"; and on page 35, line 8, by replacing "1/365th" with "1/261st".

Under the rules, the foregoing **Senate Bill No. 3660**, with House Amendments numbered 1, 9, 12, 14, 17, 18 and 19, 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. 3662

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. 3662

House Amendment No. 3 to SENATE BILL NO. 3662

Passed the House, as amended, May 25, 2010.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 3662

AMENDMENT NO. 1. Amend Senate Bill 3662 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Income Tax Act is amended by changing Section 101 as follows:

(35 ILCS 5/101) (from Ch. 120, par. 1-101)

Sec. 101. Short Title.

This Act shall be known and may be cited as ~~the~~ "Illinois Income Tax Act."

(Source: P.A. 76-261.)"

AMENDMENT NO. 3 TO SENATE BILL 3662

AMENDMENT NO. 3. Amend Senate Bill 3662, AS AMENDED, 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 FY2011 Budget Implementation (Finance) Act.

Section 1-5. Purpose. It is the purpose of this Act to make changes in State programs that are necessary to implement the Governor's Fiscal Year 2011 budget recommendations concerning finance.

[May 26, 2010]

Section 1-10. Delegation of appropriations.

(a) Notwithstanding any other Act to the contrary, if and only if House Bill 859 of the 96th General Assembly becomes law, then the Office of the Governor is authorized to delegate, through written notice to the Comptroller, all or a portion of the appropriations included in Sections 10 and 15 of Article 41 of House Bill 859 to any State agency, board, or commission. All amounts so delegated are limited to the purposes for which those moneys were appropriated in those Sections and shall be expended in accordance with all relevant laws, administrative rules, and audit standards and obligations that would apply had the amounts been appropriated directly to the agency, board, or commission for that purpose.

(b) This Section is repealed on June 30, 2011.

ARTICLE 5. AMENDATORY PROVISIONS

Section 5-15. The Legislative Commission Reorganization Act of 1984 is amended by changing Section 1-5 as follows:

(25 ILCS 130/1-5) (from Ch. 63, par. 1001-5)

Sec. 1-5. Composition of agencies; directors.

(a)(1) Each legislative support services agency listed in Section 1-3 is hereafter in this Section referred to as the Agency.

(2) (Blank).

(2.1) (Blank).

(2.5) The Board of the Office of the Architect of the Capitol shall consist of the Secretary and Assistant Secretary of the Senate and the Clerk and Assistant Clerk of the House of Representatives. When the Board has cast a tied vote concerning the design, implementation, or construction of a project within the legislative complex, as defined in Section 8A-15, the Architect of the Capitol may cast the tie-breaking vote.

(3) The other legislative support services agencies shall each consist of 12 members of the General Assembly, of whom 3 shall be appointed by the President of the Senate, 3 shall be appointed by the Minority Leader of the Senate, 3 shall be appointed by the Speaker of the House of Representatives, and 3 shall be appointed by the Minority Leader of the House of Representatives. All appointments shall be in writing and filed with the Secretary of State as a public record.

Members shall serve a 2-year term, and must be appointed by the Joint Committee during the month of January in each odd-numbered year for terms beginning February 1. Any vacancy in an Agency shall be filled by appointment for the balance of the term in the same manner as the original appointment. A vacancy shall exist when a member no longer holds the elected legislative office held at the time of the appointment or at the termination of the member's legislative service.

(b) (Blank).

(c) During the month of February of each odd-numbered year, the Joint Committee on Legislative Support Services shall select from the members of each agency, other than the Office of the Architect of the Capitol, 2 co-chairmen and such other officers as the Joint Committee deems necessary. The co-chairmen of each Agency shall serve for a 2-year term, beginning February 1 of the odd-numbered year, and the 2 co-chairmen shall not be members of or identified with the same house or the same political party. The co-chairmen of the Board of the Office of the Architect of the Capitol shall be the Secretary of the Senate and the Clerk of the House of Representatives, each ex officio.

Each Agency shall meet twice annually or more often upon the call of the chair or any 9 members (or any 3 members in the case of the Office of the Architect of the Capitol). A quorum of the Agency shall consist of a majority of the appointed members.

(d) Members of each Agency shall serve without compensation, but shall be reimbursed for expenses incurred in carrying out the duties of the Agency pursuant to rules and regulations adopted by the Joint Committee on Legislative Support Services.

(e) Beginning February 1, 1985, and every 2 years thereafter, the Joint Committee shall select an Executive Director who shall be the chief executive officer and staff director of each Agency. The Executive Director shall receive a salary as fixed by the Joint Committee and shall be authorized to employ and fix the compensation of necessary professional, technical and secretarial staff and prescribe their duties, sign contracts, and issue vouchers for the payment of obligations pursuant to rules and regulations adopted by the Joint Committee on Legislative Support Services. The Executive Director and other employees of the Agency shall not be subject to the Personnel Code.

The executive director of the Office of the Architect of the Capitol shall be known as the Architect of the Capitol.

(Source: P.A. 93-632, eff. 2-1-04.)

[May 26, 2010]

Section 5-20. The State Finance Act is amended by changing Sections 6z-30, 6z-63, 6z-64, 6z-70, 8.3, 8.8, 8g, 8o, and 13.2 and by adding Sections 5.755 and 6p-8 as follows:

(30 ILCS 105/5.755 new)

Sec. 5.755. The Court of Claims Federal Recovery Victim Compensation Grant Fund.

(30 ILCS 105/6p-8 new)

Sec. 6p-8. Court of Claims Federal Recovery Victim Compensation Grant Fund. The Court of Claims Federal Recovery Victim Compensation Grant Fund is created as a special fund in the State treasury. The Fund shall consist of federal Victims of Crime Act grant funds awarded to the Court of Claims from the U.S. Department of Justice, Office of Justice Programs, Office for Victims of Crime for the payment of claims pursuant to the Crime Victims Compensation Act (740 ILCS 45/). All moneys in the Fund shall be used for payment of claims pursuant to the Crime Victims Compensation Act (740 ILCS 45/). The General Assembly may appropriate moneys from the Court of Claims Federal Recovery Victim Compensation Grant Fund to the Court of Claims for the purpose of payment of claims pursuant to the Crime Victims Compensation Act (740 ILCS 45/).

(30 ILCS 105/6z-30)

Sec. 6z-30. University of Illinois Hospital Services Fund.

(a) The University of Illinois Hospital Services Fund is created as a special fund in the State Treasury. The following moneys shall be deposited into the Fund:

(1) As soon as possible after the beginning of ~~each fiscal year (starting in fiscal year 2010)~~, and in no event later

than July 30, the State Comptroller and the State Treasurer shall automatically transfer \$30,000,000 from the General Revenue Fund to the University of Illinois Hospital Services Fund.

(1.5) Starting in fiscal year 2011, as soon as possible after the beginning of each fiscal year, and in no event later than July 30, the State Comptroller and the State Treasurer shall automatically transfer \$45,000,000 from the General Revenue Fund to the University of Illinois Hospital Services Fund.

(2) All intergovernmental transfer payments to the Department of Healthcare and Family Services by the University of Illinois made pursuant to an intergovernmental agreement under subsection (b) or (c) of Section 5A-3 of the Illinois Public Aid Code.

(3) All federal matching funds received by the Department of Healthcare and Family Services (formerly Illinois Department of Public Aid) as a result of expenditures made by the Department that are attributable to moneys that were deposited in the Fund.

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

(b) Moneys in the fund may be used by the Department of Healthcare and Family Services, subject to appropriation and to an interagency agreement between that Department and the Board of Trustees of the University of Illinois, to reimburse the University of Illinois Hospital for hospital and pharmacy services, to reimburse practitioners who are employed by the University of Illinois, to reimburse other health care facilities operated by the University of Illinois, and to pass through to the University of Illinois federal financial participation earned by the State as a result of expenditures made by the University of Illinois.

(c) (Blank).

(Source: P.A. 95-331, eff. 8-21-07; 95-744, eff. 7-18-08; 96-45, eff. 7-15-09.)

(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
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
Criminal Justice Information 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
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, 2010 and through June 30, 2011, 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:

Grade Crossing Protection Fund.....	\$55,300
Financial Institution Fund.....	\$10,000
General Professions Dedicated Fund.....	\$11,600
Illinois Veterans' Rehabilitation Fund.....	\$10,800
State Boating Act Fund.....	\$23,500
State Parks Fund.....	\$21,200
Agricultural Premium Fund.....	\$55,400
Fire Prevention Fund.....	\$46,100
Mental Health Fund.....	\$45,200
Illinois State Pharmacy Disciplinary Fund.....	\$300
Radiation Protection Fund.....	\$12,900
Solid Waste Management Fund.....	\$48,100
Illinois Gaming Law Enforcement Fund.....	\$2,900
Subtitle D Management Fund.....	\$6,300
Illinois State Medical Disciplinary Fund.....	\$9,200
Weights and Measures Fund.....	\$6,700
Violence Prevention Fund.....	\$4,000

[May 26, 2010]

Capital Development Board Revolving Fund.....	\$7,900
DCFS Children's Services Fund.....	\$804,800
Illinois Health Facilities Planning Fund.....	\$4,000
Emergency Public Health Fund.....	\$7,600
Nursing Dedicated and Professional Fund.....	\$5,600
State Rail Freight Loan Repayment Fund.....	\$1,700
Drunk and Drugged Driving Prevention Fund.....	\$4,600
Community Water Supply Laboratory Fund.....	\$3,100
Used Tire Management Fund.....	\$15,200
Natural Areas Acquisition Fund.....	\$33,400
Open Space Lands Acquisition and Development Fund.....	\$62,100
Working Capital Revolving Fund.....	\$91,700
State Garage Revolving Fund.....	\$89,600
Statistical Services Revolving Fund.....	\$277,700
Communications Revolving Fund.....	\$248,100
Facilities Management Revolving Fund.....	\$472,600
Public Health Laboratory Services Revolving Fund.....	\$5,900
Lead Poisoning Screening, Prevention, and Abatement Fund.....	\$7,900
Drug Treatment Fund.....	\$8,700
Tax Compliance and Administration Fund.....	\$8,300
Trauma Center Fund.....	\$34,800
Illinois State Fair Fund.....	\$12,700
Department of Corrections Reimbursement and Education Fund.....	\$77,600
Illinois Historic Sites Fund.....	\$4,200
Pesticide Control Fund.....	\$7,000
Partners for Conservation Fund.....	\$25,000
International Tourism Fund.....	\$14,100
Horse Racing Fund.....	\$14,800
Motor Carrier Safety Inspection Fund.....	\$4,500
Illinois Standardbred Breeders Fund.....	\$3,400
Illinois Thoroughbred Breeders Fund.....	\$5,200
Illinois Clean Water Fund.....	\$19,400
Child Support Administrative Fund.....	\$398,000
Tourism Promotion Fund.....	\$75,300
Digital Divide Elimination Fund.....	\$11,800
Presidential Library and Museum Operating Fund.....	\$25,900
Medical Special Purposes Trust Fund.....	\$10,800
Dram Shop Fund.....	\$12,700
Cycle Rider Safety Training Fund.....	\$7,100
State Police Services Fund.....	\$43,600
Metabolic Screening and Treatment Fund.....	\$23,900
Insurance Producer Administration Fund.....	\$16,800
Coal Technology Development Assistance Fund.....	\$43,700
Environmental Protection Permit and Inspection Fund.....	\$21,600
Park and Conservation Fund.....	\$38,100
Local Tourism Fund.....	\$31,800
Illinois Capital Revolving Loan Fund.....	\$5,800
Large Business Attraction Fund.....	\$300
Adeline Jay Geo-Karis Illinois Beach Marina Fund.....	\$5,000
Insurance Financial Regulation Fund.....	\$23,000
Total.....	\$3,547,900

(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 as follows:

General Revenue Fund.....	\$4,600,000
Road Fund.....	\$4,852,500
Total	\$9,452,500

One fourth of the specified amount shall be transferred on each of July 1 and October 1, 2010, or as soon as may be practical thereafter, and one half of the specified amount shall be transferred on January 1, 2011, 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, not subject to fiscal year limitations, 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.

(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 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 July 1, 2009, 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.....	\$55,000,000
Road Fund.....	\$34,803,000
Total	\$89,803,000

(d-30) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2009 and until June 30, 2010, 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:

Food and Drug Safety Fund.....	\$13,900
Teacher Certificate Fee Revolving Fund.....	\$6,500
Transportation Regulatory Fund.....	\$14,500
Financial Institution Fund.....	\$25,200
General Professions Dedicated Fund.....	\$25,300
Illinois Veterans' Rehabilitation Fund.....	\$64,600
State Boating Act Fund.....	\$177,100
State Parks Fund.....	\$104,300
Lobbyist Registration Administration Fund.....	\$14,400
Agricultural Premium Fund.....	\$79,100
Fire Prevention Fund.....	\$360,200
Mental Health Fund.....	\$9,725,200
Illinois State Pharmacy Disciplinary Fund.....	\$5,600
Public Utility Fund.....	\$40,900
Radiation Protection Fund.....	\$14,200
Firearm Owner's Notification Fund.....	\$1,300
Solid Waste Management Fund.....	\$74,100
Illinois Gaming Law Enforcement Fund.....	\$17,800
Subtitle D Management Fund.....	\$14,100
Illinois State Medical Disciplinary Fund.....	\$26,500
Facility Licensing Fund.....	\$11,700
Plugging and Restoration Fund.....	\$9,100
Explosives Regulatory Fund.....	\$2,300
Aggregate Operations Regulatory Fund.....	\$5,000
Coal Mining Regulatory Fund.....	\$1,900
Registered Certified Public Accountants' Administration and Disciplinary Fund.....	\$1,500
Weights and Measures Fund.....	\$56,100
Division of Corporations Registered Limited Liability Partnership Fund.....	\$3,900
Illinois School Asbestos Abatement Fund.....	\$14,000
Secretary of State Special License Plate Fund.....	\$30,700
Capital Development Board Revolving Fund.....	\$27,000

DCFS Children's Services Fund.....	\$69,300
Asbestos Abatement Fund.....	\$17,200
Illinois Health Facilities Planning Fund.....	\$26,800
Emergency Public Health Fund.....	\$5,600
Nursing Dedicated and Professional Fund.....	\$10,000
Optometric Licensing and Disciplinary Board Fund.....	\$1,600
Underground Resources Conservation Enforcement Fund.....	\$11,500
Drunk and Drugged Driving Prevention Fund.....	\$18,200
Long Term Care Monitor/Receiver Fund.....	\$35,400
Community Water Supply Laboratory Fund.....	\$5,600
Securities Investors Education Fund.....	\$2,000
Used Tire Management Fund.....	\$32,400
Natural Areas Acquisition Fund.....	\$101,200
Open Space Lands Acquisition and Development Fund.....	\$28,400
Working Capital Revolving Fund.....	\$489,100
State Garage Revolving Fund.....	\$791,900
Statistical Services Revolving Fund.....	\$3,984,700
Communications Revolving Fund.....	\$1,432,800
Facilities Management Revolving Fund.....	\$1,911,600
Professional Services Fund.....	\$483,600
Motor Vehicle Review Board Fund.....	\$15,000
Environmental Laboratory Certification Fund.....	\$3,000
Public Health Laboratory Services Revolving Fund.....	\$2,500
Lead Poisoning Screening, Prevention, and Abatement Fund.....	\$28,200
Securities Audit and Enforcement Fund.....	\$258,400
Department of Business Services Special Operations Fund.....	\$111,900
Feed Control Fund.....	\$20,800
Tanning Facility Permit Fund.....	\$5,400
Plumbing Licensure and Program Fund.....	\$24,400
Tax Compliance and Administration Fund.....	\$27,200
Appraisal Administration Fund.....	\$2,400
Small Business Environmental Assistance Fund.....	\$2,200
Illinois State Fair Fund.....	\$31,400
Secretary of State Special Services Fund.....	\$317,600
Department of Corrections Reimbursement and Education Fund.....	\$324,500
Health Facility Plan Review Fund.....	\$31,200
Illinois Historic Sites Fund.....	\$11,500
Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund.....	\$18,500
Public Pension Regulation Fund.....	\$5,600
Illinois Charity Bureau Fund.....	\$11,400
Renewable Energy Resources Trust Fund.....	\$6,700
Energy Efficiency Trust Fund.....	\$3,600
Pesticide Control Fund.....	\$56,800
Attorney General Whistleblower Reward and Protection Fund.....	\$14,200
Partners for Conservation Fund.....	\$36,900
Capital Litigation Trust Fund.....	\$800
Motor Vehicle License Plate Fund.....	\$99,700
Horse Racing Fund.....	\$18,900
Death Certificate Surcharge Fund.....	\$12,800
Auction Regulation Administration Fund.....	\$500

Motor Carrier Safety Inspection Fund.....	\$55,800
Assisted Living and Shared Housing Regulatory Fund.....	\$900
Illinois Thoroughbred Breeders Fund.....	\$9,200
Illinois Clean Water Fund.....	\$42,300
Secretary of State DUI Administration Fund.....	\$16,100
Child Support Administrative Fund.....	\$1,037,900
Secretary of State Police Services Fund.....	\$1,200
Tourism Promotion Fund.....	\$34,400
IMSA Income Fund.....	\$12,700
Presidential Library and Museum Operating Fund.....	\$83,000
Dram Shop Fund.....	\$44,500
Illinois State Dental Disciplinary Fund.....	\$5,700
Cycle Rider Safety Training Fund.....	\$8,700
Traffic and Criminal Conviction Surcharge Fund.....	\$106,100
Design Professionals Administration and Investigation Fund.....	\$4,500
State Police Services Fund.....	\$276,100
Metabolic Screening and Treatment Fund.....	\$90,800
Insurance Producer Administration Fund.....	\$45,600
Coal Technology Development Assistance Fund.....	\$11,700
Hearing Instrument Dispenser Examining and Disciplinary Fund.....	\$1,900
Low-Level Radioactive Waste Facility Development and Operation Fund.....	\$1,000
Environmental Protection Permit and Inspection Fund.....	\$66,900
Park and Conservation Fund.....	\$199,300
Local Tourism Fund.....	\$2,400
Illinois Capital Revolving Loan Fund.....	\$10,000
Large Business Attraction Fund.....	\$100
Adeline Jay Geo-Karis Illinois Beach Marina Fund.....	\$27,200
Public Infrastructure Construction Loan Revolving Fund.....	\$1,700
Insurance Financial Regulation Fund.....	\$69,200
Total	\$24,197,800

(d-35) 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, 2010, 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.....	\$55,000,000
Road Fund.....	\$50,955,300
Total	\$105,955,300

(d-40) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2010 and until June 30, 2011, 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:

Food and Drug Safety Fund.....	\$8,700
Financial Institution Fund.....	\$44,500
General Professions Dedicated Fund.....	\$51,400
Live and Learn Fund.....	\$10,900
Illinois Veterans' Rehabilitation Fund.....	\$106,000
State Boating Act Fund.....	\$288,200
State Parks Fund.....	\$185,900
Wildlife and Fish Fund.....	\$1,550,300
Lobbyist Registration Administration Fund.....	\$18,100
Agricultural Premium Fund.....	\$176,100

[May 26, 2010]

Mental Health Fund.....	\$291,900
Firearm Owner's Notification Fund.....	\$2,300
Illinois Gaming Law Enforcement Fund.....	\$11,300
Illinois State Medical Disciplinary Fund.....	\$42,300
Facility Licensing Fund.....	\$14,200
Plugging and Restoration Fund.....	\$15,600
Explosives Regulatory Fund.....	\$4,800
Aggregate Operations Regulatory Fund.....	\$6,000
Coal Mining Regulatory Fund.....	\$7,200
Registered Certified Public Accountants' Administration and Disciplinary Fund.....	\$1,900
Weights and Measures Fund.....	\$105,200
Division of Corporations Registered Limited Liability Partnership Fund.....	\$5,300
Illinois School Asbestos Abatement Fund.....	\$19,900
Secretary of State Special License Plate Fund.....	\$38,700
DCFS Children's Services Fund.....	\$123,100
Illinois Health Facilities Planning Fund.....	\$29,700
Emergency Public Health Fund.....	\$6,800
Nursing Dedicated and Professional Fund.....	\$13,500
Optometric Licensing and Disciplinary Board Fund.....	\$1,800
Underground Resources Conservation Enforcement Fund.....	\$16,500
Mandatory Arbitration Fund.....	\$5,400
Drunk and Drugged Driving Prevention Fund.....	\$26,400
Long Term Care Monitor/Receiver Fund.....	\$43,800
Securities Investors Education Fund.....	\$28,500
Used Tire Management Fund.....	\$6,300
Natural Areas Acquisition Fund.....	\$185,000
Open Space Lands Acquisition and Development Fund.....	\$46,800
Working Capital Revolving Fund.....	\$741,500
State Garage Revolving Fund.....	\$356,200
Statistical Services Revolving Fund.....	\$1,775,900
Communications Revolving Fund.....	\$630,600
Facilities Management Revolving Fund.....	\$870,800
Professional Services Fund.....	\$275,500
Motor Vehicle Review Board Fund.....	\$12,900
Public Health Laboratory Services Revolving Fund.....	\$5,300
Lead Poisoning Screening, Prevention, and Abatement Fund.....	\$42,100
Securities Audit and Enforcement Fund.....	\$162,700
Department of Business Services Special Operations Fund.....	\$143,700
Feed Control Fund.....	\$32,300
Tanning Facility Permit Fund.....	\$3,900
Plumbing Licensure and Program Fund.....	\$32,600
Tax Compliance and Administration Fund.....	\$48,400
Appraisal Administration Fund.....	\$3,600
Illinois State Fair Fund.....	\$30,200
Secretary of State Special Services Fund.....	\$214,400
Department of Corrections Reimbursement and Education Fund.....	\$438,300
Health Facility Plan Review Fund.....	\$29,900
Public Pension Regulation Fund.....	\$9,900
Pesticide Control Fund.....	\$107,500
Partners for Conservation Fund.....	\$189,300

Motor Vehicle License Plate Fund.....	\$143,800
Horse Racing Fund.....	\$20,900
Death Certificate Surcharge Fund.....	\$16,800
Auction Regulation Administration Fund.....	\$1,000
Motor Carrier Safety Inspection Fund.....	\$56,800
Assisted Living and Shared Housing Regulatory Fund.....	\$2,200
Illinois Thoroughbred Breeders Fund.....	\$18,100
Secretary of State DUI Administration Fund.....	\$19,800
Child Support Administrative Fund.....	\$1,809,500
Secretary of State Police Services Fund.....	\$2,500
Medical Special Purposes Trust Fund.....	\$20,400
Dram Shop Fund.....	\$57,200
Illinois State Dental Disciplinary Fund.....	\$9,500
Cycle Rider Safety Training Fund.....	\$12,200
Traffic and Criminal Conviction Surcharge Fund.....	\$128,900
Design Professionals Administration and Investigation Fund.....	\$7,300
State Police Services Fund.....	\$335,700
Metabolic Screening and Treatment Fund.....	\$81,600
Insurance Producer Administration Fund.....	\$77,000
Hearing Instrument Dispenser Examining and Disciplinary Fund.....	\$1,900
Park and Conservation Fund.....	\$361,500
Adeline Jay Geo-Karis Illinois Beach Marina Fund.....	\$42,800
Insurance Financial Regulation Fund.....	\$108,000
Total.....	\$13,033,200

(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. 95-744, eff. 7-18-08; 96-45, eff. 7-15-09.)

(30 ILCS 105/6z-70)

Sec. 6z-70. The Secretary of State Identification Security and Theft Prevention Fund.

(a) The Secretary of State Identification Security and Theft Prevention Fund is created as a special fund in the State treasury. The Fund shall consist of any fund transfers, grants, fees, or moneys from other sources received for the purpose of funding identification security and theft prevention measures.

(b) All moneys in the Secretary of State Identification Security and Theft Prevention Fund shall be used, subject to appropriation, for any costs related to implementing identification security and theft prevention measures.

(c) 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 Secretary of State, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Secretary of State Identification Security and Theft Prevention Fund from the designated funds not exceeding the following totals:

Lobbyist Registration Administration Fund.....	\$100,000
Registered Limited Liability Partnership Fund.....	\$75,000
Securities Investors Education Fund.....	\$500,000
Securities Audit and Enforcement Fund.....	\$5,725,000
Department of Business Services Special Operations Fund.....	\$3,000,000
Corporate Franchise Tax Refund Fund.....	\$3,000,000.

(d) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2008, and until June 30, 2009, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Secretary of State, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Secretary of State Identification Security and Theft Prevention Fund from the designated funds not exceeding the following totals:

Lobbyist Registration Administration Fund.....	\$100,000
Registered Limited Liability Partnership Fund.....	\$75,000

[May 26, 2010]

Securities Investors Education Fund.....	\$500,000
Securities Audit and Enforcement Fund.....	\$5,725,000
Department of Business Services	
Special Operations Fund.....	\$3,000,000
Corporate Franchise Tax Refund Fund.....	\$3,000,000
State Parking Facility Maintenance Fund.....	\$100,000

(e) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2009, and until June 30, 2010, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Secretary of State, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Secretary of State Identification Security and Theft Prevention Fund from the designated funds not exceeding the following totals:

Lobbyist Registration Administration Fund.....	\$100,000
Registered Limited Liability Partnership Fund.....	\$175,000
Securities Investors Education Fund.....	\$750,000
Securities Audit and Enforcement Fund.....	\$750,000
Department of Business Services	
Special Operations Fund.....	\$3,000,000
Corporate Franchise Tax Refund Fund.....	\$3,000,000
State Parking Facility Maintenance Fund.....	\$100,000

(f) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2010, and until June 30, 2011, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Secretary of State, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Secretary of State Identification Security and Theft Prevention Fund from the designated funds not exceeding the following totals:

<u>Registered Limited Liability Partnership Fund.....</u>	<u>\$287,000</u>
<u>Securities Investors Education Board.....</u>	<u>\$750,000</u>
<u>Securities Audit and Enforcement Fund.....</u>	<u>\$750,000</u>
<u>Department of Business Services Special</u>	
<u>Operations Fund.....</u>	<u>\$3,000,000</u>
<u>Corporate Franchise Tax Refund Fund.....</u>	<u>\$3,000,000</u>

(Source: P.A. 95-707, eff. 1-11-08; 95-744, eff. 7-18-08; 96-45, eff. 7-15-09.)
(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 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 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. For fiscal year 2008 only, no Road Fund monies shall be appropriated to the Department of State Police for the purposes of this Section in excess of \$106,100,000. For fiscal year 2009 only, no Road Fund monies shall be appropriated to the Department of State Police for the purposes of this Section in excess of \$114,700,000. Beginning in fiscal year 2010, no road fund moneys shall be appropriated to the Department of State Police. 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	\$130,500,000;
Fiscal Year 2009	\$130,500,000.

~~For Beginning in~~ fiscal year 2010, no road fund moneys shall be appropriated to the Secretary of State.

Beginning in fiscal year 2011, moneys in the Road Fund shall be appropriated to the Secretary of State for the exclusive purpose of paying refunds due to overpayment of fees related to Chapter 3 of the Illinois Vehicle Code unless otherwise provided for by law.

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. 95-707, eff. 1-11-08; 95-744, eff. 7-18-08; 96-34, eff. 7-13-09.)

(30 ILCS 105/8.8) (from Ch. 127, par. 144.8)

Sec. 8.8. Appropriations for the improvement, development, addition or expansion of services for the care, treatment, and training of persons who are mentally retarded or subject to involuntary admission under the Mental Health and Developmental Disabilities Code or for the financing of any program designed to provide such improvement, development, addition or expansion of services or for expenses incurred in administering the provisions of Sections 5-105 to 5-115, inclusive, of the Mental Health and Developmental Disabilities Code, or other ordinary and contingent expenses of the Department of Human Services relating to mental health and developmental disabilities, are payable from the Mental Health Fund. However, no expenditures shall be made for the purchase, construction, lease, or rental of buildings for use as State-operated mental health or developmental disability facilities ~~or for renovating or rehabilitating those buildings.~~

(Source: P.A. 89-507, eff. 7-1-97.)

(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
From the Agricultural Premium Fund.....	750,000
From the State Pensions Fund.....	200,000
From the Road Fund.....	2,000,000
From the Health Facilities Planning Fund.....	1,000,000
From the Savings and Residential Finance Regulatory Fund.....	130,800
From the Appraisal Administration Fund.....	28,600
From the Pawnbroker Regulation Fund.....	3,600
From the Auction Regulation Administration Fund.....	35,800
From the Bank and Trust Company Fund.....	634,800
From the Real Estate License Administration Fund.....	313,600

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

(k-1) In addition to any other transfers that may be provided for by law, on July 1, 2002, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$2,000,000 from the General Revenue Fund to the Teachers Health Insurance Security Fund.

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

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

Appraisal Administration Fund.....	\$150,000
General Revenue Fund.....	10,440,000
Savings and Residential Finance Regulatory Fund.....	200,000
State Pensions Fund.....	100,000
Bank and Trust Company Fund.....	100,000
Professions Indirect Cost Fund.....	3,400,000

Public Utility Fund.....	2,081,200
Real Estate License Administration Fund.....	150,000
Title III Social Security and Employment Fund.....	1,000,000
Transportation Regulatory Fund.....	3,052,100
Underground Storage Tank Fund.....	50,000

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

(m) In addition to any other transfers that may be provided for by law, on July 1, 2002 and on the effective date of this amendatory Act of the 93rd General Assembly, or as soon thereafter as may be practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,200,000 from the General Revenue Fund to the Violence Prevention Fund.

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

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

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

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

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

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

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

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

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

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

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

(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) 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) 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.

(rr) 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

(ss) 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.

(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 \$1,400,000 from the General Revenue Fund to the Violence Prevention 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 \$1,320,000 from the General Revenue Fund to the I-FLY 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 \$3,000,000 from the General Revenue Fund to the African-American HIV/AIDS Response 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 \$3,500,000 from the General Revenue Fund to the Predatory Lending Database Program Fund.

(xx) 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 \$5,000,000 from the General Revenue Fund to the Digital Divide Elimination Fund.

(yy) 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 \$4,000,000 from the General Revenue Fund to the Digital Divide Elimination Infrastructure Fund.

(zz) In addition to any other transfers that may be provided for by law, on July 1, 2008, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Digital Divide Elimination Fund.

(aaa) In addition to any other transfers that may be provided for by law, on and after July 1, 2008 and until May 1, 2009, 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, 2009.

(bbb) In addition to any other transfers that may be provided for by law, on and after July 1, 2008 and until June 30, 2009, 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

(ccc) In addition to any other transfers that may be provided for by law, on July 1, 2008, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$7,450,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(ddd) In addition to any other transfers that may be provided for by law, on July 1, 2008, 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.

(eee) In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Digital Divide Elimination Fund.

(fff) In addition to any other transfers that may be provided for by law, on and after July 1, 2009 and until May 1, 2010, 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, 2010.

(ggg) In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$7,450,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(hhh) In addition to any other transfers that may be provided for by law, on July 1, 2009, 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.

(iii) In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$100,000 from the General Revenue Fund to the Heartsaver AED Fund.

(jjj) In addition to any other transfers that may be provided for by law, on and after July 1, 2009 and until June 30, 2010, 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 \$17,000,000 from the General Revenue Fund to the DCFS Children's Services Fund.

(lll) In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Communications Revolving Fund.

(mmm) In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$9,700,000 from the General Revenue Fund to the Senior Citizens Real Estate Deferred Tax Revolving Fund.

(nnn) In addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$565,000 from the FY09 Budget Relief Fund to the Horse Racing Fund.

(ooo) In addition to any other transfers that may be provided by law, on July 1, 2009, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$600,000 from the General Revenue Fund to the Temporary Relocation Expenses Revolving Fund.

(ppp) In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Digital Divide Elimination Fund.

(qqq) In addition to any other transfers that may be provided for by law, on and after July 1, 2010 and until May 1, 2011, 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, 2011.

(rrr) In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$6,675,000 from the General Revenue Fund to the Presidential Library and Museum Operating Fund.

(sss) In addition to any other transfers that may be provided for by law, on July 1, 2010, 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.

(ttt) In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$100,000 from the General Revenue Fund to the Heartsaver AED Fund.

(uuu) In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$5,000,000 from the General Revenue Fund to the Communications Revolving Fund.

(vvv) In addition to any other transfers that may be provided for by law, on July 1, 2010, 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 Illinois Capital Revolving Loan Fund.

(www) In addition to any other transfers that may be provided for by law, on July 1, 2010, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$17,000,000 from the General Revenue Fund to the DCFS Children's Services Fund.

(xxx) In addition to any other transfers that may be provided for by law, on July 1, 2010, 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 Digital Divide Elimination Infrastructure Fund, of which \$1,000,000 shall go to the Workforce, Technology, and Economic Development Fund and \$1,000,000 to the Public Utility Fund.

(Source: P.A. 95-331, eff. 8-21-07; 95-707, eff. 1-11-08; 95-744, eff. 7-18-08; 96-45, eff. 7-15-09; 96-820, eff. 11-18-09.)

(30 ILCS 105/80)

Sec. 80. Transfer to the University of Illinois Income Fund.

(a) Immediately upon the effective date of this Section, the State Comptroller shall direct and the State Treasurer shall transfer \$15,826,499 from the General Revenue Fund to the University of Illinois Income Fund.

(b) 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, 2009, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer an amount equal to one-fourth of \$15,826,499 from the General Revenue Fund to the University of Illinois Income Fund.

(c) 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, 2010, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer an amount equal to one fourth of \$15,826,499 from the General Revenue Fund to the University of Illinois Income Fund.

(Source: P.A. 95-728, eff. 7-1-08; 96-45, eff. 7-15-09.)

(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 year 2007, 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. During State fiscal year 2010, the Department of Transportation 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. During State fiscal year 2010 only, an agency may transfer amounts among its 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

[May 26, 2010]

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.

The State Board of Education is authorized to make transfers from line item appropriations within the same treasury fund for General State Aid and General State Aid - Hold Harmless, 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, to the line item appropriation for Transitional Assistance when the balance remaining in such line item appropriation is insufficient for the purpose for which the appropriation was made.

The State Board of Education is authorized to make transfers between the following line item appropriations within the same treasury fund: Disabled Student Services/Materials (Section 14-13.01 of the School Code), Disabled Student Transportation Reimbursement (Section 14-13.01 of the School Code), Disabled Student Tuition - Private Tuition (Section 14-7.02 of the School Code), Extraordinary Special Education (Section 14-7.02b of the School Code), Reimbursement for Free Lunch/Breakfast Program, Summer School Payments (Section 18-4.3 of the School Code), and Transportation - Regular/Vocational Reimbursement (Section 29-5 of the School Code). Such transfers shall be made only when the balance remaining in one or more such line item appropriations is insufficient for the purpose for which the appropriation was made and 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.

During State fiscal ~~years year~~ 2010 and 2011 only, the Department of Healthcare and Family Services is authorized to make transfers not exceeding 4% of the aggregate amount appropriated to it, within the same treasury fund, among the various line items appropriated for Medical Assistance.

(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.

(e) The State Board of Education, in consultation with the State Comptroller, may transfer line item appropriations for General State Aid ~~between from~~ the Common School Fund ~~and to~~ the Education Assistance Fund. With the advice and consent of the Governor's Office of Management and Budget, the State Board of Education, in consultation with the State Comptroller, may transfer line item appropriations between the General Revenue Fund and the Education Assistance Fund for the following programs:

(1) Disabled Student Personnel Reimbursement (Section 14-13.01 of the School Code);

(2) Disabled Student Transportation Reimbursement (subsection (b) of Section 14-13.01 of the School Code);

(3) Disabled Student Tuition - Private Tuition (Section 14-7.02 of the School Code);

(4) Extraordinary Special Education (Section 14-7.02b of the School Code);

(5) Reimbursement for Free Lunch/Breakfast Programs;

(6) Summer School Payments (Section 18-4.3 of the School Code);

(7) Transportation - Regular/Vocational Reimbursement (Section 29-5 of the School Code);

(8) Regular Education Reimbursement (Section 18-3 of the School Code); and

(9) Special Education Reimbursement (Section 14-7.03 of the School Code).

(Source: P.A. 95-707, eff. 1-11-08; 96-37, eff. 7-13-09; 96-820, eff. 11-18-09.)

Section 5-32. The State Prompt Payment Act is amended by changing Section 3-2 and by adding Section 3-2.1 as follows:

(30 ILCS 540/3-2)

Sec. 3-2. Beginning July 1, 1993, in any instance where a State official or agency is late in payment of a vendor's bill or invoice for goods or services furnished to the State, as defined in Section 1, properly approved in accordance with rules promulgated under Section 3-3, the State official or agency shall pay interest to the vendor in accordance with the following:

(1) Any bill, except a bill submitted under Article V of the Illinois Public Aid Code, approved for payment under this Section must be paid or the payment issued to the payee within 60 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 60 day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60 day period, until final payment is made. Any bill submitted under Article V of the Illinois Public Aid Code approved for payment under this Section must be paid or the payment issued to the payee within 60 days after receipt of a proper bill or invoice, and, if payment is not issued to the payee within this 60-day period, an interest penalty of 2.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this

60-day period, until final payment is made.

(1.1) A State agency shall review in a timely manner each bill or invoice after its receipt. If the State agency determines that the bill or invoice contains a defect making it unable to process the payment request, the agency shall notify the vendor requesting payment as soon as possible after discovering the defect pursuant to rules promulgated under Section 3-3; provided, however, that the notice for construction related bills or invoices must be given not later than 30 days after the bill or invoice was first submitted. The notice shall identify the defect and any additional information necessary to correct the defect. If one or more items on a construction related bill or invoice are disapproved, but not the entire bill or invoice, then the portion that is not disapproved shall be paid.

(2) Where a State official or agency is late in payment of a vendor's bill or invoice properly approved in accordance with this Act, and different late payment terms are not reduced to writing as a contractual agreement, the State official or agency shall automatically pay interest penalties required by this Section amounting to \$50 or more to the appropriate vendor. Each agency shall be responsible for determining whether an interest penalty is owed and for paying the interest to the vendor. Interest due to a vendor that amounts to less than \$50 shall not be paid but shall be accrued until all interest due the vendor for all similar warrants exceeds \$50, at which time the accrued interest shall be payable and interest will begin accruing again, except that interest accrued as of the end of the fiscal year that does not exceed \$50 shall be payable at that time. In the event an individual has paid a vendor for services in advance, the provisions of this Section shall apply until payment is made to that individual.

(Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10; revised 11-25-09.)

(30 ILCS 540/3-2.1 new)

Sec. 3-2.1. Interest penalty report. The State Comptroller, in conjunction with the Department of Central Management Services, shall submit a report to the General Assembly no later than January 31, 2011. The report shall include the following information, which shall be broken down by State agency and vendor:

(1) the number and total dollar amount of interest penalty payment vouchers submitted to the Comptroller's office on or after August 18, 2009 and before January 1, 2011 for interest payments of less than \$5;

(2) the number and total dollar amount of interest penalty payment vouchers submitted to the Comptroller's office on or after August 18, 2009 and before January 1, 2011 for interest payments of at least \$5 but less than \$50; the report shall indicate the number and total dollar amount of (i) those paid automatically and (ii) those initiated by written request of the vendor; and

(3) the aggregate cost of processing the interest penalty payment vouchers referenced in items (1) and (2).

The report shall also include recommendations regarding establishing a minimum threshold for payment of interest penalties to vendors and increased efficiencies, including, but not limited to, consolidation of multiple payments to the same vendor.

Section 5-35. 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 Government Distributive Fund.

Beginning August 1, 1969, and continuing through June 30, 1994, the Treasurer shall transfer each month from the General Revenue Fund to a special fund in the State treasury, to be known as the "Local Government Distributive Fund", an amount equal to 1/12 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning

[May 26, 2010]

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 year 2007, the Annual Percentage shall be 9.75%. For fiscal year 2008, the Annual Percentage shall be 7.75%. For fiscal year 2009, the Annual Percentage shall be 9.75%. For fiscal year 2010, the Annual Percentage shall be 9.75%. For fiscal year 2011, the Annual Percentage shall be 8.75%. 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 year 2007, the Annual Percentage shall be 17.5%. For fiscal year 2008, the Annual Percentage shall be 15.5%. For fiscal year 2009, the Annual Percentage shall be 17.5%. For fiscal year 2010, the Annual Percentage shall be 17.5%. For fiscal year 2011, 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. 95-707, eff. 1-11-08; 95-744, eff. 7-18-08; 96-45, eff. 7-15-09; 96-328, eff. 8-11-09.)

Section 5-40. The Motor Fuel Tax Law is amended by changing Section 8 as follows:

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

Sec. 8. Except as provided in Section 8a, subdivision (h)(1) of Section 12a, Section 13a.6, and items 13, 14, 15, and 16 of Section 15, all money received by the Department under this Act, including payments made to the Department by member jurisdictions participating in the International Fuel Tax

[May 26, 2010]

Agreement, shall be deposited in a special fund in the State treasury, to be known as the "Motor Fuel Tax Fund", and shall be used as follows:

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

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

(c) \$3,500,000 shall be transferred each month to the Grade Crossing Protection Fund to be used as follows: not less than \$12,000,000 each fiscal year shall be used for the construction or reconstruction of rail highway grade separation structures; \$2,250,000 in fiscal years 2004 through 2009 and \$3,000,000 in fiscal year 2010 and each fiscal year thereafter shall be transferred to the Transportation Regulatory Fund and shall be accounted for as part of the rail carrier portion of such funds and shall be used to pay the cost of administration of the Illinois Commerce Commission's railroad safety program in connection with its duties under subsection (3) of Section 18c-7401 of the Illinois Vehicle Code, with the remainder to be used by the Department of Transportation upon order of the Illinois Commerce Commission, to pay that part of the cost apportioned by such Commission to the State to cover the interest of the public in the use of highways, roads, streets, or pedestrian walkways in the county highway system, township and district road system, or municipal street system as defined in the Illinois Highway Code, as the same may from time to time be amended, for separation of grades, for installation, construction or reconstruction of crossing protection or reconstruction, alteration, relocation including construction or improvement of any existing highway necessary for access to property or improvement of any grade crossing and grade crossing surface including the necessary highway approaches thereto of any railroad across the highway or public road, or for the installation, construction, reconstruction, or maintenance of a pedestrian walkway over or under a railroad right-of-way, as provided for in and in accordance with Section 18c-7401 of the Illinois Vehicle Code. The Commission may order up to \$2,000,000 per year in Grade Crossing Protection Fund moneys for the improvement of grade crossing surfaces and up to \$300,000 per year for the maintenance and renewal of 4-quadrant gate vehicle detection systems located at non-high speed rail grade crossings. The Commission shall not order more than \$2,000,000 per year in Grade Crossing Protection Fund moneys for pedestrian walkways. In entering orders for projects for which payments from the Grade Crossing Protection Fund will be made, the Commission shall account for expenditures authorized by the orders on a cash rather than an accrual basis. For purposes of this requirement an "accrual basis" assumes that the total cost of the project is expended in the fiscal year in which the order is entered, while a "cash basis" allocates the cost of the project among fiscal years as expenditures are actually made. To meet the requirements of this subsection, the Illinois Commerce Commission shall develop annual and 5-year project plans of rail crossing capital improvements that will be paid for with moneys from the Grade Crossing Protection Fund. The annual project plan shall identify projects for the succeeding fiscal year and the 5-year project plan shall identify projects for the 5 directly succeeding fiscal years. The Commission shall submit the annual and 5-year project plans for this Fund to the Governor, the President of the Senate, the Senate Minority Leader, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives on the first Wednesday in April of each year;

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

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

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

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

(4) from October 1, 1985 until June 30, 1994, the administration of the Vehicle Emissions Inspection Law, which amount shall be certified monthly by the Environmental Protection Agency to the State Comptroller and shall promptly be transferred by the State Comptroller and Treasurer from the Motor Fuel Tax Fund to the Vehicle Inspection Fund, and for the period July 1, 1994 through June 30, 2000, one-twelfth of \$25,000,000 each month, for the period July 1, 2000 through June 30, 2003, one-twelfth of \$30,000,000 each month, and \$15,000,000 on July 1, 2003, and \$15,000,000 on January 1, 2004, and \$15,000,000 on each July 1 and October 1, or as soon thereafter as may be practical, during the period July 1, 2004 through June 30, ~~2011~~ 2010, for the administration of the Vehicle Emissions Inspection Law of 2005, to be transferred by the State Comptroller and Treasurer from the Motor Fuel Tax Fund into the Vehicle Inspection Fund;

- (5) amounts ordered paid by the Court of Claims; and
- (6) payment of motor fuel use taxes due to member jurisdictions under the terms of the International Fuel Tax Agreement. The Department shall certify these amounts to the Comptroller by the 15th day of each month; the Comptroller shall cause orders to be drawn for such amounts, and the Treasurer shall administer those amounts on or before the last day of each month;
- (e) after allocations for the purposes set forth in subsections (a), (b), (c) and (d), the remaining amount shall be apportioned as follows:
 - (1) Until January 1, 2000, 58.4%, and beginning January 1, 2000, 45.6% shall be deposited as follows:
 - (A) 37% into the State Construction Account Fund, and
 - (B) 63% into the Road Fund, \$1,250,000 of which shall be reserved each month for the Department of Transportation to be used in accordance with the provisions of Sections 6-901 through 6-906 of the Illinois Highway Code;
 - (2) Until January 1, 2000, 41.6%, and beginning January 1, 2000, 54.4% shall be transferred to the Department of Transportation to be distributed as follows:
 - (A) 49.10% to the municipalities of the State,
 - (B) 16.74% to the counties of the State having 1,000,000 or more inhabitants,
 - (C) 18.27% to the counties of the State having less than 1,000,000 inhabitants,
 - (D) 15.89% to the road districts of the State.

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

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

As soon as may be after the first day of each month, the Department of Transportation shall allot to the several counties their share of the amount apportioned for the use of road districts. The allotment shall be apportioned among the several counties in the State in the proportion which the total mileage of township or district roads in the respective counties bears to the total mileage of all township and district roads in the State. Funds allotted to the respective counties for the use of road districts therein shall be allocated to the several road districts in the county in the proportion which the total mileage of such township or district roads in the respective road districts bears to the total mileage of all such township or district roads in the county. After July 1 of any year, no allocation shall be made for any road district unless it levied a tax for road and bridge purposes in an amount which will require the extension of such tax against the taxable property in any such road district at a rate of not less than either .08% of the value thereof, based upon the assessment for the year immediately prior to the year in which such tax was levied and as equalized by the Department of Revenue or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less. If any road district has levied a special tax for road purposes pursuant to Sections 6-601, 6-602 and 6-603 of the Illinois Highway Code, and such tax was levied in an amount which would require extension at a rate of not less than .08% of the value of the taxable property thereof, as equalized or assessed by the Department of Revenue, or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less, such levy shall, however, be deemed a

proper compliance with this Section and shall qualify such road district for an allotment under this Section. If a township has transferred to the road and bridge fund money which, when added to the amount of any tax levy of the road district would be the equivalent of a tax levy requiring extension at a rate of at least .08%, or, in DuPage County, an amount equal to or greater than \$12,000 per mile of road under the jurisdiction of the road district, whichever is less, such transfer, together with any such tax levy, shall be deemed a proper compliance with this Section and shall qualify the road district for an allotment under this Section.

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

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

Payment of motor fuel tax moneys to municipalities and counties shall be made as soon as possible after the allotment is made. The treasurer of the municipality or county may invest these funds until their use is required and the interest earned by these investments shall be limited to the same uses as the principal funds.

(Source: P.A. 95-744, eff. 7-18-08; 96-34, eff. 7-13-09; 96-45, eff. 7-15-09; revised 11-3-09.)

Section 5-47. 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 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. For the 2007-2008 school year, the Foundation Level of support is \$5,734. For the 2008-2009 school year, the Foundation Level of support is \$5,959.

(3) For the 2009-2010 school year and each school year thereafter, the Foundation Level of support is \$6,119 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 partial elementary unit district for elementary purposes, as defined in Article 11E of this Code, multiplied by 2.06% and divided by the district's Average Daily Attendance figure, plus the product of the equalized assessed valuation for property within the partial elementary unit district for high school purposes, as defined in Article 11E of this Code, multiplied by 0.94% and divided by the district's Average Daily Attendance figure.

(4) The Corporate Personal Property Replacement Taxes paid to each school district during the calendar year one year 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, provided a district conducts an in-service training program for teachers in accordance with Section 10-22.39 of this Code; 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 required for a legal school calendar pursuant to Section 10-19 of this Code; (1.5) when, of the 5 days allowed under item (1), a maximum of 4 days are used for parent-teacher conferences, or, in lieu of 4 such days, 2 full days are used, in which case each such day may be counted as a calendar day required under Section 10-19 of this Code, provided that the full-day, parent-teacher conference consists of (i) a minimum of 5 clock hours of parent-teacher conferences, (ii) both a minimum of 2 clock hours of parent-teacher conferences held in the evening following a

full day of student attendance, as specified in subsection (F)(1)(c), and a minimum of 3 clock hours of parent-teacher conferences held on the day immediately following evening parent-teacher conferences, or (iii) multiple parent-teacher conferences held in the evenings following full days of student attendance, as specified in subsection (F)(1)(c), in which the time used for the parent-teacher conferences is equivalent to a minimum of 5 clock hours; and (2) when days in addition to those provided in items (1) and (1.5) 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 provisions of Section 15-176 or 15-177 of the Property Tax Code (a) an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 or 15-177 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 provisions of Section 15-176 or 15-177 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 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 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 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. Except as otherwise provided in this paragraph for a school district that has approved or does approve an increase in its limiting rate, 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). For the 2009-2010 school year and each school year thereafter, if a school district has approved or does approve an increase in its limiting rate, pursuant to Section 18-190 of the Property Tax Code, affecting the Base Tax Year, the Extension Limitation Equalized Assessed Valuation of the 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 times an amount equal to one plus the percentage increase, if any, in the Consumer Price Index for all Urban Consumers for all items published by the United States Department of Labor for the 12-month calendar year preceding the Base Tax Year, plus the Equalized Assessed Valuation of new property, annexed property, and recovered tax increment value and minus the Equalized Assessed Valuation of disconnected property. New property and recovered tax increment value shall have the meanings set forth in the Property Tax Extension Limitation Law.

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, the Children's Health Insurance Program, 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 thereafter through the 2008-2009 school year only, the grant shall be no less than the grant for the 2002-2003 school year. For the 2009-2010 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.66. For the 2010-2011 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

[May 26, 2010]

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. 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff. 1-11-08; 95-744, eff. 7-18-08; 95-903, eff. 8-25-08; 96-45, eff. 7-15-09; 96-152, eff. 8-7-09; 96-300, eff. 8-11-09; 96-328, eff. 8-11-09; 96-640, eff. 8-24-09; revised 10-23-09.)

Section 5-48. The Illinois Public Aid Code is amended by changing Sections 5-5.4 and 5-5.4d as follows:

(305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

(Text of Section after amendment by P.A. 96-339)

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 MR/DD Community Care Act or 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

[May 26, 2010]

and before July 1, ~~2011~~ 2010, 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 Facilities for the Developmentally Disabled or Long Term Care for Under Age 22 facilities, the rates taking effect on January 1, 2009 shall include an increase sufficient to provide a \$0.50 per hour wage increase for non-executive staff.

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.

(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.

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 numerator of the ratio used by the Department of Healthcare and Family Services to compute the rate payable under this Section using the Minimum Data Set (MDS) methodology shall incorporate the following annual amounts as the additional funds appropriated to the Department

specifically to pay for rates based on the MDS nursing component methodology in excess of the funding in effect on December 31, 2006:

- (i) For rates taking effect January 1, 2007, \$60,000,000.
- (ii) For rates taking effect January 1, 2008, \$110,000,000.
- (iii) For rates taking effect January 1, 2009, \$194,000,000.

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 support component of the rates taking effect on January 1, 2008 shall be computed using the most recent cost reports on file with the Department of Healthcare and Family Services no later than April 1, 2005, updated for inflation to January 1, 2006.

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 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, 2009, the per diem support component of the rates effective on January 1, 2008, computed using the most recent cost reports on file with the Department of Healthcare and Family Services no later than April 1, 2005, updated for inflation to January 1, 2006, shall be increased to the amount that would have been derived using standard Department of Healthcare and Family Services methods, procedures, and inflators.

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 socio-development component of the rate shall be increased by a factor of 2.53 on the first day of the month that begins at least 45 days after January 11, 2008 (the effective date of Public Act 95-707). As of August 1, 2008, the socio-development component rate shall be equal to 6.6% of the facility's nursing component rate as of January 1, 2006, multiplied by a factor of 3.53. 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.

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 the first day of the month that begins at least 45 days after the effective date of this amendatory Act of the 95th General Assembly shall include a statewide increase of

2.5%, 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. 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 95-707, eff. 1-11-08; 95-744, eff. 7-18-08; 96-45, eff. 7-15-09; 96-339, eff. 7-1-10; revised 10-23-09.)

(305 ILCS 5/5-5.4d)

Sec. 5-5.4d. MDS payment methodology; quarterly rate adjustments.

(a) On and after July 1, 2009, and until April 1, 2011, the nursing component of the nursing facility medical assistance rate computed under the Minimum Data Set (MDS) payment methodology shall be calculated and adjusted quarterly. The Department of Healthcare and Family Services may adopt rules necessary to implement this amendatory Act of the 96th General Assembly through the use of emergency rulemaking in accordance with Section 5-45 of the Illinois Administrative Procedure Act, except that the 24-month limitation on the adoption of emergency rules under Section 5-45 and the provisions of Sections 5-115 and 5-125 of that Act do not apply to rules adopted under this Section. For purposes of that Act, the General Assembly finds that the adoption of rules to implement this amendatory Act of the 96th General Assembly is deemed an emergency and necessary for the public interest, safety, and welfare.

(b) On April 1, 2011, the nursing component of the nursing facility medical assistance rate computed under the Minimum Data Set (MDS) payment methodology shall be frozen to allow the Department of Healthcare and Family Services to develop a rate methodology based on a federally mandated long term care data collection system. The rates in effect prior to and through the quarter ending March 31, 2011, shall continue to be subject to follow-up audits and retroactive rate adjustments pursuant to administrative rules of the Department for reviews of accuracy and resident assessment information. The reimbursement methodology for a Class I Institution for Mental Diseases shall also be frozen pending review of a federally mandated long term care data collection system.

(Source: P.A. 96-743, eff. 8-25-09.)

Section 5-49. The Comprehensive Lead Education, Reduction, and Window Replacement Program Act is amended by changing Section 15 as follows:

[May 26, 2010]

(410 ILCS 43/15)

Sec. 15. Grant and loan program.

(a) Subject to appropriation, the Department, in consultation with the Advisory Council, shall establish and operate the CLEAR-WIN Program in two pilot area communities selected by the Department with advice from the Advisory Council. Pilot area communities shall be selected based upon the prevalence of low-income families whose children are lead poisoned, the age of the housing stock, and other sources of funding available to the communities to address lead-based paint hazards.

(b) The Department shall be responsible for administering the CLEAR-WIN grant program. The grant shall be used to correct lead-based paint hazards in residential buildings. Conditions for receiving a grant shall be developed by the Department based on criteria established by the Advisory Council. Criteria, including but not limited to the following program components, shall include (i) income eligibility for receipt of the grants, with priority given to low-income tenants or owners who rent to low-income tenants; (ii) properties to be covered under CLEAR-WIN; and (iii) the number of units to be covered in a property. Prior to making a grant, the Department must provide the grant recipient with a copy of the Lead Safe Housing Maintenance Standards generated by the Advisory Council. The property owner must certify that he or she has received the Standards and intends to comply with them; has provided a copy of the Standards to all tenants in the building; will continue to rent to the same tenant or other low-income tenant for a period of not less than 5 years following completion of the work; and will continue to maintain the property as lead-safe. Failure to comply with the grant conditions may result in repayment of grant funds.

(c) The Advisory Council shall also consider development of a loan program to assist property owners not eligible for grants.

(d) All lead-based paint hazard control work performed with these grant or loan funds shall be conducted in conformance with the Lead Poisoning Prevention Act and the Illinois Lead Poisoning Prevention Code. Before contractors are paid for repair work conducted under the CLEAR-WIN Program, each dwelling unit assisted must be inspected by a lead risk assessor or lead inspector licensed in Illinois, and an appropriate number of dust samples must be collected from in and around the work areas for lead analysis, with results in compliance with levels set by the Lead Poisoning Prevention Act and the Illinois Lead Poisoning Prevention Code. All costs of evaluation shall be the responsibility of the property owner who received the grant or loan, but will be provided for by the Department for grant recipients and may be included in the amount of the loan. Additional repairs and clean-up costs associated with a failed clearance test, including follow-up tests, shall be the responsibility of the contractor.

(e) Within 6 months after the effective date of this Act, the Advisory Council shall recommend to the Department Lead Safe Housing Maintenance Standards for purposes of the CLEAR-WIN Program. Except for properties where all lead-based paint has been removed, the standards shall describe the responsibilities of property owners and tenants in maintaining lead-safe housing, including but not limited to, prescribing special cleaning, repair, and maintenance necessary to reduce the chance that properties will cause lead poisoning in child occupants. Recipients of CLEAR-WIN grants and loans shall be required to continue to maintain their properties in compliance with these Lead Safe Housing Maintenance Standards. Failure to maintain properties in accordance with these Standards may result in repayment of grant funds or termination of the loan.

(f) From funds appropriated, the Department may pay grants and reasonable administrative costs.

(Source: P.A. 95-492, eff. 1-1-08.)

ARTICLE 10. PENSION CONTRIBUTIONS

Section 10-5. The State Finance Act is amended by changing Section 8.12 as follows:

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

Sec. 8.12. State Pensions Fund.

(a) The moneys in the State Pensions Fund shall be used exclusively for the administration of the Uniform Disposition of Unclaimed Property Act and for the funding of the unfunded liabilities of the designated retirement systems. Payments to the designated retirement systems under this Section shall be in addition to, and not in lieu of, any State contributions required under the Illinois Pension Code.

"Designated retirement systems" means:

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

[May 26, 2010]

(5) the General Assembly Retirement System.

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

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

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

(c) As soon as possible after the effective date of this amendatory Act of the 93rd General Assembly, the General Assembly shall appropriate from the State Pensions Fund (1) to the State Universities Retirement System the amount certified under Section 15-165 during the prior year, (2) to the Judges Retirement System of Illinois the amount certified under Section 18-140 during the prior year, and (3) to the General Assembly Retirement System the amount certified under Section 2-134 during the prior year as part of the required State contributions to each of those designated retirement systems; except that amounts appropriated under this subsection (c) in State fiscal year 2005 shall not reduce the amount in the State Pensions Fund below \$5,000,000. If the amount in the State Pensions Fund does not exceed the sum of the amounts certified in Sections 15-165, 18-140, and 2-134 by at least \$5,000,000, the amount paid to each designated retirement system under this subsection shall be reduced in proportion to the amount certified by each of those designated retirement systems.

(c-5) For fiscal years 2006, 2007, 2008, 2009, ~~and 2010~~ , and 2011 the General Assembly shall appropriate from the State Pensions Fund to the State Universities Retirement System the amount estimated to be available during the fiscal year in the State Pensions Fund; provided, however, that the amounts appropriated under this subsection (c-5) shall not reduce the amount in the State Pensions Fund below \$5,000,000.

(c-6) For fiscal year 2012 ~~2011~~ and each fiscal year thereafter, as soon as may be practical after any money is deposited into the State Pensions Fund from the Unclaimed Property Trust Fund, the State Treasurer shall apportion the deposited amount among the designated retirement systems as defined in subsection (a) to reduce their actuarial reserve deficiencies. The State Comptroller and State Treasurer shall pay the apportioned amounts to the designated retirement systems to fund the unfunded liabilities of the designated retirement systems. The amount apportioned to each designated retirement system shall constitute a portion of the amount estimated to be available for appropriation from the State Pensions Fund that is the same as that retirement system's portion of the total actual reserve deficiency of the systems, as determined annually by the Governor's Office of Management and Budget at the request of the State Treasurer. The amounts apportioned under this subsection shall not reduce the amount in the State Pensions Fund below \$5,000,000.

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

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

retirement systems under Section 6z-61.

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

(Source: P.A. 94-91, eff. 7-1-05; 95-950, eff. 8-29-08.)

Section 10-10. The State Pension Funds Continuing Appropriation Act is amended by changing Section 1 as follows:

(40 ILCS 15/1)

Sec. 1. Appropriations from State Pensions Fund.

(a) For the purpose of making up any deficiency in the appropriations to the designated retirement systems that are required to be made under Section 8.12 of the State Finance Act, there is hereby appropriated, on a continuing annual basis in each fiscal year, from the State Pensions Fund to each designated retirement system, the amount, if any, by which the total appropriation to that system from the State Pensions Fund for that fiscal year is less than the amount required to be appropriated to that retirement system under Section 8.12 of the State Finance Act.

The annual appropriation under this Section to each designated retirement system shall take effect on July 1 for the State fiscal year beginning on that date.

The amount of any continuing appropriation used by a retirement system under this Section for a given fiscal year shall be charged against the unexpended amount of any appropriation to that retirement system for that fiscal year under Section 8.12 of the State Finance Act that subsequently becomes available, subject to Section 8.3 of the State Finance Act.

"Designated retirement systems" means the State Employees' Retirement System of Illinois, the Teachers' Retirement System of the State of Illinois, the State Universities Retirement System, the Judges Retirement System of Illinois, and the General Assembly Retirement System.

The appropriations made in this Section are appropriated to the designated retirement systems for the funding of the unfunded liabilities of the designated retirement systems and are in addition to, and not in lieu of, any State contributions required under the Illinois Pension Code.

(b) For State fiscal year 2011 only, a continuing appropriation is provided to the State Universities' Retirement System that shall not exceed the amount certified by the System on or before December 31, 2009; however, the continuing appropriation shall not reduce the amount in the State Pensions Fund below \$5,000,000.

(Source: P.A. 95-950, eff. 8-29-08.)

ARTICLE 95. SEVERABILITY

Section 95-95. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

ARTICLE 99. EFFECTIVE DATE

Section 99-99. Effective date. This Act takes effect July 1, 2010."

Under the rules, the foregoing **Senate Bill No. 3662**, 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 859

A bill for AN ACT making appropriations.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 859

Senate Amendment No. 2 to HOUSE BILL NO. 859

Senate Amendment No. 3 to HOUSE BILL NO. 859

Senate Amendment No. 6 to HOUSE BILL NO. 859

Senate Amendment No. 7 to HOUSE BILL NO. 859

Senate Amendment No. 8 to HOUSE BILL NO. 859

Concurred in by the House, May 25, 2010.

[May 26, 2010]

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. 49

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. 49

House Amendment No. 3 to SENATE BILL NO. 49

Passed the House, as amended, May 26, 2010.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 49

AMENDMENT NO. 1. Amend Senate Bill 49 by replacing everything after the enacting clause with the following:

"Section 5. The General Obligation Bond Act is amended by changing Sections 2, 2.5, 7.2, 9, 11, and 15 as follows:

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

Sec. 2. Authorization for Bonds. The State of Illinois is authorized to issue, sell and provide for the retirement of General Obligation Bonds of the State of Illinois for the categories and specific purposes expressed in Sections 2 through 8 of this Act, in the total amount of ~~\$41,314,125,743~~ ~~\$37,217,777,443~~.

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

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

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

Of the total amount of Bonds authorized in this Act, the additional \$10,000,000,000 authorized by Public Act 93-2, ~~and~~ the \$3,466,000,000 authorized by Public Act 96-43, ~~and the \$4,096,348,300 authorized by this amendatory Act of the 96th General Assembly~~ shall be used solely as provided in Section 7.2.

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

(Source: P.A. 95-1026, eff. 1-12-09; 96-5, eff. 4-3-09; 96-36, eff. 7-13-09; 96-43, eff. 7-15-09; 96-885, eff. 3-11-10.)

(30 ILCS 330/2.5)

Sec. 2.5. Limitation on issuance of Bonds.

(a) Except as provided in subsection (b), no Bonds may be issued if, after the issuance, in the next State fiscal year after the issuance of the Bonds, the amount of debt service (including principal, whether payable at maturity or pursuant to mandatory sinking fund installments, and interest) on all then-outstanding Bonds, other than Bonds authorized by Public Act 96-43 and other than Bonds authorized by this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~, would exceed 7% of the aggregate appropriations from the general funds (which consist of the General Revenue Fund, the Common School Fund, the General Revenue Common School Special Account Fund, and the Education Assistance Fund) and the Road Fund for the fiscal year immediately prior to the fiscal year of the issuance.

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

[May 26, 2010]

(Source: P.A. 96-43, eff. 7-15-09.)

(30 ILCS 330/7.2)

Sec. 7.2. State pension funding.

(a) The amount of \$10,000,000,000 is authorized to be used for the purpose of making contributions to the designated retirement systems. For the purposes of this Section, "designated retirement systems" means the State Employees' Retirement System of Illinois; the Teachers' Retirement System of the State of Illinois; the State Universities Retirement System; the Judges Retirement System of Illinois; and the General Assembly Retirement System.

The amount of \$3,466,000,000 of Bonds authorized by ~~Public Act 96-43 this amendatory Act of the 96th General Assembly~~ is authorized to be used for the purpose of making a portion of the State's Fiscal Year 2010 required contributions to the designated retirement systems.

The amount of \$4,096,348,300 of Bonds authorized by this amendatory Act of the 96th General Assembly is authorized to be used for the purpose of making a portion of the State's Fiscal Year 2011 required contributions to the designated retirement systems.

(b) The Pension Contribution Fund is created as a special fund in the State Treasury.

The proceeds of the additional \$10,000,000,000 of Bonds authorized by Public Act 93-2, less the amounts authorized in the Bond Sale Order to be deposited directly into the capitalized interest account of the General Obligation Bond Retirement and Interest Fund or otherwise directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund and used as provided in this Section.

The proceeds of the additional \$3,466,000,000 of Bonds authorized by ~~Public Act 96-43 this amendatory Act of the 96th General Assembly~~, less the amounts directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund, and the Comptroller and the Treasurer shall, as soon as practical, (i) first, transfer from the Pension Contribution Fund to the General Revenue Fund or Common School Fund an amount equal to the amount of payments, if any, made to the designated retirement systems from the General Revenue Fund or Common School Fund in State fiscal year 2010 and (ii) second, make transfers from the Pension Contribution Fund to the designated retirement systems pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension Code.

The proceeds of the additional \$4,096,348,300 of Bonds authorized by this amendatory Act of the 96th General Assembly, less the amounts directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund, and the Comptroller and the Treasurer shall, as soon as practical, (i) first, transfer from the Pension Contribution Fund to the General Revenue Fund or Common School Fund an amount equal to the amount of payments, if any, made to the designated retirement systems from the General Revenue Fund or Common School Fund in State fiscal year 2011 and (ii) second, make transfers from the Pension Contribution Fund to the designated retirement systems pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension Code.

(c) Of the amount of Bond proceeds from the bond sale authorized by Public Act 93-2 first deposited into the Pension Contribution Fund, there shall be reserved for transfers under this subsection the sum of \$300,000,000, representing the required State contributions to the designated retirement systems for the last quarter of State fiscal year 2003, plus the sum of \$1,860,000,000, representing the required State contributions to the designated retirement systems for State fiscal year 2004.

Upon the deposit of sufficient moneys from the bond sale authorized by Public Act 93-2 into the Pension Contribution Fund, the Comptroller and Treasurer shall immediately transfer the sum of \$300,000,000 from the Pension Contribution Fund to the General Revenue Fund.

Whenever any payment of required State contributions for State fiscal year 2004 is made to one of the designated retirement systems, the Comptroller and Treasurer shall, as soon as practicable, transfer from the Pension Contribution Fund to the General Revenue Fund an amount equal to the amount of that payment to the designated retirement system. Beginning on the effective date of this amendatory Act of the 93rd General Assembly, the transfers from the Pension Contribution Fund to the General Revenue Fund shall be suspended until June 30, 2004, and the remaining balance in the Pension Contribution Fund shall be transferred directly to the designated retirement systems as provided in Section 6z-61 of the State Finance Act. On and after July 1, 2004, in the event that any amount is on deposit in the Pension Contribution Fund from time to time, the Comptroller and Treasurer shall continue to make such transfers based on fiscal year 2005 payments until the entire amount on deposit has been transferred.

(d) All amounts deposited into the Pension Contribution Fund, other than the amounts reserved for the transfers under subsection (c) from the bond sale authorized by Public Act 93-2, ~~and~~ other than amounts deposited into the Pension Contribution Fund from the bond sale authorized by ~~Public Act 96-43 and other than amounts deposited into the Pension Contribution Fund from the bond sale authorized by this~~

[May 26, 2010]

~~amendatory Act of the 96th General Assembly~~ this amendatory Act of the 96th General Assembly, shall be appropriated to the designated retirement systems to reduce their actuarial reserve deficiencies. The amount of the appropriation to each designated retirement system shall constitute a portion of the total appropriation under this subsection that is the same as that retirement system's portion of the total actuarial reserve deficiency of the systems, as most recently determined by the Governor's Office of Management and Budget under Section 8.12 of the State Finance Act.

With respect to proceeds from the bond sale authorized by Public Act 93-2 only, within 15 days after any Bond proceeds in excess of the amounts initially reserved under subsection (c) are deposited into the Pension Contribution Fund, the Governor's Office of Management and Budget shall (i) allocate those proceeds among the designated retirement systems in proportion to their respective actuarial reserve deficiencies, as most recently determined under Section 8.12 of the State Finance Act, and (ii) certify those allocations to the designated retirement systems and the Comptroller.

Upon receiving certification of an allocation under this subsection, a designated retirement system shall submit to the Comptroller a voucher for the amount of its allocation. The voucher shall be paid out of the amount appropriated to that designated retirement system from the Pension Contribution Fund pursuant to this subsection.

(Source: P.A. 96-43, eff. 7-15-09.)

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

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

(a) Except as otherwise provided in this subsection, Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; provided however, that interest payable at fixed or variable rates shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Bonds, other than Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology, (i) except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011, must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring within the fiscal year in which the Bonds are issued or within the next succeeding fiscal year and (ii) must mature or be subject to mandatory redemption each fiscal year thereafter up to 25 years, except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 which must mature or be subject to mandatory redemption each fiscal year thereafter up to 16 years. Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring with the fiscal year in which the respective bonds are issued or with the next succeeding fiscal year, with the respective bonds issued maturing or subject to mandatory redemption each fiscal year thereafter up to 10 years. Notwithstanding any provision of this Act to the contrary, the Bonds authorized by Public Act 96-43 shall be payable within 5 years from their date and must be issued with principal or mandatory redemption amounts in equal amounts, with payment of principal or mandatory redemption beginning in the first fiscal year following the fiscal year in which the Bonds are issued.

Notwithstanding any provision of this Act to the contrary, the Bonds authorized by this amendatory Act of the 96th General Assembly shall be payable within 8 years from their date and shall be issued with payment of maturing principal or scheduled mandatory redemptions in accordance with the following schedule, except the following amounts shall be prorated if less than the total additional amount of Bonds authorized by this amendatory Act of the 96th General Assembly are issued:

Fiscal Year After Issuance	Amount
1-2	\$0
3	\$110,712,120
4	\$332,136,360
5	\$664,272,720

6-8

\$996,409,080

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

(b) In connection with the issuance of any series of Bonds, the State may enter into arrangements to provide additional security and liquidity for such Bonds, including, without limitation, bond or interest rate insurance or letters of credit, lines of credit, bond purchase contracts, or other arrangements whereby funds are made available to retire or purchase Bonds, thereby assuring the ability of owners of the Bonds to sell or redeem their Bonds. The State may enter into contracts and may agree to pay fees to persons providing such arrangements, but only under circumstances where the Director of the Governor's Office of Management and Budget certifies that he or she reasonably expects the total interest paid or to be paid on the Bonds, together with the fees for the arrangements (being treated as if interest), would not, taken together, cause the Bonds to bear interest, calculated to their stated maturity, at a rate in excess of the rate that the Bonds would bear in the absence of such arrangements.

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

(c) Prior to the issuance of any Variable Rate Bonds pursuant to subsection (a), the Director of the Governor's Office of Management and Budget shall adopt an interest rate risk management policy providing that the amount of the State's variable rate exposure with respect to Bonds shall not exceed 20%. This policy shall remain in effect while any Bonds are outstanding and the issuance of Bonds shall be subject to the terms of such policy. The terms of this policy may be amended from time to time by the Director of the Governor's Office of Management and Budget but in no event shall any amendment cause the permitted level of the State's variable rate exposure with respect to Bonds to exceed 20%.

(d) "Build America Bonds" in this Section means Bonds authorized by Section 54AA of the Internal Revenue Code of 1986, as amended ("Internal Revenue Code"), and bonds issued from time to time to refund or continue to refund "Build America Bonds".

(e) Notwithstanding any other provision of this Section, Qualified School Construction Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Qualified School Construction Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, and if the Qualified School Construction Bonds are issued with a supplemental coupon, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Qualified School Construction Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; except that interest payable at fixed or variable rates, if any, shall not exceed that permitted in

the Bond Authorization Act, as now or hereafter amended. Qualified School Construction Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Qualified School Construction Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Qualified School Construction Bonds must be issued with principal or mandatory redemption amounts or sinking fund payments into the General Obligation Bond Retirement and Interest Fund (or subaccount therefor) in equal amounts, with the first maturity issued, mandatory redemption payment or sinking fund payment occurring within the fiscal year in which the Qualified School Construction Bonds are issued or within the next succeeding fiscal year, with Qualified School Construction Bonds issued maturing or subject to mandatory redemption or with sinking fund payments thereof deposited each fiscal year thereafter up to 25 years. Sinking fund payments set forth in this subsection shall be permitted only to the extent authorized in Section 54F of the Internal Revenue Code or as otherwise determined by the Director of the Governor's Office of Management and Budget. "Qualified School Construction Bonds" in this subsection means Bonds authorized by Section 54F of the Internal Revenue Code and for bonds issued from time to time to refund or continue to refund such "Qualified School Construction Bonds".

(Source: P.A. 96-18, eff. 6-26-09; 96-37, eff. 7-13-09; 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

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

Sec. 11. Sale of Bonds. Except as otherwise provided in this Section, Bonds shall be sold from time to time pursuant to notice of sale and public bid or by negotiated sale in such amounts and at such times as is directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. At least 25%, based on total principal amount, of all Bonds issued each fiscal year shall be sold pursuant to notice of sale and public bid. At all times during each fiscal year, no more than 75%, based on total principal amount, of the Bonds issued each fiscal year, shall have been sold by negotiated sale. Failure to satisfy the requirements in the preceding 2 sentences shall not affect the validity of any previously issued Bonds; provided that all Bonds authorized by Public Act 96-43 and this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~ shall not be included in determining compliance for any fiscal year with the requirements of the preceding 2 sentences; and further provided that refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 shall not be subject to the requirements in the preceding 2 sentences.

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

If Bonds are to be sold pursuant to notice of sale and public bid, the Director of the Governor's Office of Management and Budget shall, from time to time, as Bonds are to be sold, advertise the sale of the Bonds in at least 2 daily newspapers, one of which is published in the City of Springfield and one in the City of Chicago. The sale of the Bonds shall also be advertised in the volume of the Illinois Procurement Bulletin that is published by the Department of Central Management Services. Each of the advertisements for proposals shall be published once at least 10 days prior to the date fixed for the opening of the bids. The Director of the Governor's Office of Management and Budget may reschedule the date of sale upon the giving of such additional notice as the Director deems adequate to inform prospective bidders of such change; provided, however, that all other conditions of the sale shall continue as originally advertised.

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

(Source: P.A. 96-18, eff. 6-26-09; 96-43, eff. 7-15-09.)

(30 ILCS 330/15) (from Ch. 127, par. 665)

Sec. 15. Computation of Principal and Interest; transfers.

(a) Upon each delivery of Bonds authorized to be issued under this Act, the Comptroller shall compute and certify to the Treasurer the total amount of principal of, interest on, and premium, if any, on Bonds issued that will be payable in order to retire such Bonds, the amount of principal of, interest on and premium, if any, on such Bonds that will be payable on each payment date according to the tenor of such Bonds during the then current and each succeeding fiscal year, and the amount of sinking fund payments needed to be deposited in connection with Qualified School Construction Bonds authorized by subsection (e) of Section 9. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of

Section 14 of this Act. With respect to the interest payable, such certifications shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act.

On or before the last day of each month the State Treasurer and Comptroller shall transfer from (1) the Road Fund with respect to Bonds issued under paragraph (a) of Section 4 of this Act or Bonds issued for the purpose of refunding such bonds, and from (2) the General Revenue Fund, with respect to all other Bonds issued under this Act, to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on Bonds payable, by their terms on the next payment date divided by the number of full calendar months between the date of such Bonds and the first such payment date, and thereafter, divided by the number of months between each succeeding payment date after the first. Such computations and transfers shall be made for each series of Bonds issued and delivered. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of Section 14 of this Act. Computations of interest shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act. Interest for which monies have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection. Notwithstanding any other provision in this Section, the transfer provisions provided in this paragraph shall not apply to transfers made in fiscal year 2010 or fiscal year 2011 with respect to Bonds issued in fiscal year 2010 for fiscal year 2011 pursuant to Section 7.2 of this Act. In the case of transfers made in fiscal year 2010 or fiscal year 2011 with respect to the Bonds issued in fiscal year 2010 or fiscal year 2011 pursuant to Section 7.2 of this Act, on or before the 15th day of the month prior to the required debt service payment, the State Treasurer and Comptroller shall transfer from the General Revenue Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the Bonds payable in that next month.

The transfer of monies herein and above directed is not required if monies in the General Obligation Bond Retirement and Interest Fund are more than the amount otherwise to be transferred as herein above provided, and if the Governor or his authorized representative notifies the State Treasurer and Comptroller of such fact in writing.

(b) After the effective date of this Act, the balance of, and monies directed to be included in the Capital Development Bond Retirement and Interest Fund, Anti-Pollution Bond Retirement and Interest Fund, Transportation Bond, Series A Retirement and Interest Fund, Transportation Bond, Series B Retirement and Interest Fund, and Coal Development Bond Retirement and Interest Fund shall be transferred to and deposited in the General Obligation Bond Retirement and Interest Fund. This Fund shall be used to make debt service payments on the State's general obligation Bonds heretofore issued which are now outstanding and payable from the Funds herein listed as well as on Bonds issued under this Act.

(c) The unused portion of federal funds received for a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall be deposited upon completion of the project in the General Obligation Bond Retirement and Interest Fund. Any federal funds received as reimbursement for the completed construction of a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall be deposited in the General Obligation Bond Retirement and Interest Fund. (Source: P.A. 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

Section 10. The Illinois Pension Code is amended by changing Sections 2-124, 2-134, 14-131, 14-135.08, 15-155, 15-165, 16-158, 18-131, and 18-140 as follows:

(40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

Sec. 2-124. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with the contributions of participants, interest earned on investments, and other income will meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

(b) The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the prescribed rate of interest, using the formula in subsection (c).

[May 26, 2010]

(c) For State fiscal years ~~2012~~ 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$4,157,000.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$5,220,300.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$10,454,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is \$12,058,000 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 2-134, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(d) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be

recognized in equal annual amounts over the 5-year period following that fiscal year.

(e) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

Sec. 2-134. To certify required State contributions and submit vouchers.

(a) The Board shall certify to the Governor on or before December 15 of each year the amount of the required State contribution to the System for the next fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (d) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year. If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(c) The full amount of any annual appropriation for the System for State fiscal year 1995 shall be transferred and made available to the System at the beginning of that fiscal year at the request of the Board. Any excess funds remaining at the end of any fiscal year from appropriations shall be retained by the System as a general reserve to meet the System's accrued liabilities.

(Source: P.A. 94-4, eff. 6-1-05; 94-536, eff. 8-10-05; 95-331, eff. 8-21-07.)

(40 ILCS 5/14-131)

Sec. 14-131. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with other employer contributions from trust, federal, and other funds, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

For the purposes of this Section and Section 14-135.08, references to State contributions refer only to employer contributions and do not include employee contributions that are picked up or otherwise paid by the State or a department on behalf of the employee.

(b) The Board shall determine the total amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board, using the formula in subsection (e).

The Board shall also determine a State contribution rate for each fiscal year, expressed as a percentage of payroll, based on the total required State contribution for that fiscal year (less the amount received by the System from appropriations under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act, if any, for the fiscal year ending on the June 30 immediately preceding the applicable November 15 certification deadline), the estimated payroll (including all forms of compensation) for personal services rendered by eligible employees, and the recommendations of the actuary.

[May 26, 2010]

For the purposes of this Section and Section 14.1 of the State Finance Act, the term "eligible employees" includes employees who participate in the System, persons who may elect to participate in the System but have not so elected, persons who are serving a qualifying period that is required for participation, and annuitants employed by a department as described in subdivision (a)(1) or (a)(2) of Section 14-111.

(c) Contributions shall be made by the several departments for each pay period by warrants drawn by the State Comptroller against their respective funds or appropriations based upon vouchers stating the amount to be so contributed. These amounts shall be based on the full rate certified by the Board under Section 14-135.08 for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, the several departments shall not make contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The several departments shall resume those contributions at the commencement of fiscal year 2005.

(c-1) Notwithstanding subsection (c) of this Section, for fiscal year 2010 only, contributions by the several departments are not required to be made for General Revenue Funds payrolls processed by the Comptroller. Payrolls paid by the several departments from all other State funds must continue to be processed pursuant to subsection (c) of this Section.

(c-2) For State fiscal year 2010 only, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the fiscal year 2010 General Revenue Fund appropriation to the System.

(d) If an employee is paid from trust funds or federal funds, the department or other employer shall pay employer contributions from those funds to the System at the certified rate, unless the terms of the trust or the federal-State agreement preclude the use of the funds for that purpose, in which case the required employer contributions shall be paid by the State. From the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, the department or other employer shall not pay contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The department or other employer shall resume payment of contributions at the commencement of fiscal year 2005.

(e) For State fiscal years ~~2012~~ 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that (i) for State fiscal year 1998, for all purposes of this Code and any other law of this State, the certified percentage of the applicable employee payroll shall be 5.052% for employees earning eligible creditable service under Section 14-110 and 6.500% for all other employees, notwithstanding any contrary certification made under Section 14-135.08 before the effective date of this amendatory Act of 1997, and (ii) in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a): 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2006 is \$203,783,900.

Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2007 is \$344,164,400.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2010 is \$723,703,100 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts

received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2011 is \$786,706,300 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 14-135.08, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(f) After the submission of all payments for eligible employees from personal services line items in fiscal year 2004 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2004 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 93rd General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2004 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2004 through payments under this Section and under Section 6z-61 of the State Finance Act. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2004 Shortfall" for purposes of this Section, and the Fiscal Year 2004 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2004 Overpayment" for purposes of this Section, and the Fiscal Year 2004 Overpayment shall be repaid by the System to the Pension Contribution Fund as soon as practicable after the certification.

(g) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(h) For purposes of determining the required State contribution to the System for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the System's actuarially assumed rate of return.

(i) ~~(g)~~ After the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in fiscal year 2010 have been made, the Comptroller shall provide

to the System a certification of the sum of all fiscal year 2010 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 96th General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2010 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2010 through payments under this Section. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2010 Shortfall" for purposes of this Section, and the Fiscal Year 2010 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2010 Overpayment" for purposes of this Section, and the Fiscal Year 2010 Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised 11-3-09.)

(40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

Sec. 14-135.08. To certify required State contributions.

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

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

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required rates for State contributions to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required rates for State contributions to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(Source: P.A. 93-2, eff. 4-7-03; 93-839, eff. 7-30-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

Sec. 15-155. Employer contributions.

(a) The State of Illinois shall make contributions by appropriations of amounts which, together with the other employer contributions from trust, federal, and other funds, employee contributions, income from investments, and other income of this System, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (a-1).

(a-1) For State fiscal years ~~2012~~ ~~2014~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year

2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$166,641,900.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$252,064,100.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$702,514,000 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is \$848,142,000 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(b) If an employee is paid from trust or federal funds, the employer shall pay to the Board contributions from those funds which are sufficient to cover the accruing normal costs on behalf of the employee. However, universities having employees who are compensated out of local auxiliary funds, income funds, or service enterprise funds are not required to pay such contributions on behalf of those employees. The local auxiliary funds, income funds, and service enterprise funds of universities shall not be considered trust funds for the purpose of this Article, but funds of alumni associations, foundations, and athletic associations which are affiliated with the universities included as employers under this Article and other employers which do not receive State appropriations are considered to be trust funds for the purpose of this Article.

(b-1) The City of Urbana and the City of Champaign shall each make employer contributions to this System for their respective firefighter employees who participate in this System pursuant to subsection (h) of Section 15-107. The rate of contributions to be made by those municipalities shall be determined annually by the Board on the basis of the actuarial assumptions adopted by the Board and the recommendations of the actuary, and shall be expressed as a percentage of salary for each such

employee. The Board shall certify the rate to the affected municipalities as soon as may be practical. The employer contributions required under this subsection shall be remitted by the municipality to the System at the same time and in the same manner as employee contributions.

(c) Through State fiscal year 1995: The total employer contribution shall be apportioned among the various funds of the State and other employers, whether trust, federal, or other funds, in accordance with actuarial procedures approved by the Board. State of Illinois contributions for employers receiving State appropriations for personal services shall be payable from appropriations made to the employers or to the System. The contributions for Class I community colleges covering earnings other than those paid from trust and federal funds, shall be payable solely from appropriations to the Illinois Community College Board or the System for employer contributions.

(d) Beginning in State fiscal year 1996, the required State contributions to the System shall be appropriated directly to the System and shall be payable through vouchers issued in accordance with subsection (c) of Section 15-165, except as provided in subsection (g).

(e) The State Comptroller shall draw warrants payable to the System upon proper certification by the System or by the employer in accordance with the appropriation laws and this Code.

(f) Normal costs under this Section means liability for pensions and other benefits which accrues to the System because of the credits earned for service rendered by the participants during the fiscal year and expenses of administering the System, but shall not include the principal of or any redemption premium or interest on any bonds issued by the Board or any expenses incurred or deposits required in connection therewith.

(g) If the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 6%, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in earnings that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection (g), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (h) or (i) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of subsection (h) or (i). Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(h) This subsection (h) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to participants under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to a participant at a time when the participant is 10 or more years from retirement eligibility under Section 15-135.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases resulting from overload work, including a contract for summer teaching, or overtime when the employer has certified to the System, and the System has approved the certification, that: (i) in the case of overloads (A) the overload work is for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid and (B) the earnings increases are equal to or less than the rate of pay for academic instruction computed using the participant's current salary rate and work schedule; and (ii) in the case of

overtime, the overtime was necessary for the educational mission.

When assessing payment for any amount due under subsection (g), the System shall exclude any earnings increase resulting from (i) a promotion for which the employee moves from one classification to a higher classification under the State Universities Civil Service System, (ii) a promotion in academic rank for a tenured or tenure-track faculty position, or (iii) a promotion that the Illinois Community College Board has recommended in accordance with subsection (k) of this Section. These earnings increases shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions.

(i) When assessing payment for any amount due under subsection (g), the System shall exclude any salary increase described in subsection (h) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (g) of this Section.

(j) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

- (1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.
- (2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.
- (3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.
- (4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(k) The Illinois Community College Board shall adopt rules for recommending lists of promotional positions submitted to the Board by community colleges and for reviewing the promotional lists on an annual basis. When recommending promotional lists, the Board shall consider the similarity of the positions submitted to those positions recognized for State universities by the State Universities Civil Service System. The Illinois Community College Board shall file a copy of its findings with the System. The System shall consider the findings of the Illinois Community College Board when making determinations under this Section. The System shall not exclude any earnings increases resulting from a promotion when the promotion was not submitted by a community college. Nothing in this subsection (k) shall require any community college to submit any information to the Community College Board.

(l) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(m) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

Sec. 15-165. To certify amounts and submit vouchers.

(a) The Board shall certify to the Governor on or before November 15 of each year the appropriation required from State funds for the purposes of this System for the following fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

[May 26, 2010]

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) The Board shall certify to the State Comptroller or employer, as the case may be, from time to time, by its president and secretary, with its seal attached, the amounts payable to the System from the various funds.

(c) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (b) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(d) So long as the payments received are the full amount lawfully vouchered under this Section, payments received by the System under this Section shall be applied first toward the employer contribution to the self-managed plan established under Section 15-158.2. Payments shall be applied second toward the employer's portion of the normal costs of the System, as defined in subsection (f) of Section 15-155. The balance shall be applied toward the unfunded actuarial liabilities of the System.

(e) In the event that the System does not receive, as a result of legislative enactment or otherwise, payments sufficient to fully fund the employer contribution to the self-managed plan established under Section 15-158.2 and to fully fund that portion of the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1), then any payments received shall be applied proportionately to the optional retirement program established under Section 15-158.2 and to the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1).

(Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

Sec. 16-158. Contributions by State and other employing units.

(a) The State shall make contributions to the System by means of appropriations from the Common School Fund and other State funds of amounts which, together with other employer contributions, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (b-3).

(a-1) Annually, on or before November 15, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Through State fiscal year 1995, the State contributions shall be paid to the System in accordance with Section 18-7 of the School Code.

(b-1) Beginning in State fiscal year 1996, on the 15th day of each month, or as soon thereafter as may be practicable, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a-1). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (a) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this subsection, the difference shall be paid from the Common School Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(b-2) Allocations from the Common School Fund apportioned to school districts not coming under this System shall not be diminished or affected by the provisions of this Article.

(b-3) For State fiscal years ~~2012~~ 2014 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a), and notwithstanding any contrary certification made under subsection (a-1) before the effective date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$534,627,700.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$738,014,500.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is \$2,089,268,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is \$2,358,441,000 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include employer contributions required by the State as an employer under paragraph (e) of this Section and may be used by the System for contributions required by paragraph (a) of Section 16-127.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(c) Payment of the required State contributions and of all pensions, retirement annuities, death benefits, refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State.

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System.

(d) Effective July 1, 1986, any employer of a teacher as defined in paragraph (8) of Section 16-106 shall pay the employer's normal cost of benefits based upon the teacher's service, in addition to employee contributions, as determined by the System. Such employer contributions shall be forwarded monthly in accordance with guidelines established by the System.

However, with respect to benefits granted under Section 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8) of Section 16-106, the employer's contribution shall be 12% (rather than 20%) of the member's highest annual salary rate for each year of creditable service granted, and the employer shall also pay the required employee contribution on behalf of the teacher. For the purposes of Sections 16-133.4 and 16-133.5, a teacher as defined in paragraph (8) of Section 16-106 who is serving in that capacity while on leave of absence from another employer under this Article shall not be considered an employee of the employer from which the teacher is on leave.

(e) Beginning July 1, 1998, every employer of a teacher shall pay to the System an employer contribution computed as follows:

- (1) Beginning July 1, 1998 through June 30, 1999, the employer contribution shall be equal to 0.3% of each teacher's salary.
- (2) Beginning July 1, 1999 and thereafter, the employer contribution shall be equal to 0.58% of each teacher's salary.

The school district or other employing unit may pay these employer contributions out of any source of funding available for that purpose and shall forward the contributions to the System on the schedule established for the payment of member contributions.

These employer contributions are intended to offset a portion of the cost to the System of the increases in retirement benefits resulting from this amendatory Act of 1998.

Each employer of teachers is entitled to a credit against the contributions required under this subsection (e) with respect to salaries paid to teachers for the period January 1, 2002 through June 30, 2003, equal to the amount paid by that employer under subsection (a-5) of Section 6.6 of the State Employees Group Insurance Act of 1971 with respect to salaries paid to teachers for that period.

The additional 1% employee contribution required under Section 16-152 by this amendatory Act of 1998 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

If an employer is required by a contract in effect on May 1, 1998 between the employer and an employee organization to pay, on behalf of all its full-time employees covered by this Article, all mandatory employee contributions required under this Article, then the employer shall be excused from paying the employer contribution required under this subsection (e) for the balance of the term of that contract. The employer and the employee organization shall jointly certify to the System the existence of the contractual requirement, in such form as the System may prescribe. This exclusion shall cease upon the termination, extension, or renewal of the contract at any time after May 1, 1998.

(f) If the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation. The changes made to this subsection (f) by this amendatory Act of the 94th General Assembly apply without regard to whether the teacher was in service on or after its effective date.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (g) or (h) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(g) This subsection (g) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to a teacher at a time when the teacher is 10 or more years from retirement eligibility under Section 16-132 or 16-133.2.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

When assessing payment for any amount due under subsection (f), the System shall exclude a salary increase resulting from a promotion (i) for which the employee is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board that is a different certification or supervisory endorsement than is required for the teacher's previous position and (ii) to a position that has existed and been filled by a member for no less than one complete academic year and the salary increase from the promotion is an increase that results in an amount no greater than the lesser of the average salary paid for other similar positions in the district requiring the same certification or the amount stipulated in the collective bargaining agreement for a similar position requiring the same

certification.

When assessing payment for any amount due under subsection (f), the System shall exclude any payment to the teacher from the State of Illinois or the State Board of Education over which the employer does not have discretion, notwithstanding that the payment is included in the computation of final average salary.

(h) When assessing payment for any amount due under subsection (f), the System shall exclude any salary increase described in subsection (g) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (f) of this Section.

(i) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

- (1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.
- (2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.
- (3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.
- (4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(j) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(k) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

Sec. 18-131. Financing; employer contributions.

(a) The State of Illinois shall make contributions to this System by appropriations of the amounts which, together with the contributions of participants, net earnings on investments, and other income, will meet the costs of maintaining and administering this System on a 90% funded basis in accordance with actuarial recommendations.

(b) The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the prescribed rate of interest, using the formula in subsection (c).

(c) For State fiscal years 2012 ~~2011~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is \$29,189,400.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is \$35,236,800.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State

fiscal year 2010 is \$78,832,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is \$90,251,000 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 18-140, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(d) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(e) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

Sec. 18-140. To certify required State contributions and submit vouchers.

(a) The Board shall certify to the Governor, on or before November 15 of each year, the amount of the required State contribution to the System for the following fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of

[May 26, 2010]

the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (c) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

Section 15. The State Pension Funds Continuing Appropriation Act is amended by changing Sections 1.1 and 1.2 as follows:

(40 ILCS 15/1.1)

Sec. 1.1. Appropriations to certain retirement systems.

(a) There is hereby appropriated from the General Revenue Fund to the General Assembly Retirement System, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 2-134 of the Illinois Pension Code.

(b) There is hereby appropriated from the General Revenue Fund to the State Universities Retirement System, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions, including any deficiency in the required contributions of the optional retirement program established under Section 15-158.2 of the Illinois Pension Code, is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 15-165 of the Illinois Pension Code.

(c) There is hereby appropriated from the Common School Fund to the Teachers' Retirement System of the State of Illinois, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 16-158 of the Illinois Pension Code.

(d) There is hereby appropriated from the General Revenue Fund to the Judges Retirement System of Illinois, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 18-140 of the Illinois Pension Code.

(e) The continuing appropriations provided by this Section shall first be available in State fiscal year 1996.

(f) For State fiscal year 2010 only, the continuing appropriations provided by this Section are equal to the amount certified by each System on or before December 31, 2008, less (i) the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act and (ii) any amounts received from the State Pensions Fund.

(g) For State fiscal year 2011 only, the continuing appropriations provided by this Section are equal to the amount certified by each System on or before December 31, 2009, less (i) the gross proceeds of the bonds sold in fiscal year 2011 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act and (ii) any amounts received from the State Pensions Fund.

(Source: P.A. 96-43, eff. 7-15-09.)

(40 ILCS 15/1.2)

Sec. 1.2. Appropriations for the State Employees' Retirement System.

(a) From each fund from which an amount is appropriated for personal services to a department or other employer under Article 14 of the Illinois Pension Code, there is hereby appropriated to that department or other employer, on a continuing annual basis for each State fiscal year, an additional amount equal to the amount, if any, by which (1) an amount equal to the percentage of the personal services line item for that department or employer from that fund for that fiscal year that the Board of Trustees of the State Employees' Retirement System of Illinois has certified under Section 14-135.08 of the Illinois Pension Code to be necessary to meet the State's obligation under Section 14-131 of the Illinois Pension Code for that fiscal year, exceeds (2) the amounts otherwise appropriated to that department or employer from that fund for State contributions to the State Employees' Retirement System for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the final payment from a department or employer's personal services line item for fiscal year 2004, payments to the State Employees' Retirement System that otherwise would have been made under this subsection (a) shall be governed by the provisions in subsection (a-1).

(a-1) If a Fiscal Year 2004 Shortfall is certified under subsection (f) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2004 Shortfall.

(a-2) If a Fiscal Year 2010 Shortfall is certified under subsection (g) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2010 Shortfall.

(b) The continuing appropriations provided for by this Section shall first be available in State fiscal year 1996.

(c) Beginning in Fiscal Year 2005, any continuing appropriation under this Section arising out of an appropriation for personal services from the Road Fund to the Department of State Police or the Secretary of State shall be payable from the General Revenue Fund rather than the Road Fund.

(d) For State fiscal year 2010 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before December 31, 2008, less the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.

(e) For State fiscal year 2011 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before December 31, 2009, less the gross proceeds of the bonds sold in fiscal year 2011 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.

(Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised 11-3-09.)

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

AMENDMENT NO. 3 TO SENATE BILL 49

AMENDMENT NO. 3. Amend Senate Bill 49, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Coal and Energy Development Bond Act is amended by changing Section 6 as follows:

(20 ILCS 1110/6) (from Ch. 96 1/2, par. 4106)

~~Sec. 6. The Department of Commerce and Economic Opportunity is authorized to use general obligation bond funds for the purposes of issuing grants in accordance with this Act and the General Obligation Bond Act. The Department of Commerce and Economic Opportunity is authorized to use \$120,000,000 for the purposes specified in this Act. These funds shall be expended only for a grant to the owner of a generating station located in Illinois and having at least three coal fired generating units with accredited summer capacity greater than 500 megawatts each at such generating station as specifically authorized by this paragraph. Notwithstanding any of the other provisions of this Act, in considering the approval of projects to be funded under this Act, the Department of Commerce and Economic Opportunity shall give special consideration to projects which are designed to remove sulfur and other pollutants in the preparation and utilization of coal, and in the use and operation of electric utility generating plants and industrial facilities which utilize Illinois coal as their primary source of fuel. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) is directed to enter into a contract with the owner of a generating station located in Illinois and having at least three coal fired generating units with accredited summer capability greater than 500~~

[May 26, 2010]

~~megawatts each at such generating station for a grant of \$35,000,000 to be made by the State of Illinois to such owner to be used to pay costs of designing, acquiring, constructing, installing and testing facilities to reduce sulfur dioxide emissions at one such generating unit to allow that unit to meet the requirements of the Federal Clean Air Act Amendments of 1990 (P.L. 101 549) while continuing to use coal mined in Illinois as its source of fuel.~~
(Source: P.A. 94-793, eff. 5-19-06.)

Section 10. The General Obligation Bond Act is amended by changing Section 7 as follows:
(30 ILCS 330/7) (from Ch. 127, par. 657)

Sec. 7. Coal and Energy Development. The amount of \$698,200,000 is authorized to be used by the Department of Commerce and Economic Opportunity (formerly Department of Commerce and Community Affairs) for coal and energy development purposes, pursuant to Sections 2, 3 and 3.1 of the Illinois Coal and Energy Development Bond Act, for the purposes specified in Section 8.1 of the Energy Conservation and Coal Development Act, for the purposes specified in Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois, and for the purpose of facility cost reports prepared pursuant to Sections ~~1-58~~ ~~4-56~~ or 1-75(d)(4) of the Illinois Power Agency Act and for the purpose of development costs pursuant to Section 8.1 of the Energy Conservation and Coal Development Act. Of this amount:

(a) \$115,000,000 is for the specific purposes of acquisition, development, construction, reconstruction, improvement, financing, architectural and technical planning and installation of capital facilities consisting of buildings, structures, durable equipment, and land for the purpose of capital development of coal resources within the State and for the purposes specified in Section 8.1 of the Energy Conservation and Coal Development Act;

(b) \$35,000,000 is for the purposes specified in Section 8.1 of the Energy Conservation and Coal Development Act and making ~~grants a grant~~ to generating stations and coal gasification facilities within the State of Illinois and to the owner of a generating station located in Illinois and having at least three coal-fired generating units with accredited summer capability greater than 500 megawatts each at such generating station as provided in Section 6 of that Bond Act;

(c) \$13,200,000 is for research, development and demonstration of forms of energy other than that derived from coal, either on or off State property;

(d) \$500,000,000 is for the purpose of providing financial assistance to new electric generating facilities as provided in Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois; and

(e) \$35,000,000 is for the purpose of facility cost reports prepared for not more than one facility pursuant to Section 1-75(d)(4) of the Illinois Power Agency Act and not more than one facility pursuant to Section ~~1-58~~ ~~4-56~~ of the Illinois Power Agency Act and for the purpose of up to \$6,000,000 of development costs pursuant to Section 8.1 of the Energy Conservation and Coal Development Act.
(Source: P.A. 95-1026, eff. 1-12-09; 96-781, eff. 8-28-09; revised 10-13-09.)

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

Under the rules, the foregoing **Senate Bill No. 49**, 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. 1215

A bill for AN ACT concerning appropriations.

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. 2 to SENATE BILL NO. 1215

House Amendment No. 3 to SENATE BILL NO. 1215

Passed the House, as amended, May 26, 2010.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 2 SENATE BILL 1215

[May 26, 2010]

AMENDMENT NO. 2. Amend Senate Bill 1215, by replacing everything after the enacting clause with the following:

“ARTICLE 1

DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

Section 5. The amount of \$1,500,000, or so much thereof as may be necessary, is appropriated from the Coal Development Bond Fund to the Department of Commerce and Economic Opportunity to the owner of a generating station located in Williamson County, Illinois using Illinois coal to generate electricity for rural Southern Illinois communities for the purposes specified in the Illinois Coal and Energy Development Bond Act and Section 8.1 of the Energy Conservation and Coal Development Bond Act.

Section 10. The amount of \$5,000,000, or so much thereof as may be necessary, is appropriated from the Coal Development Bond Fund to the Department of Commerce and Economic Opportunity to the owner of a generating station located in Sangamon County, Illinois using Illinois coal to generate electricity for the purposes specified in the Illinois Coal and Energy and Development Bond Act and Section 8.1 of the Energy and Conservation and Coal Development Bond Act.

Section 15. The amount of \$5,000,000, or so much thereof as may be necessary, is appropriated from the Coal Development Bond Fund to the Department of Commerce and Economic Opportunity to the owner of a generating station located in Washington County, Illinois using Illinois coal to generate electricity for the purposes specified in the Illinois Coal and Energy Development Bond Act and Section 8.1 of the Energy and Conservation and Coal Development Bond Act.

Section 20. No contract shall be entered into or obligation incurred or any expenditure made from any appropriation herein made in this Article until after the purpose and amounts have been approved in writing by the Governor.

ARTICLE 2

DEPARTMENT OF AGRICULTURE

Section 5. The following named amounts, or so much thereof as may be necessary are appropriated to the Department of Agriculture for repairs, maintenance, and capital improvements including construction, reconstruction, improvement, repair and installation of capital facilities, cost of planning, supplies, materials, equipment, services and all other expenses required to complete the work:

Payable from Agricultural Premium Fund:

For various projects at the State

Fairgrounds 600,000

For various projects at the DuQuoin State

Fairgrounds 250,000

Total \$850,000

Section 10. The amount of \$8,000,000, or so much thereof as may be necessary, is appropriated from the Partners for Conservation Projects Fund to the Department of Agriculture for the Conservation Practices Cost-Share program.

ARTICLE 3

DEPARTMENT OF NATURAL RESOURCES

GRANTS AND REIMBURSEMENTS - GENERAL OFFICE

Section 10. The sum of \$725,000, or so much thereof as may be necessary, is appropriated from the State Boating Act Fund to the Department of Natural Resources for the administration and payment of grants to local governmental units for the construction, maintenance, and improvement of boat access areas.

Section 15. The sum of \$120,000, or so much thereof as may be necessary, is appropriated from the State Boating Act Fund to the Department of Natural Resources for the purposes of the Snowmobile Registration and Safety Act and for the administration and payment of grants to local governmental units for the construction, land acquisition, lease, maintenance and improvement of snowmobile trails and access areas.

Section 20. To the extent federal funds including reimbursements are available for such purposes, the sum of \$3,175,000, or so much thereof as may be necessary, is appropriated from the State Boating Act Fund to the Department of Natural Resources for all costs for construction and development of facilities for transient, non-trailerable recreational boats, including grants for such purposes and authorized under the Boating Infrastructure Grant Program.

Section 25. The sum of \$150,000, new appropriation, is appropriated from the State Boating

Act Fund to the Department of Natural Resources for a grant to the Chain O'Lakes – Fox River Waterway Management Agency for the Agency's operational expenses.

Section 30. The following named sums, new appropriations, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated to the Department of Natural Resources:

Payable from State Boating Act Fund:

For multiple use facilities and programs
for boating purposes provided by the
Department of Natural Resources,
Including construction and development,
all costs for supplies, materials,
labor, land acquisition, services, studies
and all other expenses required to comply
with the intent of this appropriation 1,500,000

Payable from State Parks Fund:

For multiple use facilities and programs
for park and trail purposes provided by
the Department of Natural Resources, including
construction and development, all costs
for supplies, materials, labor, land
acquisition, services, studies, and
all other expenses required to comply with
the intent of this appropriation..... 150,000

Section 35. The sum of \$100,000, or so much thereof as may be necessary, is appropriated from the Wildlife and Fish Fund to the Department of Natural Resources for acquisition and development, including grants, for the implementation of the North American Waterfowl Management Plan within the Dominion of Canada or the United States which specifically provides waterfowl for the Mississippi Flyway.

Section 40. To the extent federal funds including reimbursements are available for such purposes, the sum of \$100,000, or so much thereof as may be necessary, is appropriated from the Wildlife and Fish Fund to the Department of Natural Resources for construction and renovation of waste reception facilities for recreational boaters, including grants for such purposes authorized under the Clean Vessel Act.

Section 50. The following named sums, or so much thereof as may be necessary, respectively, herein made either independently or in cooperation with the Federal Government or any agency thereof, any municipal corporation, or political subdivision of the State, or with any public or private corporation, organization, or individual, are appropriated to the Department of Natural Resources for refunds and the purposes stated:

Payable from Forest Reserve Fund:

For U.S. Forest Service Program 500,000

Section 55. The sum of \$110,000, or so much thereof as may be necessary, is appropriated from the Plugging and Restoration Fund to the Department of Natural Resources, Office of Mines and Minerals for the Landowner Grant Program authorized under the Oil and Gas Act, as amended by Public Act 90-0260.

Section 60. The sum of \$1,500,000, or so much thereof as may be necessary, is appropriated to the Department of Natural Resources from the Abandoned Mined Lands Set Aside Fund for grants and contracts to conduct research, planning and construction to eliminate hazards created by abandoned mines and any other expenses necessary for emergency response.

Section 65. The sum of \$110,000, or so much thereof as may be necessary, is appropriated to the Department of Natural Resources from the State Furbearer Fund for the conservation of fur bearing mammals in accordance with the provisions of Section 5/1.32 of the "Wildlife Code", as now or hereafter amended.

Section 70. The following named sums, new appropriations, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated to the Department of Natural Resources:

Payable from Natural Areas Acquisition Fund:

For the acquisition, preservation and
stewardship of natural areas, including habitats
for endangered and threatened species, high

quality natural communities, wetlands
 and other areas with unique or unusual
 natural heritage qualities..... 1,000,000

Section 75. The sum of \$11,000,000, or so much thereof as may be necessary, is appropriated from the Open Space Lands Acquisition and Development Fund to the Department of Natural Resources for expenses connected with and to make grants to local governments and to distressed communities as provided in the "Open Space Lands Acquisition and Development Act".

Section 80. The sum of \$550,000, or so much thereof as may be necessary, is appropriated from the State Pheasant Fund to the Department of Natural Resources for the conservation of pheasants in accordance with the provisions of Section 5/1.31 of the "Wildlife Code", as now or hereafter amended.

FOR ILLINOIS HABITAT FUND PROGRAM

Section 85. The sum of \$1,350,000, or so much thereof as may be necessary, is appropriated from the Illinois Habitat Fund to the Department of Natural Resources for the preservation and maintenance of high quality habitat lands in accordance with the provisions of the "Habitat Endowment Act", as now or hereafter amended.

Section 90. The sum of \$250,000, or so much thereof as may be necessary, is appropriated from the Illinois Habitat Fund to the Department of Natural Resources for the preservation and maintenance of a high quality fish and wildlife habitat and to promote the heritage of outdoor sports in Illinois from revenue derived from the sale of Sportsmen Series license plates.

Section 95. The sum of \$900,000, or so much thereof as may be necessary, is appropriated to the Department of Natural Resources for expenditure by the Office of Water Resources from the Flood Control Land Lease Fund for disbursement of monies received pursuant to Act of Congress dated September 3, 1954 (68 Statutes 1266, same as appears in Section 701c-3, Title 33, United States Code Annotated), provided such disbursement shall be in compliance with 15 ILCS 515/1 Illinois Compiled Statutes.

Section 100. The following named sums, or so much thereof as may be necessary, respectively, herein made either independently or in cooperation with the Federal Government or any agency thereof, any municipal corporation, or political subdivision of the State, or with any public or private corporation, organization, or individual, are appropriated to the Department of Natural Resources for refunds and the purposes stated:

Payable from Land and Water Recreation Fund:
 For Outdoor Recreation Programs2,500,000

Section 105. The sum of \$600,000, or so much thereof as may be necessary, is appropriated from the Off Highway Vehicle Trails Fund to the Department of Natural Resources for grants to units of local governments, not-for-profit organizations, and other groups to operate, maintain and acquire land for off-highway vehicle trails and parks as provided for in the Recreational Trails of Illinois Act, including administration, enforcement, planning and implementation of this Act.

Section 110. The following named sums, or so much thereof as may be necessary, respectively, herein made either independently or in cooperation with the Federal Government or any agency thereof, any municipal corporation, or political subdivision of the State, or with any public or private corporation, organization, or individual, are appropriated to the Department of Natural Resources for refunds and the purposes stated:

Payable from Federal Title IV Fire
 Protection Assistance Fund:
 For Rural Community Fire Protection
 Programs 325,000

Section 115. The sum of \$80,000, or so much thereof as may be necessary, is appropriated from the Snowmobile Trail Establishment Fund to the Department of Natural Resources for the administration and payment of grants to nonprofit snowmobile clubs and organizations for construction, maintenance, and rehabilitation of snowmobile trails and areas for the use of snowmobiles.

Section 120. The sum of \$625,000, or so much thereof as may be necessary, is appropriated from the Illinois Forestry Development Fund to the Department of Natural Resources for the payment of grants to timber growers for implementation of acceptable forestry management practices as provided in the "Illinois Forestry Development Act" as now or hereafter amended.

Section 125. To the extent Federal Funds including reimbursements are made available for

such purposes, the sum of \$300,000, is appropriated from the Illinois Forestry Development Fund to the Department of Natural Resources for Forest Stewardship Technical Assistance.

Section 130. The sum of \$160,000, or so much thereof as may be necessary, is appropriated from the State Migratory Waterfowl Stamp Fund to the Department of Natural Resources for the payment of grants for the implementation of the North American Waterfowl Management Plan within the Dominion of Canada or the United States which specifically provides waterfowl to the Mississippi Flyway as provided in the "Wildlife Code", as amended.

Section 135. The sum of \$160,000, or so much thereof as may be necessary, is appropriated from the State Migratory Waterfowl Stamp Fund to the Department of Natural Resources for the payment of grants for the development of waterfowl propagation areas within the Dominion of Canada or the United States which specifically provide waterfowl for the Mississippi Flyway as provided in the "Wildlife Code", as amended.

Section 140. The sum of \$750,000, or so much thereof as may be necessary, is appropriated from the State Migratory Waterfowl Stamp Fund to the Department of Natural Resources for the purpose of attracting waterfowl and improving public migratory waterfowl areas within the State.

Section 145. The sum of \$1,000,000, or so much thereof as may be necessary, is appropriated from the Park and Conservation Fund to the Department of Natural Resources for grants to units of local government for the acquisition and development of bike paths.

Section 150. The sum of \$750,000, or so much thereof as may be necessary, is appropriated from the Park and Conservation Fund to the Department of Natural Resources for land acquisition, development and maintenance of bike paths and all other related expenses connected with the acquisition, development and maintenance of bike paths.

Section 155. The sum of \$2,000,000, or so much thereof as may be necessary, is appropriated from the Park and Conservation Fund to the Department of Natural Resources for the development and maintenance, and other related expenses of recreational trails and trail-related projects authorized under the Intermodal Surface Transportation Efficiency Act of 1991, provided such amount shall not exceed funds to be made available for such purposes from state or federal sources.

Section 160. The following named sum, new appropriation, or so much thereof as may be necessary, for the object and purpose hereinafter named, is appropriated to the Department of Natural Resources:

Payable from the Park and Conservation Fund:
For multiple use facilities and programs
for park and trail purposes provided by
the Department of Natural Resources, including
construction and development, all costs
for supplies, materials, labor, land
acquisition, services, studies, and
all other expenses required to comply with
the intent of this appropriation1,000,000

Section 165. The following named sums, new appropriations, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated to the Department of Natural Resources:

Payable from the Adeline Jay Geo-Karis
Illinois Beach Marina Fund:
For rehabilitation, reconstruction, repair,
replacing, fixed assets, and improvement
of facilities at North Point Marina at
Winthrop Harbor..... 375,000

Section 170. The sum of \$6,000,000, or so much thereof as may be necessary, is appropriated to the Department of Natural Resources from the Abandoned Mined Lands Reclamation Council Federal Trust Fund for grants and contracts to conduct research, planning and construction to eliminate hazards created by abandoned mines, and any other expenses necessary for emergency response.

Section 175. No contract shall be entered into or obligation incurred or any expenditure made from appropriations herein made in Sections 100, 175, 180, 195, 200 and 205 of this Article until after the purpose and amount of such expenditure has been approved in writing by the Governor.

Total, this Article

\$170,215,000

ARTICLE 4

ENVIRONMENTAL PROTECTION AGENCY

Section 5. The sum of \$330,000,000, or so much thereof as may be necessary, is appropriated from the Water Revolving Fund to the Environmental Protection Agency for financial assistance to units of local government for sewer systems and wastewater treatment facilities pursuant to rules defining the Water Pollution Control Revolving Loan program and for transfer of funds to establish reserve accounts, construction accounts or any other necessary funds or accounts in order to implement a leveraged loan program.

Section 10. The sum of \$110,000,000, or so much thereof as may be necessary, is appropriated from the Water Revolving Fund to the Environmental Protection Agency for financial assistance to units of local government and privately owned community water supplies for drinking water infrastructure projects pursuant to the Safe Drinking Water Act, as amended, and for transfer of funds to establish reserve accounts, construction accounts or any other necessary funds or accounts in order to implement a leveraged program.

Section 15. The sum of \$5,000,000, or so much thereof as may be necessary, is appropriated from the Water Revolving Fund to the Environmental Protection Agency for a green infrastructure financial assistance program to address water quality issues.

Section 20. The sum of \$2,000,000, or so much thereof as may be necessary, is appropriated from the Water Revolving Fund to the Environmental Protection Agency for a small community water supply financial assistance program to address compliance problems.

Section 25. No contract shall be entered into or obligation incurred for any expenditures from appropriations in Section 1 of this Article until after the purposes and amounts have been approved in writing by the Governor.

Total, this Article

ARTICLE 5

DEPARTMENT OF TRANSPORTATION

Section 237. The sum of \$5,000,002, or so much thereof as may be necessary, is appropriated from the Transportation Bond Series B Fund to the Department of Transportation to extend the metrolink rail-line to Mid-America Airport, including but not limited to, general infrastructure improvements authorized under Section 2705-305 of the Department of Transportation Law (20 ILCS 2705/2705-305) such as parking lot infrastructure upgrades, pedestrian access improvements, ingress and egress infrastructure and construction of a pedestrian overpass at the Southwestern Illinois College metrolink station.

ARTICLE 6

Section 5. In addition to other amounts appropriated for this purpose, the sum of \$180,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Architect of the Capitol to meet its operational expenses for the fiscal year ending June 30, 2011.

Section 10. In addition to other amounts appropriated for this purpose, the following named sum, or so much thereof as may be necessary, respectively, for the object and purpose hereinafter named, is appropriated to the Illinois Arts Council to enhance the cultural environment in Illinois: Payable from Illinois Arts Council

Federal Grant Fund:

For Grants and Programs to Enhance

the Cultural Environment and associated

administrative costs 500,000

Section 15. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the State Comptroller to pay certain appointed officer of the Executive Branch of the State Government, at the various rates prescribed by law:

Executive Inspector Generals

For the Executive Inspector General for the

Office of the Governor..... 150,200

For the Executive Inspector General for the

Office of the Attorney General 106,500

For the Executive Inspector General for the

Office of the Secretary of State 115,600

For the Executive Inspector General for the

Office of the Comptroller 101,100

For the Executive Inspector General for the

Office of the Treasurer..... 106,000

Section 20. The following named amount, or so much of that amount as may be necessary, respectively, for the objects and purposes hereinafter named, is appropriated to the Office of the Secretary of State to meet the ordinary, contingent, and distributive expenses of the following organizational unit of the Office of the Secretary of State:

GENERAL ADMINISTRATION GROUP

For Refunds:

Payable from Road Fund 2,284,200

Section 25. In addition to any other amounts appropriated for such purposes, the amount of \$131,472,700, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Illinois State Board of Education for educational purposes.

Section 30. In addition to other amounts appropriated for this purpose, the sum of \$1,481,950, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the State Board of Elections to meet its operational expenses for the fiscal year ending June 30, 2011.

Section 35. The following named amount, or so much thereof as may be necessary, is appropriated for the object and purpose hereinafter named, to meet its operational expense of the Property Tax Appeal Board:

Payable from the Personal Property Tax Replacement Fund:

For Personal Services	1,851,900
For State Contributions to	
Social Security	141,700
For Group Insurance	418,500
For Contractual Services.....	47,000
For Travel.....	33,600
For Commodities	9,600
For Printing	5,800
For Equipment	4,600
For Electronic Data Processing	43,200
For Telecommunication Services.....	30,000
For Operation of Auto Equipment.....	14,000
For Refunds.....	200
For Costs Associated with the Appeal	
Process and the Reestablishment of a	
Cook County Office.....	<u>200,000</u>
Total	\$2,800,100

Section 40. The following named amount, or so much of that amount as may be necessary, is appropriated to the Court of Claims for payment of claims as follows:

For claims under the Crime Victims Compensation Act:

Payable from the Court of Claims Federal Recovery

Victim Compensation Grant Fund..... 3,029,000

Section 45. In addition to other amounts appropriated for these purposes, the following are appropriated to the Department of Human Services in the approximate costs set forth below for the following purposes:

Payable from Health and Human Services

Medicaid Trust Fund:

For the Home Based Support Services Program	
for services to additional children	2,500,000
For the Home Based Support Services Program	
for services to additional adults.....	2,500,000
For diversion, transition, and	
aftercare from institutional settings	
for persons with a mental illness.....	6,000,000
For Supportive MI Housing	20,565,000
For Grants for Supportive Housing Services	3,382,500

Section 50. In addition to other amounts appropriated for this purpose, the sum of \$418,800, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the State Police Merit Board to meet its operational expenses for the fiscal year ending June 30, 2011.

Section 55. In addition to other amounts appropriated for this purpose, the sum of

\$1,000,000, or so much thereof as may be necessary, is appropriated from the Attorney General Whistleblower Reward and Protection Fund to the Office of the Attorney General for ordinary and contingent expenses, including State law enforcement purposes.

Section 60. 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. 01-CC-0914, Linda Zimmerman-Wozniak, Contract, against the Department of Professional Regulation.....	\$18,328.65
No. 10-CC-0754, Children’s Home and Aid Society of Illinois, Debt, against the Department of Human Services	\$95,716.53
No. 10-CC-2090, Sonia Shankman Orthogenic School, Debt, against the Department of Human Services	\$114,885.81
No. 10-CC-2350, Value Options, Inc., Debt, against the Department of Human Services	\$62,737.43
No. 10-CC-2359, Lutheran Child & Family Services of Illinois, Debt, against the Department of Human Services	\$51,913.26
For payments of awards for lapsed appropriation claims less than \$50,000	\$242,293.63

Section 65. The following named amounts are appropriated to the Court of Claims from State Fund 091, Clean Air Act Permit 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	\$13,479.98
--	-------------

Section 70. 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	\$14,011.02
--	-------------

Section 75. The following named amounts are appropriated to the Court of Claims from State Fund 906, State Police Services Fund to pay claims in conformity with awards and recommendations made by the Court of Claims as follows:

No. 10-CC-1853, IBM Corporation, Debt, against the Illinois State Police	\$70,000.00
---	-------------

Section 80. The following amount is appropriated from the General Revenue Fund to the Court of Claims to pay a claim based upon an alleged breach of contract wherein the parties entered into a settlement to resolve all issues, but no funds remained available under the contract and appropriation. The specific claim to be paid by this appropriation is as follows:

No. 07-CC-0298, Vacala Construction against the Capital Development Board.....	\$581,361.05
---	--------------

ARTICLE 7

Section 7200. The amount of \$100,000, or so much thereof as may be necessary, is appropriated from the Build Illinois Bond Fund to the Department of Commerce and Economic Opportunity for a grant to Youth Connection Charter for construction of a hydroponics rooftop greenhouse and conservatory at Pedro Albizu Campos High School.

Section 7205. The amount of \$200,000, or so much thereof as may be necessary, is appropriated from the Build Illinois Bond Fund to the Department of Commerce and Economic Opportunity for a grant to the Chicago Department of Transportation for Wilson Avenue Streetscape.

Section 7210. The amount of \$35,000, or so much thereof as may be necessary and remains unexpended at the close of business on June 30, 2010, from an appropriation heretofore made for such purpose in Article 10, Section 3220 of Public Act 96-0039, as amended, is reappropriated from the Build Illinois Bond Fund to the Department of Commerce and Economic Opportunity for a grant to the Village of Glen Carbon for purchase, construction, and development of parks and walking trails, including all prior incurred costs.

Section 7215. The amount of \$100,000, or so much thereof as may be necessary, is appropriated from the Build Illinois Bond Fund to the Department of Commerce and Economic

Opportunity for a grant to the Chicago West Side Christian School for general infrastructure upgrades.

ARTICLE 8

Section 5. If and only if House Bill 859 of the 96th General Assembly becomes law, then Sections 10, 15, and 20 of Article 19 are amended as follows:

(096HB859enr, Art. 19, Sec. 10)

Sec. 10. 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, 2010 ~~2009~~:

From the Common School Fund:

For General State Aid 3,997,865,800

From the Education Assistance Fund:

For General State Aid 602,439,300

For General State Aid – Hold Harmless..... 15,670,600

(Source: 096HB859enr)

(096HB859enr, Art. 19, Sec. 15)

Sec. 15. 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, 2010 ~~2009~~:

From the General Revenue Fund:

For Disabled Student Personnel

Reimbursement 368,151,700

For Disabled Student Transportation

Reimbursement 357,096,600

For Disabled Student Tuition,

Private Tuition 157,652,800

For Funding for Children Requiring

Special Education, 14-7.02

of the School Code 275,076,800

For Reimbursement for the Free Breakfast/

Lunch Program 26,300,000

For Summer School Payments, 18-4.3

of the School Code..... 11,700,000

For Transportation-Regular/Vocational

Common School Transportation

Reimbursement, 29-5 of the School Code..... 270,009,700

For Regular Education Reimbursement

Per 18-3 of the School Code..... 13,000,000

For Special Education Reimbursement

Per 14-7.03 of the School Code..... 120,200,000

Total \$1,926,936,800

(Source: 096HB859enr)

(096HB859enr, Art. 19, Sec. 20)

Sec. 20. In addition to other amounts appropriated, the amount of \$370,743,600, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Illinois State Board of Education for operational expenses, awards, grants, and permanent improvements for the fiscal year ending June 30, 2011 ~~2010~~.

(Source: 096HB859enr)

Section 10. If and only if House Bill 859 of the 96th General Assembly becomes law, then Section 5 of Article 22 is amended as follows:

(096HB859enr, Art. 22, Sec. 5)

Sec. 5. The amount of \$6,907,700, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Employment Security ~~for to meet its~~ operational expenses, ~~awards, grants, and permanent improvements~~ for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 15. If and only if House Bill 859 of the 96th General Assembly becomes law, then Section 5 of Article 31 is amended as follows:

(096HB859enr, Art. 31, Sec. 5)

Sec. 5. The amount of \$425,031,100, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Illinois Student Assistance Commission ~~for to meet its~~ operational expenses, awards, grants, and permanent improvements for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 20. If and only if House Bill 859 of the 96th General Assembly becomes law, then Section 10 of Article 38 is amended as follows:

(096HB859enr, Art. 38, Sec. 10)

Sec. 10. In addition to other amounts appropriated, the amount of \$407,200, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Office of the State Appellate Defender for operational expenses, awards, grants, state matching grant purposes, and permanent improvements for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 25. If and only if House Bill 859 of the 96th General Assembly becomes law, then Section 10 of Article 39 is amended as follows:

(096HB859enr, Art. 39, Sec. 10)

Sec. 10. In addition to other amounts appropriated, the amount of \$3,243,300, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Office of the State's Attorneys Appellate Prosecutor for operational expenses, awards, grants, State matching grant purposes, and permanent improvements for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 30. If and only if House Bill 859 of the 96th General Assembly becomes law, then Section 5 of Article 68 is amended as follows:

(096HB859enr, Art. 68, Sec. 5)

Sec. 5. The amount of \$1,232,200 ~~\$1,297,000~~, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Prisoner Review Board to meet its operational expenses for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 35. If and only if House Bill 859 of the 96th General Assembly becomes law, then Section 260 of Article 102 is amended as follows:

(096HB859enr, Art. 102, Sec. 260)

Sec. 260. The sum of \$25,000, or so much thereof as may be necessary and remains unexpended at the close of business on June 30, 2010, from an appropriation heretofore made for such purpose in Article 9, Section 260 of Public Act 96-0039, as amended, is reappropriated from the Build Illinois Bond Fund to the Department of Commerce and Economic Opportunity for a grant to Chicago International Charter School: Northtown Academy for costs associated with capital improvements to the facility, including prior incurred costs.

(Source: 096HB859enr)

Section 40. If and only if House Bill 859 of the 96th General Assembly becomes law, then Section 6 of Article 55 is amended as follows:

(096HB859enr, Art. 55, Sec. 6)

Sec. 6. In addition to other amounts appropriated, the amount of \$306,473,400, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department on Aging for operational expenses, awards, grants and permanent improvements for the fiscal year ending June 30, 2011, and prior year costs.

(Source: 096HB859enr)

Section 45. If and only if House Bill 859 of the 96th General Assembly becomes law, then Section 95 of Article 42 is amended as follows:

(096HB859enr, Art. 42, Sec. 95)

Sec. 95. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of Commerce and Economic Opportunity:

ILLINOIS ENERGY OFFICE
GRANTS

Payable from the Solid Waste Management Fund:

For Grants, Contracts and Administrative
Expenses Associated with Providing Financial
Assistance for Recycling and Reuse in
Accordance with Section 22.15 of the

Environmental Protection Act, the Illinois Solid Waste Management Act and the Solid Waste Planning and Recycling Act, including prior year costs	10,500,000
Payable from the Alternate Fuels Fund:	
For Administration and Grant Expenses of the Ethanol Fuel Research Program, Including Prior Year Costs	1,000,000
Payable from the Renewable Energy Resources Trust Fund:	
For Grants, Loans, Investments and Administrative Expenses of the Renewable Energy Resources Program, and the Illinois Renewable Fuels Development Program, Including Prior Year Costs	10,000,000
Payable from the Energy Efficiency Trust Fund:	
For Grants and Administrative Expenses Relating to Projects that Promote Energy Efficiency, Including Prior Year Costs	5,000,000
For Grants, Contracts and Administrative Expenses Associated with the Energy Efficiency Portfolio Standard Program, Including Prior Year Costs	60,000,000
Payable from the DCEO Energy Projects Fund:	
For Expenses and Grants Connected with Energy Programs, Including Prior Year Costs	65,000,000 5,000,000
Payable from the Federal Energy Fund:	
For Expenses and Grants Connected with the State Energy Program, Including Prior Year Costs	3,000,000
Payable from the Petroleum Violation Fund:	
For Expenses and Grants Connected with Energy Programs, Including Prior Year Costs	3,000,000

(Source: 096HB859enr)

ARTICLE 99

Section 99. Effective date. This act takes effect July 1, 2010.”.

AMENDMENT NO. 3 SENATE BILL 1215

AMENDMENT NO. 3. Amend Senate Bill 1215, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, by replacing lines 8 through 21 of page 26, all of pages 27 through 33, and lines 1 through 10 of page 34 with the following:

“ARTICLE 8

Section 5. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Sections 10, 15, and 20 of Article 19 as follows:

(096HB859enr, Art. 19, Sec. 10)

Sec. 10. 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, 2010 ~~2009~~:

From the Common School Fund:

 For General State Aid

From the Education Assistance Fund:

 For General State Aid

 For General State Aid – Hold Harmless.....

(Source: 096HB859enr)

(096HB859enr, Art. 19, Sec. 15)

Sec. 15. 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, ~~2010~~ 2009:
 From the General Revenue Fund:

For Disabled Student Personnel Reimbursement.....	368,151,700
For Disabled Student Transportation Reimbursement.....	357,096,600
For Disabled Student Tuition, Private Tuition.....	157,652,800
For Funding for Children Requiring Special Education, 14-7.02 of the School Code.....	275,076,800
For Reimbursement for the Free Breakfast/ Lunch Program.....	26,300,000
For Summer School Payments, 18-4.3 of the School Code.....	11,700,000
For Transportation-Regular/Vocational Common School Transportation Reimbursement, 29-5 of the School Code.....	270,009,700
For Regular Education Reimbursement Per 18-3 of the School Code.....	13,000,000
For Special Education Reimbursement Per 14-7.03 of the School Code.....	<u>120,200,000</u>
Total	\$1,926,936,800

(Source: 096HB859enr)

(096HB859enr, Art. 19, Sec. 20)

Sec. 20. In addition to other amounts appropriated, the amount of \$370,743,600, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Illinois State Board of Education for operational expenses, awards, grants, and permanent improvements for the fiscal year ending June 30, ~~2011~~ 2010.

(Source: 096HB859enr)

Section 10. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Section 5 of Article 22 as follows:

(096HB859enr, Art. 22, Sec. 5)

Sec. 5. The amount of \$6,907,700, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Employment Security for to meet its operational expenses, awards, grants, and permanent improvements for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 15. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Section 5 of Article 31 as follows:

(096HB859enr, Art. 31, Sec. 5)

Sec. 5. The amount of \$425,031,100, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Illinois Student Assistance Commission for to meet its operational expenses, awards, grants, and permanent improvements for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 20. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Section 10 of Article 38 as follows:

(096HB859enr, Art. 38, Sec. 10)

Sec. 10. In addition to other amounts appropriated, the amount of \$407,200, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Office of the State Appellate Defender for operational expenses, awards, grants, state matching grant purposes, and permanent improvements for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 25. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by

changing Section 10 of Article 39 as follows:

(096HB859enr, Art. 39, Sec. 10)

Sec. 10. In addition to other amounts appropriated, the amount of \$3,243,300, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Office of the State’s Attorneys Appellate Prosecutor for operational expenses, awards, grants, State matching grant purposes, and permanent improvements for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 30. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Section 5 of Article 68 as follows:

(096HB859enr, Art. 68, Sec. 5)

Sec. 5. The amount of ~~\$1,232,200~~ ~~\$1,297,000~~, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Prisoner Review Board to meet its operational expenses for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 35. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Section 260 of Article 102 as follows:

(096HB859enr, Art. 102, Sec. 260)

Sec. 260. The sum of \$25,000, or so much thereof as may be necessary and remains unexpended at the close of business on June 30, 2010, from an appropriation heretofore made for such purpose in Article 9, Section 260 of Public Act 96-0039, as amended, is reappropriated from the Build Illinois Bond Fund to the Department of Commerce and Economic Opportunity for a grant to Chicago International Charter School: Northtown Academy for costs associated with capital improvements to the facility, including prior incurred costs.

(Source: 096HB859enr)

Section 40. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Section 6 of Article 55 as follows:

(096HB859enr, Art. 55, Sec. 6)

Sec. 6. In addition to other amounts appropriated, the amount of \$306,473,400, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department on Aging for operational expenses, awards, grants and permanent improvements for the fiscal year ending June 30, 2011, and prior year costs.

(Source: 096HB859enr)

Section 45. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Section 95 of Article 42 as follows:

(096HB859enr, Art. 42, Sec. 95)

Sec. 95. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of Commerce and Economic Opportunity:

ILLINOIS ENERGY OFFICE
GRANTS

Payable from the Solid Waste Management Fund:

For Grants, Contracts and Administrative Expenses Associated with Providing Financial Assistance for Recycling and Reuse in Accordance with Section 22.15 of the Environmental Protection Act, the Illinois Solid Waste Management Act and the Solid Waste Planning and Recycling Act, including prior year costs 10,500,000

Payable from the Alternate Fuels Fund:

For Administration and Grant Expenses of the Ethanol Fuel Research Program, Including Prior Year Costs 1,000,000

Payable from the Renewable Energy Resources Trust Fund:

For Grants, Loans, Investments and Administrative Expenses of the Renewable

Energy Resources Program, and the Illinois Renewable Fuels Development Program, Including Prior Year Costs	10,000,000
Payable from the Energy Efficiency Trust Fund:	
For Grants and Administrative Expenses Relating to Projects that Promote Energy Efficiency, Including Prior Year Costs	5,000,000
For Grants, Contracts and Administrative Expenses Associated with the Energy Efficiency Portfolio Standard Program, Including Prior Year Costs	60,000,000
Payable from the DCEO Energy Projects Fund:	
For Expenses and Grants Connected with Energy Programs, Including Prior Year Costs	<u>65,000,000</u> 5,000,000
Payable from the Federal Energy Fund:	
For Expenses and Grants Connected with the State Energy Program, Including Prior Year Costs	3,000,000
Payable from the Petroleum Violation Fund:	
For Expenses and Grants Connected with Energy Programs, Including Prior Year Costs	3,000,000

(Source: 096HB859enr)

ARTICLE 9

Section 5. In addition to other amounts appropriated for this purpose, the following named sum, or so much thereof as may be necessary, is appropriated to meet the ordinary and contingent expenses of the Department of Natural Resources:

OFFICE OF RESOURCE CONSERVATION

For the Partners for Conservation Program to implement ecosystem-based management for Illinois' natural resources:	
Payable from the Partners for Conservation Fund	1,511,400

Section 10. In addition to other amounts appropriated for this purpose, the following named sum, or so much thereof as may be necessary, is appropriated to meet the ordinary and contingent expenses of the Department of Natural Resources:

OFFICE OF LAND MANAGEMENT AND EDUCATION

For expenses of the Park and Conservation program:	
Payable from Park and Conservation Fund	1,000,000

Section 15. If and only if House Bill 859 of the 96th General Assembly becomes law, then "An Act concerning appropriations" (House Bill 859 of the 96th General Assembly) is amended by changing Section 95 of Article 8 as follows:
(09600HB0859enr, Art. 8, Sec. 95)

Sec. 95. The sum of \$16,344,800, or so much thereof as may be necessary, and as remains unexpended at the close of business on June 30, ~~2010~~ 2009, from an appropriation heretofore made for such purpose in Article 27, Section 80 of Public Act 96-46 is reappropriated from the Vocational Rehabilitation Fund to the Department of Human Services for Case Services to Individuals.
(Source: 096HB859enr)

Section 20. In addition to other amounts appropriated for this purpose, the sum of \$4,487,300, or so much thereof as may be necessary, is appropriated from the Illinois Sports Facilities Fund to the Illinois Sports Facilities Authority for its corporate purposes.

Section 25. In addition to other amounts appropriated for this purpose, the following named amount, or so much thereof as may be necessary, is appropriated to the State Comptroller to pay certain officers of the Legislative Branch of the State Government, at the various rates prescribed by law:

Officers and Members of General Assembly

For State Contribution to Social Security:	
From General Revenue Fund	1,211,200

Section 30. If and only if House Bill 859 of the 96th General Assembly becomes law, then "An Act concerning appropriations" (House Bill 859 of the 96th General Assembly) is amended by adding new Sections 64 and 85 and changing Section 65 of Article 56 as follows:

(09600HB0859enr, Art. 56, Sec. 64 new)

Sec. 64. The sum of \$1,000,000, or so much thereof as may be necessary, is appropriated from the State Police DUI Fund to the Department of State Police for the operations part of the State Police DUI Fund, to be used for equipment purchases to assist in the prevention of driving while under the influence of alcohol, drugs or intoxication compounds.

(09600HB0859enr, Art. 56, Sec. 65)

Sec. 65. 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 FORENSIC SERVICES AND IDENTIFICATION

Payable from State Crime Laboratory Fund.....	750,000
Payable from the State Police DUI Fund:	
For Administration and Operation	
of State Crime Laboratory DUI Fund.....	150,000
For Operations Part of the	
State Police DUI Fund, to be	
Used for Equipment Purchases	
to Assist in the Prevention of	
Driving while Under the Influence	
of Alcohol, Drugs or Intoxication	
Compounds	1,000,000
Total	\$1,150,000

Payable from State Offender DNA	
Identification System Fund.....	3,423,500

(Source: 096HB859enr)

(09600HB0859enr, Art. 56, Sec. 85 new)

Sec. 85 The sum of \$1,000,000, or so much thereof as may be necessary, is appropriated from the State Police Streetgang-Related Crime Fund to the Department of State Police for operations and initiatives to combat and prevent streetgang-related crime.

Section 35. In addition to other amounts appropriated for this purpose, the sum of \$200,000, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Department of Agriculture to pay for entertainment and other related expenses at the DuQuoin State Fair.

Section 40. If and only if House Bill 859 of the 96th General Assembly becomes law, then "An Act concerning appropriations" (House Bill 859 of the 96th General Assembly) is amended by changing Section 5 of Article 83 as follows:

(09600HB0859enr, Art. 83, Sec. 5)

Sec. 5. The amount of ~~\$1,570,000~~ ~~\$292,930~~, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Upper Illinois River Valley Development Authority to meet its operational expenses for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 45. If and only if House Bill 859 of the 96th General Assembly becomes law, then "An Act concerning appropriations" (House Bill 859 of the 96th General Assembly) is amended by repealing Section 45 of Article 6 and by amending Section 7 of Article 6 as follows:

(09600HB0859enr, Art. 6, Sec. 7)

Sec. 7. 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 ADMINISTRATIVE OPERATIONS
PAYABLE FROM STATE GARAGE REVOLVING FUND

For Personal Services	0
For State Contributions to State	
Employees' Retirement System	0
For State Contribution to	
Social Security	0
For Group Insurance	0
For Contractual Services.....	9,000

For Travel.....	0
For Commodities	0
For Printing	0
For Equipment	0
For Electronic Data Processing	1,000,000
For Telecommunications Services.....	<u>7,700</u>
Total	\$1,016,700
PAYABLE FROM STATISTICAL SERVICES REVOLVING FUND	
For Personal Services	640,700
For State Contribution to State Employees' Retirement Fund.....	193,900
For State Contributions to Social Security	49,000
For Group Insurance	116,000
For Contractual Services.....	119,000
For Travel.....	9,000
For Commodities	1,000
For Printing	1,000
For Equipment	1,000
For Electronic Data Processing	0
For Telecommunications Services.....	<u>3,800</u>
Total	\$1,134,400
PAYABLE FROM COMMUNICATIONS REVOLVING FUND	
For Personal Services	649,000
For State Contributions to State Employees' Retirement System	196,400
For State Contribution to Social Security	49,600
For Group Insurance	116,000
For Contractual Services.....	18,000
For Travel.....	10,000
For Commodities	4,000
For Printing	800
For Equipment	4,000
For Electronic Data Processing	3,200,000
For Telecommunications Services.....	<u>0</u>
Total	4,247,800
PAYABLE FROM PROFESSIONAL SERVICES FUND	
For Personal Services	0
For State Contributions to Social Security	0
For Group Insurance	0
For Contractual Services.....	0
For Travel.....	0
For Commodities	0
For Printing	0
For Equipment	0
For Electronic Data Processing	0
For Telecommunications Services.....	0
For Operation of Auto Equipment.....	0
For Professional Services including Administrative and Related Costs	<u>15,000,000</u>
PAYABLE FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT ADMINISTRATIVE REVOLVING FUND	
<u>To fund central administrative costs in connection with the implementation of the American Recovery and Reinvestment Act.....</u>	<u>20,000,000</u>
Total	\$15,000,000

(Source: 096HB859enr)

Section 50. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Sections 7 and 60 of Article 15 as follows:

(09600HB0859enr, Art. 15, Sec. 7)

Sec. 7. The following named amounts, or so much thereof as may be necessary, are appropriated to the Illinois Emergency Management Agency for the objects and purposes hereinafter named:

MANAGEMENT AND ADMINISTRATIVE SUPPORT

Payable from Radiation Protection Fund:

For Personal Services	0
For State Contributions to	
Social Security	0
For Group Insurance	0
For Contractual Services.....	24,300
For Travel.....	4,900
For Commodities	1,000
For Printing	1,000
For Electronic Data Processing	24,300
For Telecommunications Services.....	10,700
For Operation of Auto Equipment.....	4,900
Total	\$71,100

Payable from Nuclear Safety Emergency

Preparedness Fund:

For Personal Services	2,036,600
For State Contributions to State	
Employees' Retirement System	616,100
For State Contributions to	
Social Security	155,900
For Group Insurance.....	406,000
For Contractual Services.....	411,500
For Travel.....	11,700
For Commodities	5,900
For Printing	4,900
For Equipment	21,400
For Electronic Data Processing	332,700
For Telecommunications Services.....	72,000
For Operation of Auto Equipment.....	11,700
Total	\$4,086,400

Payable from the Emergency Management

Preparedness Fund:

For an Emergency Management	
Preparedness Program	\$10,000,000

Payable from the Federal Civil Preparedness

Administrative Fund:

For Terrorism Preparedness and	
Training costs in the current	
and prior years	\$148,300,000
For Terrorism Preparedness and	
Training costs in the current	
and prior years in the Chicago	
Urban Area.....	\$286,500,000

Payable from the September 11th Fund:

For grants, contracts, and administrative	
expenses pursuant to 625 ILCS 5/3-660 653 ,	
including prior year costs	\$200,000

(Source: 096HB859enr)

(09600HB0859enr, Art. 15, Sec. 60)

Sec. 60. The sum of \$373,500, or so much thereof as may be necessary, is appropriated

from the Radiation Protection Fund to the Illinois Emergency Management Agency for expenses associated with local responder programs ~~local responder training, demonstrations, research, studies and investigations under funding agreements with the Federal Government.~~

(Source: 096HB859enr)

Section 55. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by repealing Section 75 and changing Sections 90 and 150 of Article 51 as follows:

(09600HB0859enr, Art. 51, Sec. 90)

Sec. 90. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated from the General Professions Dedicated Fund to the Department of Financial and Professional Regulation:

GENERAL PROFESSIONS

For Personal Services	<u>2,651,400</u>	2,579,100
For State Contributions to State		
Employees' Retirement System	<u>802,100</u>	780,200
For State Contributions to		
Social Security	<u>203,000</u>	197,400
For Group Insurance	<u>652,500</u>	638,000
For Contractual Services.....	<u>144,100</u>	98,900
For Travel.....	<u>79,600</u>	72,800
For Refunds.....	<u>30,100</u>	29,100
Total	<u>\$4,562,800</u>	\$4,395,500

(Source: (096HB859enr)

(09600HB0859enr, Art. 51, Sec. 150)

Sec. 150. The following named amounts, or so much thereof as may be necessary, respectively, are appropriated from the Professions Indirect Cost Fund to the Department of Financial and Professional Regulation:

For Personal Services	10,454,800
For State Contributions to State	
Employees' Retirement System	3,162,900
For State Contributions to Social Security	799,800
For Group Insurance.....	2,276,500
For Contractual Services.....	<u>9,244,800</u>
For Travel.....	47,600
For Commodities	93,400
For Printing	144,000
For Equipment	152,600
For Electronic Data Processing	2,356,300
For Telecommunications Services.....	819,500
For Operation of Auto Equipment.....	217,500
Total	<u>\$29,769,700</u>

(Source: (096HB859enr)

Section 60. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Section 5 of Article 90 as follows:

(09600HB0859enr, Art. 90, Sec. 5)

Sec. 5. The amount of \$8,271,000 ~~\$1,334,200~~, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Executive Ethics Commission to meet its operational expenses for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

Section 65. If and only if House Bill 859 of the 96th General Assembly becomes law, then “An Act concerning appropriations” (House Bill 859 of the 96th General Assembly) is amended by changing Section 5 of Article 95 as follows:

(09600HB0859enr, Art. 95, Sec. 5)

Sec. 5. The amount of \$586,000 ~~\$274,700~~, or so much thereof as may be necessary, is appropriated from the General Revenue Fund to the Procurement Policy Board to meet its operational expenses for the fiscal year ending June 30, 2011.

(Source: 096HB859enr)

ARTICLE 10

Section 5. If and only if House Bill 859 of the 96th General Assembly becomes law, then Sections 1 and 86 of Article 116 are amended as follows:

(09600HB0859enr, Art. 116, Sec. 1)

Sec. 1. The sum of \$47,000,000, or so much thereof as may be necessary and remains unexpended at the close of business on June 30, 2010, from an appropriation heretofore made for such purpose in Article 23, Section 5 of Public Act 96-0035, as amended, is reappropriated from the Capital Development Fund to the Capital Development Board for grants awarded under the Capital Health Center Construction Act, with \$2,000,000 of the amount going for the Dental Clinic Grant Program as contained in Senate Bill 1393 of the 96th General Assembly.

(Source: 096HB0859enr)

(09600HB0859enr, Art. 116, Sec. 86)

Sec. 86. The following named amounts, or so much there of as may be necessary and remain unexpended at the close of business on June 30, 2010, from appropriations heretofore made in Article 60, Section 40 of Public Act 96-35, are reappropriated from the Capital Development Fund to the Capital Development Board for the Department of Children and Family Services (formerly for the Department of Juvenile Justice) for the projects hereinafter enumerated:

ILLINOIS YOUTH CENTER - JOLIET

(From Article 60, Section 40 of Public Act 96-35)

For replacing roofs, in addition

to funds previously appropriated 425,874

ILLINOIS YOUTH CENTER – KEWANEE

For replacing the sprinkler system 6,500,000

ILLINOIS YOUTH CENTER - PERE MARQUETTE

For replacing roofs 221,000

ILLINOIS YOUTH CENTER - ST. CHARLES

For upgrading HVAC system 606,000

Total \$7,752,874

(Source: 096HB0859enr)".

Under the rules, the foregoing **Senate Bill No. 1215**, with House Amendments numbered 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. 3012

A bill for AN ACT concerning elections.

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. 3012

Passed the House, as amended, May 26, 2010.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 3012

AMENDMENT NO. 1. Amend Senate Bill 3012 by replacing everything after the enacting clause with the following:

"Section 5. The Election Code is amended by changing Sections 7-11, 7-12, 7-13, 7-13.1, 7-14, 7-60, 7-60.1, 8-9, 8-17, 8-17.1, 10-6, 10-9, 10-10, 10-10.1, 10-11.1, 10-11.2, 10-14, 10-15, 19-2.1, 19-3, and 28-2 and by adding Section 1-20 as follows:

(10 ILCS 5/1-20 new)

Sec. 1-20. Public university registration and voting pilot project. For the 2010 general election, each appropriate election authority shall conduct grace period registration and early voting in a high traffic location on the main campus of each public university within the election authority's jurisdiction. For the purposes of this Section, "public university" means 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, and Western Illinois

[May 26, 2010]

University. The registration conducted under this Section shall be available to any qualified resident of this State.

The registration and voting required by this Section to be conducted on campus must be conducted as otherwise required by this Code.

Each public university shall make the space available in a high traffic area for, and cooperate and coordinate with the appropriate election authority in, the implementation of this Section.

By March 1, 2011, the election authorities affected by this pilot project shall report to the State Board of Elections the following information: (i) the total number of individuals that engaged in grace period registration or early voting at the campus site and (ii) how grace period registration or early voting at the campus site was conducted.

This Section is repealed March 2, 2011.

(10 ILCS 5/7-11) (from Ch. 46, par. 7-11)

Sec. 7-11. Any candidate for President of the United States may have his name printed upon the primary ballot of his political party by filing in the office of the State Board of Elections not more than 113 99 and not less than 106 92 days prior to the date of the general primary, in any year in which a Presidential election is to be held, a petition signed by not less than 3000 or more than 5000 primary electors, members of and affiliated with the party of which he is a candidate, and no candidate for President of the United States, who fails to comply with the provisions of this Article shall have his name printed upon any primary ballot: Provided, however, that if the rules or policies of a national political party conflict with such requirements for filing petitions for President of the United States in a presidential preference primary, the Chairman of the State central committee of such national political party shall notify the State Board of Elections in writing, citing by reference the rules or policies of the national political party in conflict, and in such case the Board shall direct such petitions to be filed not more than 69 and not less than 62 days prior to the date of the general primary, in any year in which a Presidential election is to be held. Provided, further, unless rules or policies of a national political party otherwise provide, the vote for President of the United States, as herein provided for, shall be for the sole purpose of securing an expression of the sentiment and will of the party voters with respect to candidates for nomination for said office, and the vote of the state at large shall be taken and considered as advisory to the delegates and alternates at large to the national conventions of respective political parties; and the vote of the respective congressional districts shall be taken and considered as advisory to the delegates and alternates of said congressional districts to the national conventions of the respective political parties.

(Source: P.A. 86-873; 86-1089.)

(10 ILCS 5/7-12) (from Ch. 46, par. 7-12)

Sec. 7-12. All petitions for nomination shall be filed by mail or in person as follows:

(1) Where the nomination is to be made for a State, congressional, or judicial office, or for any office a nomination for which is made for a territorial division or district which comprises more than one county or is partly in one county and partly in another county or counties, then, except as otherwise provided in this Section, such petition for nomination shall be filed in the principal office of the State Board of Elections not more than 113 99 and not less than 106 92 days prior to the date of the primary, but, in the case of petitions for nomination to fill a vacancy by special election in the office of representative in Congress from this State, such petition for nomination shall be filed in the principal office of the State Board of Elections not more than 57 days and not less than 50 days prior to the date of the primary.

Where a vacancy occurs in the office of Supreme, Appellate or Circuit Court Judge within the 3-week period preceding the 106th 92nd day before a general primary election, petitions for nomination for the office in which the vacancy has occurred shall be filed in the principal office of the State Board of Elections not more than 92 78 nor less than 85 74 days prior to the date of the general primary election.

Where the nomination is to be made for delegates or alternate delegates to a national nominating convention, then such petition for nomination shall be filed in the principal office of the State Board of Elections not more than 113 99 and not less than 106 92 days prior to the date of the primary; provided, however, that if the rules or policies of a national political party conflict with such requirements for filing petitions for nomination for delegates or alternate delegates to a national nominating convention, the chairman of the State central committee of such national political party shall notify the Board in writing, citing by reference the rules or policies of the national political party in conflict, and in such case the Board shall direct such petitions to be filed not more than 83 69 and not less than 76 62 days prior to the date of the primary.

(2) Where the nomination is to be made for a county office or trustee of a sanitary district then such petition shall be filed in the office of the county clerk not more than 113 99 nor less than 106 92 days

[May 26, 2010]

prior to the date of the primary.

(3) Where the nomination is to be made for a municipal or township office, such petitions for nomination shall be filed in the office of the local election official, not more than ~~99~~ ~~78~~ nor less than ~~92~~ ~~74~~ days prior to the date of the primary; provided, where a municipality's or township's boundaries are coextensive with or are entirely within the jurisdiction of a municipal board of election commissioners, the petitions shall be filed in the office of such board; and provided, that petitions for the office of multi-township assessor shall be filed with the election authority.

(4) The petitions of candidates for State central committeeman shall be filed in the principal office of the State Board of Elections not more than ~~113~~ ~~99~~ nor less than ~~106~~ ~~92~~ days prior to the date of the primary.

(5) Petitions of candidates for precinct, township or ward committeemen shall be filed in the office of the county clerk not more than ~~113~~ ~~99~~ nor less than ~~106~~ ~~92~~ days prior to the date of the primary.

(6) The State Board of Elections and the various election authorities and local election officials with whom such petitions for nominations are filed shall specify the place where filings shall be made and upon receipt shall endorse thereon the day and hour on which each petition was filed. All petitions filed by persons waiting in line as of 8:00 a.m. on the first day for filing, or as of the normal opening hour of the office involved on such day, shall be deemed filed as of 8:00 a.m. or the normal opening hour, as the case may be. Petitions filed by mail and received after midnight of the first day for filing and in the first mail delivery or pickup of that day shall be deemed as filed as of 8:00 a.m. of that day or as of the normal opening hour of such day, as the case may be. All petitions received thereafter shall be deemed as filed in the order of actual receipt. Where 2 or more petitions are received simultaneously, the State Board of Elections or the various election authorities or local election officials with whom such petitions are filed shall break ties and determine the order of filing, by means of a lottery or other fair and impartial method of random selection approved by the State Board of Elections. Such lottery shall be conducted within 9 days following the last day for petition filing and shall be open to the public. Seven days written notice of the time and place of conducting such random selection shall be given by the State Board of Elections to the chairman of the State central committee of each established political party, and by each election authority or local election official, to the County Chairman of each established political party, and to each organization of citizens within the election jurisdiction which was entitled, under this Article, at the next preceding election, to have pollwatchers present on the day of election. The State Board of Elections, election authority or local election official shall post in a conspicuous, open and public place, at the entrance of the office, notice of the time and place of such lottery. The State Board of Elections shall adopt rules and regulations governing the procedures for the conduct of such lottery. All candidates shall be certified in the order in which their petitions have been filed. Where candidates have filed simultaneously, they shall be certified in the order determined by lot and prior to candidates who filed for the same office at a later time.

(7) The State Board of Elections or the appropriate election authority or local election official with whom such a petition for nomination is filed shall notify the person for whom a petition for nomination has been filed of the obligation to file statements of organization, reports of campaign contributions, and annual reports of campaign contributions and expenditures under Article 9 of this Act. Such notice shall be given in the manner prescribed by paragraph (7) of Section 9-16 of this Code.

(8) Nomination papers filed under this Section are not valid if the candidate named therein fails to file a statement of economic interests as required by the Illinois Governmental Ethics Act in relation to his candidacy with the appropriate officer by the end of the period for the filing of nomination papers unless he has filed a statement of economic interests in relation to the same governmental unit with that officer within a year preceding the date on which such nomination papers were filed. If the nomination papers of any candidate and the statement of economic interest of that candidate are not required to be filed with the same officer, the candidate must file with the officer with whom the nomination papers are filed a receipt from the officer with whom the statement of economic interests is filed showing the date on which such statement was filed. Such receipt shall be so filed not later than the last day on which nomination papers may be filed.

(9) Any person for whom a petition for nomination, or for committeeman or for delegate or alternate delegate to a national nominating convention has been filed may cause his name to be withdrawn by request in writing, signed by him and duly acknowledged before an officer qualified to take acknowledgments of deeds, and filed in the principal or permanent branch office of the State Board of Elections or with the appropriate election authority or local election official, not later than the date of certification of candidates for the consolidated primary or general primary ballot. No names so withdrawn shall be certified or printed on the primary ballot. If petitions for nomination have been filed for the same person with respect to more than one political party, his name shall not be certified nor

printed on the primary ballot of any party. If petitions for nomination have been filed for the same person for 2 or more offices which are incompatible so that the same person could not serve in more than one of such offices if elected, that person must withdraw as a candidate for all but one of such offices within the 5 business days following the last day for petition filing. If he fails to withdraw as a candidate for all but one of such offices within such time his name shall not be certified, nor printed on the primary ballot, for any office. For the purpose of the foregoing provisions, an office in a political party is not incompatible with any other office.

(10) (a) Notwithstanding the provisions of any other statute, no primary shall be held for an established political party in any township, municipality, or ward thereof, where the nomination of such party for every office to be voted upon by the electors of such township, municipality, or ward thereof, is uncontested. Whenever a political party's nomination of candidates is uncontested as to one or more, but not all, of the offices to be voted upon by the electors of a township, municipality, or ward thereof, then a primary shall be held for that party in such township, municipality, or ward thereof; provided that the primary ballot shall not include those offices within such township, municipality, or ward thereof, for which the nomination is uncontested. For purposes of this Article, the nomination of an established political party of a candidate for election to an office shall be deemed to be uncontested where not more than the number of persons to be nominated have timely filed valid nomination papers seeking the nomination of such party for election to such office.

(b) Notwithstanding the provisions of any other statute, no primary election shall be held for an established political party for any special primary election called for the purpose of filling a vacancy in the office of representative in the United States Congress where the nomination of such political party for said office is uncontested. For the purposes of this Article, the nomination of an established political party of a candidate for election to said office shall be deemed to be uncontested where not more than the number of persons to be nominated have timely filed valid nomination papers seeking the nomination of such established party for election to said office. This subsection (b) shall not apply if such primary election is conducted on a regularly scheduled election day.

(c) Notwithstanding the provisions in subparagraph (a) and (b) of this paragraph (10), whenever a person who has not timely filed valid nomination papers and who intends to become a write-in candidate for a political party's nomination for any office for which the nomination is uncontested files a written statement or notice of that intent with the State Board of Elections or the local election official with whom nomination papers for such office are filed, a primary ballot shall be prepared and a primary shall be held for that office. Such statement or notice shall be filed on or before the date established in this Article for certifying candidates for the primary ballot. Such statement or notice shall contain (i) the name and address of the person intending to become a write-in candidate, (ii) a statement that the person is a qualified primary elector of the political party from whom the nomination is sought, (iii) a statement that the person intends to become a write-in candidate for the party's nomination, and (iv) the office the person is seeking as a write-in candidate. An election authority shall have no duty to conduct a primary and prepare a primary ballot for any office for which the nomination is uncontested unless a statement or notice meeting the requirements of this Section is filed in a timely manner.

(11) If multiple sets of nomination papers are filed for a candidate to the same office, the State Board of Elections, appropriate election authority or local election official where the petitions are filed shall within 2 business days notify the candidate of his or her multiple petition filings and that the candidate has 3 business days after receipt of the notice to notify the State Board of Elections, appropriate election authority or local election official that he or she may cancel prior sets of petitions. If the candidate notifies the State Board of Elections, appropriate election authority or local election official, the last set of petitions filed shall be the only petitions to be considered valid by the State Board of Elections, election authority or local election official. If the candidate fails to notify the State Board of Elections, election authority or local election official then only the first set of petitions filed shall be valid and all subsequent petitions shall be void.

(12) All nominating petitions shall be available for public inspection and shall be preserved for a period of not less than 6 months.

(Source: P.A. 86-867; 86-873; 86-875; 86-1028; 86-1089; 87-1052.)

(10 ILCS 5/7-13) (from Ch. 46, par. 7-13)

Sec. 7-13. The board of election commissioners in cities of 500,000 or more population having such board, shall constitute an electoral board for the hearing and passing upon objections to nomination petitions for ward committeemen.

Such objections shall be filed in the office of the county clerk within 5 business days after the last day for filing nomination papers not less than 81 days prior to the primary. The objection shall state the name

and address of the objector, who may be any qualified elector in the ward, the specific grounds of objection and the relief requested of the electoral board. Upon the receipt of the objection, the county clerk shall forthwith transmit such objection and the petition of the candidate to the board of election commissioners. The board of election commissioners shall forthwith notify the objector and candidate objected to of the time and place for hearing hereon. After a hearing upon the validity of such objections, the board shall, ~~not less than 74 days prior to the date of the primary,~~ certify to the county clerk; its decision stating whether or not the name of the candidate shall be printed on the ballot and the county clerk in his or her certificate to the board of election commissioners shall leave off of the certificate the name of the candidate for ward committeeman that the election commissioners order not to be printed on the ballot. However, the decision of the board of election commissioners is subject to judicial review as provided in Section 10-10.1.

The county electoral board composed as provided in Section 10-9 shall constitute an electoral board for the hearing and passing upon objections to nomination petitions for precinct and township committeemen. Such objections shall be filed in the office of the county clerk within 5 business days after the last day for filing nomination papers ~~not less than 81 days prior to the primary.~~ The objection shall state the name and address of the objector who may be any qualified elector in the precinct or in the township or part of a township that lies outside of a city having a population of 500,000 or more, the specific grounds of objection and the relief requested of the electoral board. Upon the receipt of the objection the county clerk shall forthwith transmit such objection and the petition of the candidate to the chairman of the county electoral board. The chairman of the county electoral board shall forthwith notify the objector, the candidate whose petition is objected to and the other members of the electoral board of the time and place for hearing thereon. After hearing upon the validity of such objections the board shall, ~~not less than 74 days prior to the date of the primary,~~ certify its decision to the county clerk stating whether or not the name of the candidate shall be printed on the ballot, and the county clerk, in his or her certificate to the board of election commissioners, shall leave off of the certificate the name of the candidate ordered by the board not to be printed on the ballot, and the county clerk shall also refrain from printing on the official primary ballot, the name of any candidate whose name has been ordered by the electoral board not to be printed on the ballot. However, the decision of the board is subject to judicial review as provided in Section 10-10.1.

In such proceedings the electoral boards have the same powers as other electoral boards under the provisions of Section 10-10 of this Act and their decisions are subject to judicial review under Section 10-10.1.

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

(10 ILCS 5/7-13.1) (from Ch. 46, par. 7-13.1)

Sec. 7-13.1. Certification of Candidates-Consolidated primary. Not less than ~~68~~ 64 days before the date of the consolidated primary, each local election official of each political subdivision required to nominate candidates for the respective offices by primary shall certify to each election authority whose duty it is to prepare the official ballot for the consolidated primary in such political subdivision the names of all candidates in whose behalf nomination papers have been filed in the office of such local election official and direct the election authority to place upon the official ballot for the consolidated primary election the names of such candidates in the same manner and in the same order as shown upon the certification. However, subject to appeal, the names of candidates whose nomination papers have been held invalid by the appropriate electoral board provided in Section 10-9 of this Code shall not be so certified. The certification shall be modified as necessary to comply with the requirements of any other statute or any ordinance adopted pursuant to Article VII of the Constitution prescribing specific provisions for nonpartisan elections, including without limitation Articles 3, 4 and 5 of "The Municipal Code".

The names of candidates shall be listed on the certification for the respective offices in the order in which the candidates have filed their nomination papers, or as determined by lot, or as otherwise specified by statute.

In every instance where applicable, the following shall also be indicated in the certification:

(1) Where there is to be more than one candidate elected to an office from a political subdivision or district;

(2) Where a voter has the right to vote for more than one candidate for an office;

(3) The terms of the office to be on the ballot, when a vacancy is to be filled for less than a full term, or when offices of a particular subdivision to be on the ballot at the same election are to be filled for different terms;

(4) The territory in which a candidate is required by law to reside, when such residency requirement is not identical to the territory of the political subdivision from which the candidate is to be elected or

nominated;

(5) Where a candidate's nominating papers or petitions have been objected to and the objection has been sustained by the electoral board established in Section 10-10, the words "OBJECTION SUSTAINED" shall be placed under the title of the office being sought by the candidate and the name of the aggrieved candidate shall not appear; and

(6) Where a candidate's nominating papers or petitions have been objected to and the decision of the electoral board established in Section 10-10 is either unknown or known to be in judicial review, the words "OBJECTION PENDING" shall be placed under the title of the office being sought by the candidate and next to the name of the candidate.

The local election official shall issue an amended certification whenever it is discovered that the original certification is in error.

(Source: P.A. 95-699, eff. 11-9-07.)

(10 ILCS 5/7-14) (from Ch. 46, par. 7-14)

Sec. 7-14. Not less than ~~68~~ ~~64~~ days before the date of the general primary the State Board of Elections shall meet and shall examine all petitions filed under this Article 7, in the office of the State Board of Elections. The State Board of Elections shall then certify to the county clerk of each county, the names of all candidates whose nomination papers or certificates of nomination have been filed with the Board and direct the county clerk to place upon the official ballot for the general primary election the names of such candidates in the same manner and in the same order as shown upon the certification.

The State Board of Elections shall, in its certificate to the county clerk, certify the names of the offices, and the names of the candidates in the order in which the offices and names shall appear upon the primary ballot; such names to appear in the order in which petitions have been filed in the office of the State Board of Elections except as otherwise provided in this Article.

Not less than ~~62~~ ~~55~~ days before the date of the general primary, each county clerk shall certify the names of all candidates whose nomination papers have been filed with such clerk and declare that the names of such candidates for the respective offices shall be placed upon the official ballot for the general primary in the order in which such nomination papers were filed with the clerk, or as determined by lot, or as otherwise specified by statute. Each county clerk shall place a copy of the certification on file in his or her office and at the same time issue to the board of election commissioners a copy of the certification that has been filed in the county clerk's office, together with a copy of the certification that has been issued to the clerk by the State Board of Elections, with directions to the board of election commissioners to place upon the official ballot for the general primary in that election jurisdiction the names of all candidates that are listed on such certification in the same manner and in the same order as shown upon such certifications.

The certification shall indicate, where applicable, the following:

- (1) The political party affiliation of the candidates for the respective offices;
- (2) If there is to be more than one candidate elected or nominated to an office from the State, political subdivision or district;
- (3) If the voter has the right to vote for more than one candidate for an office;
- (4) The term of office, if a vacancy is to be filled for less than a full term or if the offices to be filled in a political subdivision or district are for different terms.

The State Board of Elections or the county clerk, as the case may be, shall issue an amended certification whenever it is discovered that the original certification is in error.

Subject to appeal, the names of candidates whose nomination papers have been held invalid by the appropriate electoral board provided in Section 10-9 of this Code shall not be certified.

(Source: P.A. 86-867.)

(10 ILCS 5/7-60) (from Ch. 46, par. 7-60)

Sec. 7-60. Not less than ~~74~~ ~~67~~ days before the date of the general election, the State Board of Elections shall certify to the county clerks the names of each of the candidates who have been nominated as shown by the proclamation of the State Board of Elections as a canvassing board or who have been nominated to fill a vacancy in nomination and direct the election authority to place upon the official ballot for the general election the names of such candidates in the same manner and in the same order as shown upon the certification, except as otherwise provided in this Section.

Not less than ~~68~~ ~~64~~ days before the date of the general election, each county clerk shall certify the names of each of the candidates for county offices who have been nominated as shown by the proclamation of the county election authority or who have been nominated to fill a vacancy in nomination and declare that the names of such candidates for the respective offices shall be placed upon the official ballot for the general election in the same manner and in the same order as shown upon the certification, except as otherwise provided by this Section. Each county clerk shall place a copy of the

certification on file in his or her office and at the same time issue to the State Board of Elections a copy of such certification. In addition, each county clerk in whose county there is a board of election commissioners shall, not less than ~~68~~ 64 days before the date of the general election, issue to such board a copy of the certification that has been filed in the county clerk's office, together with a copy of the certification that has been issued to the clerk by the State Board of Elections, with directions to the board of election commissioners to place upon the official ballot for the general election in that election jurisdiction the names of all candidates that are listed on such certifications, in the same manner and in the same order as shown upon such certifications, except as otherwise provided in this Section.

Whenever there are two or more persons nominated by the same political party for multiple offices for any board, the name of the candidate of such party receiving the highest number of votes in the primary election as a candidate for such office, as shown by the official election returns of the primary, shall be certified first under the name of such offices, and the names of the remaining candidates of such party for such offices shall follow in the order of the number of votes received by them respectively at the primary election as shown by the official election results.

No person who is shown by the final proclamation to have been nominated or elected at the primary as a write-in candidate shall have his or her name certified unless such person shall have filed with the certifying office or board within 10 days after the election authority's proclamation a statement of candidacy pursuant to Section 7-10, a statement pursuant to Section 7-10.1, and a receipt for the filing of a statement of economic interests in relation to the unit of government to which he or she has been elected or nominated.

Each county clerk and board of election commissioners shall determine by a fair and impartial method of random selection the order of placement of established political party candidates for the general election ballot. Such determination shall be made within 30 days following the canvass and proclamation of the results of the general primary in the office of the county clerk or board of election commissioners and shall be open to the public. Seven days written notice of the time and place of conducting such random selection shall be given, by each such election authority, to the County Chairman of each established political party, and to each organization of citizens within the election jurisdiction which was entitled, under this Article, at the next preceding election, to have pollwatchers present on the day of election. Each election authority shall post in a conspicuous, open and public place, at the entrance of the election authority office, notice of the time and place of such lottery. However, a board of election commissioners may elect to place established political party candidates on the general election ballot in the same order determined by the county clerk of the county in which the city under the jurisdiction of such board is located.

Each certification shall indicate, where applicable, the following:

- (1) The political party affiliation of the candidates for the respective offices;
- (2) If there is to be more than one candidate elected to an office from the State, political subdivision or district;
- (3) If the voter has the right to vote for more than one candidate for an office;
- (4) The term of office, if a vacancy is to be filled for less than a full term or if the offices to be filled in a political subdivision are for different terms.

The State Board of Elections or the county clerk, as the case may be, shall issue an amended certification whenever it is discovered that the original certification is in error.

(Source: P.A. 94-645, eff. 8-22-05; 94-647, eff. 1-1-06; 94-1000, eff. 7-3-06.)

(10 ILCS 5/7-60.1) (from Ch. 46, par. 7-60.1)

Sec. 7-60.1. Certification of Candidates - Consolidated Election. Each local election official of a political subdivision in which candidates for the respective local offices are nominated at the consolidated primary shall, no later than 5 days following the canvass and proclamation of the results of the consolidated primary, certify to each election authority whose duty it is to prepare the official ballot for the consolidated election in that political subdivision the names of each of the candidates who have been nominated as shown by the proclamation of the appropriate election authority or who have been nominated to fill a vacancy in nomination and direct the election authority to place upon the official ballot for the consolidated election the names of such candidates in the same manner and in the same order as shown upon the certification, except as otherwise provided by this Section.

Whenever there are two or more persons nominated by the same political party for multiple offices for any board, the name of the candidate of such party receiving the highest number of votes in the consolidated primary election as a candidate for such consolidated primary, shall be certified first under the name of such office, and the names of the remaining candidates of such party for such offices shall follow in the order of the number of votes received by them respectively at the consolidated primary election as shown by the official election results.

No person who is shown by the election authority's proclamation to have been nominated at the consolidated primary as a write-in candidate shall have his or her name certified unless such person shall have filed with the certifying office or board within 5 days after the election authority's proclamation a statement of candidacy pursuant to Section 7-10 and a statement pursuant to Section 7-10.1.

Each board of election commissioners of the cities in which established political party candidates for city offices are nominated at the consolidated primary shall determine by a fair and impartial method of random selection the order of placement of the established political party candidates for the consolidated ballot. Such determination shall be made within 5 days following the canvass and proclamation of the results of the consolidated primary and shall be open to the public. Three days written notice of the time and place of conducting such random selection shall be given, by each such election authority, to the County Chairman of each established political party, and to each organization of citizens within the election jurisdiction which was entitled, under this Article, at the next preceding election, to have pollwatchers present on the day of election. Each election authority shall post in a conspicuous, open and public place, at the entrance of the election authority office, notice of the time and place of such lottery.

Each local election official of a political subdivision in which established political party candidates for the respective local offices are nominated by primary shall determine by a fair and impartial method of random selection the order of placement of the established political party candidates for the consolidated election ballot and, in the case of certain municipalities having annual elections, on the general primary ballot for election. Such determination shall be made prior to the canvass and proclamation of results of the consolidated primary or special municipal primary, as the case may be, in the office of the local election official and shall be open to the public. Three days written notice of the time and place of conducting such random selection shall be given, by each such local election official, to the County Chairman of each established political party, and to each organization of citizens within the election jurisdiction which was entitled, under this Article, at the next preceding election, to have pollwatchers present on the day of election. Each local election official shall post in a conspicuous, open and public place notice of such lottery. Immediately thereafter, the local election official shall certify the ballot placement order so determined to the proper election authorities charged with the preparation of the consolidated election, or general primary, ballot for that political subdivision.

Not less than ~~68~~ 64 days before the date of the consolidated election, each local election official of a political subdivision in which established political party candidates for the respective local offices have been nominated by caucus or have been nominated because no primary was required to be held shall certify to each election authority whose duty it is to prepare the official ballot for the consolidated election in that political subdivision the names of each of the candidates whose certificates of nomination or nomination papers have been filed in his or her office and direct the election authority to place upon the official ballot for the consolidated election the names of such candidates in the same manner and in the same order as shown upon the certification. Such local election official shall, prior to certification, determine by a fair and impartial method of random selection the order of placement of the established political party candidates for the consolidated election ballot. Such determination shall be made in the office of the local election official and shall be open to the public. Three days written notice of the time and place of conducting such random selection shall be given by each such local election official to the county chairman of each established political party, and to each organization of citizens within the election jurisdiction which was entitled, under this Article, at the next preceding election, to have pollwatchers present on the day of election. Each local election official shall post in a conspicuous, open and public place, at the entrance of the office, notice of the time and place of such lottery. The local election official shall certify the ballot placement order so determined as part of his official certification of candidates to the election authorities whose duty it is to prepare the official ballot for the consolidated election in that political subdivision.

The certification shall indicate, where applicable, the following:

- (1) The political party affiliation of the candidates for the respective offices;
- (2) If there is to be more than one candidate elected or nominated to an office from the State, political subdivision or district;
- (3) If the voter has the right to vote for more than one candidate for an office;
- (4) The term of office, if a vacancy is to be filled for less than a full term or if the offices to be filled in a political subdivision or district are for different terms.

The local election official shall issue an amended certification whenever it is discovered that the original certification is in error.

(Source: P.A. 94-647, eff. 1-1-06.)

(10 ILCS 5/8-9) (from Ch. 46, par. 8-9)

Sec. 8-9. All petitions for nomination shall be filed by mail or in person as follows:

[May 26, 2010]

(1) Where the nomination is made for a legislative office, such petition for nomination shall be filed in the principal office of the State Board of Elections not more than ~~113~~ ⁹⁹ and not less than ~~106~~ ⁹² days prior to the date of the primary.

(2) The State Board of Elections shall, upon receipt of each petition, endorse thereon the day and hour on which it was filed. Petitions filed by mail and received after midnight on the first day for filing and in the first mail delivery or pickup of that day, shall be deemed as filed as of 8:00 a.m. of that day or as of the normal opening hour of such day as the case may be, and all petitions received thereafter shall be deemed as filed in the order of actual receipt. Where 2 or more petitions are received simultaneously, the State Board of Elections shall break ties and determine the order of filing, by means of a lottery as provided in Section 7-12 of this Code.

(3) Any person for whom a petition for nomination has been filed, may cause his name to be withdrawn by a request in writing, signed by him, duly acknowledged before an officer qualified to take acknowledgments of deeds, and filed in the principal or permanent branch office of the State Board of Elections not later than the date of certification of candidates for the general primary ballot, and no names so withdrawn shall be certified by the State Board of Elections to the county clerk, or printed on the primary ballot. If petitions for nomination have been filed for the same person with respect to more than one political party, his name shall not be certified nor printed on the primary ballot of any party. If petitions for nomination have been filed for the same person for 2 or more offices which are incompatible so that the same person could not serve in more than one of such offices if elected, that person must withdraw as a candidate for all but one of such offices within the 5 business days following the last day for petition filing. If he fails to withdraw as a candidate for all but one of such offices within such time, his name shall not be certified, nor printed on the primary ballot, for any office. For the purpose of the foregoing provisions, an office in a political party is not incompatible with any other office.

(4) If multiple sets of nomination papers are filed for a candidate to the same office, the State Board of Elections shall within 2 business days notify the candidate of his or her multiple petition filings and that the candidate has 3 business days after receipt of the notice to notify the State Board of Elections that he or she may cancel prior sets of petitions. If the candidate notifies the State Board of Elections the last set of petitions filed shall be the only petitions to be considered valid by the State Board of Elections. If the candidate fails to notify the State Board then only the first set of petitions filed shall be valid and all subsequent petitions shall be void.

(Source: P.A. 86-875; 87-1052.)

(10 ILCS 5/8-17) (from Ch. 46, par. 8-17)

Sec. 8-17. The death of any candidate prior to, or on, the date of the primary shall not affect the canvass of the ballots. If the result of such canvass discloses that such candidate, if he had lived, would have been nominated, such candidate shall be declared nominated.

In the event that a candidate of a party who has been nominated under the provisions of this Article shall die before election (whether death occurs prior to, or on, or after, the date of the primary) or decline the nomination or should the nomination for any other reason become vacant, the legislative or representative committee of such party for such district shall nominate a candidate of such party to fill such vacancy. However, if there was no candidate for the nomination of the party in the primary, no candidate of that party for that office may be listed on the ballot at the general election, unless the legislative or representative committee of the party nominates a candidate to fill the vacancy in nomination within ~~75~~ ⁶⁰ days after the date of the general primary election. Vacancies in nomination occurring under this Article shall be filled by the appropriate legislative or representative committee in accordance with the provisions of Section 7-61 of this Code. In proceedings to fill the vacancy in nomination, the voting strength of the members of the legislative or representative committee shall be as provided in Section 8-6.

(Source: P.A. 84-757; 84-790; 84-928; 84-1026.)

(10 ILCS 5/8-17.1) (from Ch. 46, par. 8-17.1)

Sec. 8-17.1. Whenever a vacancy in the office of State Senator is to be filled by election pursuant to Article IV, Section 2(d) of the Constitution and Section 25-6 of this Code, nominations shall be made and any vacancy in nomination shall be filled pursuant to this Section:

(1) If the vacancy in office occurs before the first date provided in Section 8-9 for filing nomination papers for the primary in the next even-numbered year following the commencement of the term, the nominations for the election for filling such vacancy shall be made as otherwise provided in Article 8.

(2) If the vacancy in office occurs during the time provided in Section 8-9 for filing nomination papers for the office of State Senator for the primary in the next even-numbered year following commencement of the term of office in which such vacancy occurs, the time for filing nomination papers for such office

for the primary shall be not more than 105 ~~94~~ days and not less than 99 ~~85~~ days prior to the date of the primary election.

(3) If the vacancy in office occurs after the last day provided in Section 8-9 for filing nomination papers for the office of State Senator, a vacancy in nomination shall be deemed to have occurred and the legislative committee of each established political party shall nominate, by resolution, a candidate to fill such vacancy in nomination for the election to such office at such general election. In the proceedings to fill the vacancy in nomination the voting strength of the members of the legislative committee shall be as provided in Section 8-6. The name of the candidate so nominated shall not appear on the ballot at the general primary election. Such vacancy in nomination shall be filled prior to the date of certification of candidates for the general election.

(4) The resolution to fill the vacancy shall be duly acknowledged before an officer qualified to take acknowledgments of deeds and shall include, upon its face, the following information;

- (a) the names of the original nominee and the office vacated;
- (b) the date on which the vacancy occurred;
- (c) the name and address of the nominee selected to fill the vacancy and the date of selection.

The resolution to fill the vacancy shall be accompanied by a Statement of Candidacy, as prescribed in Section 7-10, completed by the selected nominee and a receipt indicating that such nominee has filed a statement of economic interests as required by the Illinois Governmental Ethics Act.

The provisions of Sections 10-8 through 10-10.1 relating to objections to nomination papers, hearings on objections and judicial review, shall also apply to and govern objections to nomination papers and resolutions for filling vacancies in nomination filed pursuant to this Section.

Unless otherwise specified herein, the nomination and election provided for in this Section shall be governed by this Code.

(Source: P.A. 84-790.)

(10 ILCS 5/10-6) (from Ch. 46, par. 10-6)

Sec. 10-6. Time and manner of filing. Certificates of nomination and nomination papers for the nomination of candidates for offices to be filled by electors of the entire State, or any district not entirely within a county, or for congressional, state legislative or judicial offices, shall be presented to the principal office of the State Board of Elections not more than 141 nor less than 134 days previous to the day of election for which the candidates are nominated. The State Board of Elections shall endorse the certificates of nomination or nomination papers, as the case may be, and the date and hour of presentment to it. Except as otherwise provided in this section, all other certificates for the nomination of candidates shall be filed with the county clerk of the respective counties not more than 141 but at least 134 days previous to the day of such election. Certificates of nomination and nomination papers for the nomination of candidates for the offices of political subdivisions to be filled at regular elections other than the general election shall be filed with the local election official of such subdivision:

- (1) (Blank);
- (2) not more than 113 ~~78~~ nor less than 106 ~~74~~ days prior to the consolidated election; or
- (3) not more than 113 ~~78~~ nor less than 106 ~~74~~ days prior to the general primary in the case of municipal offices to be filled at the general primary election; or
- (4) not more than 99 ~~78~~ nor less than 92 ~~74~~ days before the consolidated primary in the case of municipal offices to be elected on a nonpartisan basis pursuant to law (including without limitation, those municipal offices subject to Articles 4 and 5 of the Municipal Code); or
- (5) not more than 113 ~~78~~ nor less than 106 ~~74~~ days before the municipal primary in even numbered years for such nonpartisan municipal offices where annual elections are provided; or
- (6) in the case of petitions for the office of multi-township assessor, such petitions shall be filed with the election authority not more than 113 ~~78~~ nor less than 106 ~~74~~ days before the consolidated election.

However, where a political subdivision's boundaries are co-extensive with or are entirely within the jurisdiction of a municipal board of election commissioners, the certificates of nomination and nomination papers for candidates for such political subdivision offices shall be filed in the office of such Board.

(Source: P.A. 95-699, eff. 11-9-07.)

(10 ILCS 5/10-9) (from Ch. 46, par. 10-9)

Sec. 10-9. The following electoral boards are designated for the purpose of hearing and passing upon the objector's petition described in Section 10-8.

1. The State Board of Elections will hear and pass upon objections to the nominations of candidates for State offices, nominations of candidates for congressional, legislative and judicial offices of districts, subcircuits, or circuits situated in more than one county, nominations of candidates for the offices of

State's attorney or regional superintendent of schools to be elected from more than one county, and petitions for proposed amendments to the Constitution of the State of Illinois as provided for in Section 3 of Article XIV of the Constitution.

2. The county officers electoral board to hear and pass upon objections to the nominations of candidates for county offices, for congressional, legislative and judicial offices of a district, subcircuit, or circuit coterminous with or less than a county, for school trustees to be voted for by the electors of the county or by the electors of a township of the county, for the office of multi-township assessor where candidates for such office are nominated in accordance with this Code, and for all special district offices, shall be composed of the county clerk, or an assistant designated by the county clerk, the State's attorney of the county or an Assistant State's Attorney designated by the State's Attorney, and the clerk of the circuit court, or an assistant designated by the clerk of the circuit court, of the county, of whom the county clerk or his designee shall be the chairman, except that in any county which has established a county board of election commissioners that board shall constitute the county officers electoral board ex-officio.

3. The municipal officers electoral board to hear and pass upon objections to the nominations of candidates for officers of municipalities shall be composed of the mayor or president of the board of trustees of the city, village or incorporated town, and the city, village or incorporated town clerk, and one member of the city council or board of trustees, that member being designated who is eligible to serve on the electoral board and has served the greatest number of years as a member of the city council or board of trustees, of whom the mayor or president of the board of trustees shall be the chairman.

4. The township officers electoral board to pass upon objections to the nominations of township officers shall be composed of the township supervisor, the town clerk, and that eligible town trustee elected in the township who has had the longest term of continuous service as town trustee, of whom the township supervisor shall be the chairman.

5. The education officers electoral board to hear and pass upon objections to the nominations of candidates for offices in school or community college districts shall be composed of the presiding officer of the school or community college district board, who shall be the chairman, the secretary of the school or community college district board and the eligible elected school or community college board member who has the longest term of continuous service as a board member.

6. In all cases, however, where the Congressional, ~~or~~ Legislative or Representative district is wholly or partially within the jurisdiction of a single municipal board of election commissioners in Cook County and in all cases where the school district or special district is wholly within the jurisdiction of a municipal board of election commissioners and in all cases where the municipality or township is wholly or partially within the jurisdiction of a municipal board of election commissioners, the board of election commissioners shall ex-officio constitute the electoral board.

For special districts situated in more than one county, the county officers electoral board of the county in which the principal office of the district is located has jurisdiction to hear and pass upon objections. For purposes of this Section, "special districts" means all political subdivisions other than counties, municipalities, townships and school and community college districts.

In the event that any member of the appropriate board is a candidate for the office with relation to which the objector's petition is filed, he shall not be eligible to serve on that board and shall not act as a member of the board and his place shall be filled as follows:

- a. In the county officers electoral board by the county treasurer, and if he or she is ineligible to serve, by the sheriff of the county.
- b. In the municipal officers electoral board by the eligible elected city council or board of trustees member who has served the second greatest number of years as a city council or board of trustees member.
- c. In the township officers electoral board by the eligible elected town trustee who has had the second longest term of continuous service as a town trustee.
- d. In the education officers electoral board by the eligible elected school or community college district board member who has had the second longest term of continuous service as a board member.

In the event that the chairman of the electoral board is ineligible to act because of the fact that he is a candidate for the office with relation to which the objector's petition is filed, then the substitute chosen under the provisions of this Section shall be the chairman; In this case, the officer or board with whom the objector's petition is filed, shall transmit the certificate of nomination or nomination papers as the case may be, and the objector's petition to the substitute chairman of the electoral board.

When 2 or more eligible individuals, by reason of their terms of service on a city council or board of trustees, township board of trustees, or school or community college district board, qualify to serve on an

electoral board, the one to serve shall be chosen by lot.

Any vacancies on an electoral board not otherwise filled pursuant to this Section shall be filled by public members appointed by the Chief Judge of the Circuit Court for the county wherein the electoral board hearing is being held upon notification to the Chief Judge of such vacancies. The Chief Judge shall be so notified by a member of the electoral board or the officer or board with whom the objector's petition was filed. In the event that none of the individuals designated by this Section to serve on the electoral board are eligible, the chairman of an electoral board shall be designated by the Chief Judge. (Source: P.A. 94-645, eff. 8-22-05.)

(10 ILCS 5/10-10) (from Ch. 46, par. 10-10)

Sec. 10-10. Within 24 hours after the receipt of the certificate of nomination or nomination papers or proposed question of public policy, as the case may be, and the objector's petition, the chairman of the electoral board other than the State Board of Elections shall send a call by registered or certified mail to each of the members of the electoral board, and to the objector who filed the objector's petition, and either to the candidate whose certificate of nomination or nomination papers are objected to or to the principal proponent or attorney for proponents of a question of public policy, as the case may be, whose petitions are objected to, and shall also cause the sheriff of the county or counties in which such officers and persons reside to serve a copy of such call upon each of such officers and persons, which call shall set out the fact that the electoral board is required to meet to hear and pass upon the objections to nominations made for the office, designating it, and shall state the day, hour and place at which the electoral board shall meet for the purpose, which place shall be in the county court house in the county in the case of the County Officers Electoral Board, the Municipal Officers Electoral Board, the Township Officers Electoral Board or the Education Officers Electoral Board, except that the Municipal Officers Electoral Board, the Township Officers Electoral Board, and the Education Officers Electoral Board may meet at the location where the governing body of the municipality, township, or school or community college district, respectively, holds its regularly scheduled meetings, if that location is available; provided that voter records may be removed from the offices of an election authority only at the discretion and under the supervision of the election authority. In those cases where the State Board of Elections is the electoral board designated under Section 10-9, the chairman of the State Board of Elections shall, within 24 hours after the receipt of the certificate of nomination or nomination papers or petitions for a proposed amendment to Article IV of the Constitution or proposed statewide question of public policy, send a call by registered or certified mail to the objector who files the objector's petition, and either to the candidate whose certificate of nomination or nomination papers are objected to or to the principal proponent or attorney for proponents of the proposed Constitutional amendment or statewide question of public policy and shall state the day, hour and place at which the electoral board shall meet for the purpose, which place may be in the Capitol Building or in the principal or permanent branch office of the State Board. The day of the meeting shall not be less than 3 nor more than 5 days after the receipt of the certificate of nomination or nomination papers and the objector's petition by the chairman of the electoral board.

The electoral board shall have the power to administer oaths and to subpoena and examine witnesses and at the request of either party the chairman may issue subpoenas requiring the attendance of witnesses and subpoenas duces tecum requiring the production of such books, papers, records and documents as may be evidence of any matter under inquiry before the electoral board, in the same manner as witnesses are subpoenaed in the Circuit Court.

Service of such subpoenas shall be made by any sheriff or other person in the same manner as in cases in such court and the fees of such sheriff shall be the same as is provided by law, and shall be paid by the objector or candidate who causes the issuance of the subpoena. In case any person so served shall knowingly neglect or refuse to obey any such subpoena, or to testify, the electoral board shall at once file a petition in the circuit court of the county in which such hearing is to be heard, or has been attempted to be heard, setting forth the facts, of such knowing refusal or neglect, and accompanying the petition with a copy of the citation and the answer, if one has been filed, together with a copy of the subpoena and the return of service thereon, and shall apply for an order of court requiring such person to attend and testify, and forthwith produce books and papers, before the electoral board. Any circuit court of the state, excluding the judge who is sitting on the electoral board, upon such showing shall order such person to appear and testify, and to forthwith produce such books and papers, before the electoral board at a place to be fixed by the court. If such person shall knowingly fail or refuse to obey such order of the court without lawful excuse, the court shall punish him or her by fine and imprisonment, as the nature of the case may require and may be lawful in cases of contempt of court.

The electoral board on the first day of its meeting shall adopt rules of procedure for the introduction of evidence and the presentation of arguments and may, in its discretion, provide for the filing of briefs by

the parties to the objection or by other interested persons.

In the event of a State Electoral Board hearing on objections to a petition for an amendment to Article IV of the Constitution pursuant to Section 3 of Article XIV of the Constitution, or to a petition for a question of public policy to be submitted to the voters of the entire State, the certificates of the county clerks and boards of election commissioners showing the results of the random sample of signatures on the petition shall be prima facie valid and accurate, and shall be presumed to establish the number of valid and invalid signatures on the petition sheets reviewed in the random sample, as prescribed in Section 28-11 and 28-12 of this Code. Either party, however, may introduce evidence at such hearing to dispute the findings as to particular signatures. In addition to the foregoing, in the absence of competent evidence presented at such hearing by a party substantially challenging the results of a random sample, or showing a different result obtained by an additional sample, this certificate of a county clerk or board of election commissioners shall be presumed to establish the ratio of valid to invalid signatures within the particular election jurisdiction.

The electoral board shall take up the question as to whether or not the certificate of nomination or nomination papers or petitions are in proper form, and whether or not they were filed within the time and under the conditions required by law, and whether or not they are the genuine certificate of nomination or nomination papers or petitions which they purport to be, and whether or not in the case of the certificate of nomination in question it represents accurately the decision of the caucus or convention issuing it, and in general shall decide whether or not the certificate of nomination or nominating papers or petitions on file are valid or whether the objections thereto should be sustained and the decision of a majority of the electoral board shall be final subject to judicial review as provided in Section 10-10.1. The electoral board must state its findings in writing and must state in writing which objections, if any, it has sustained. A copy of the decision shall be served upon the parties to the proceedings in open proceedings before the electoral board. If a party does not appear for receipt of the decision, the decision shall be deemed to have been served on the absent party on the date when a copy of the decision is personally delivered or on the date when a copy of the decision is deposited in the United States mail, in a sealed envelope or package, with postage prepaid, addressed to each party affected by the decision or to such party's attorney of record, if any, at the address on record for such person in the files of the electoral board.

Upon the expiration of the period within which a proceeding for judicial review must be commenced under Section 10--10.1, the electoral board shall, unless a proceeding for judicial review has been commenced within such period, transmit, by registered or certified mail, a certified copy of its ruling, together with the original certificate of nomination or nomination papers or petitions and the original objector's petition, to the officer or board with whom the certificate of nomination or nomination papers or petitions, as objected to, were on file, and such officer or board shall abide by and comply with the ruling so made to all intents and purposes.

(Source: P.A. 95-872, eff. 1-1-09.)

(10 ILCS 5/10-10.1) (from Ch. 46, par. 10-10.1)

Sec. 10-10.1.

(a) Except as otherwise provided in this Section, a candidate or objector aggrieved by the decision of an electoral board may secure judicial review of such decision in the circuit court of the county in which the hearing of the electoral board was held. The party seeking judicial review must file a petition with the clerk of the court and must serve a copy of the petition upon the electoral board and other parties to the proceeding by registered or certified mail within ~~5~~ 10 days after service of the decision of the electoral board as provided in Section 10-10. The petition shall contain a brief statement of the reasons why the decision of the board should be reversed. The petitioner shall serve a copy of the petition upon the electoral board and other parties to the proceeding by registered or certified mail and shall file proof of service with the clerk of the court. No answer to the petition need be filed, but the electoral board shall cause the record of proceedings before the electoral board to be filed with the clerk of the court on or before the date of the hearing on the petition or as ordered by the court any answer must be filed within 10 days after the filing of the petition.

The court shall set the matter for hearing to be held within 30 days after the filing of the petition and shall make its decision promptly after such hearing.

(b) An objector or proponent aggrieved by the decision of an electoral board regarding a petition filed pursuant to Section 18-120 of the Property Tax Code may secure a review of such decision by the State Board of Elections. The party seeking such review must file a petition therefor with the State Board of Elections within 10 days after the decision of the electoral board. Any such objector or proponent may apply for and obtain judicial review of a decision of the State Board of Elections entered under this amendatory Act of 1985, in accordance with the provisions of the Administrative Review Law, as

amended.

(Source: P.A. 88-670, eff. 12-2-94.)

(10 ILCS 5/10-11.1) (from Ch. 46, par. 10-11.1)

Sec. 10-11.1. Whenever a vacancy in the office of State Senator is to be filled by election pursuant to Article IV, Section 2(d) of the Constitution and Section 25-6 of this Code, nominations shall be made pursuant to this Section:

(1) If the vacancy in office occurs before the first date provided in Section 10-3 for filing nomination papers for the general election in the next even-numbered year following the commencement of the term, the nomination of independent candidates for such office shall be made as otherwise provided in this Article.

(2) If the vacancy occurs in office after the first day for filing nomination papers for independent candidates as provided in Section 10-3 but before the first day provided in Section 10-6 for filing nomination papers for the general election in the next even-numbered year following the commencement of the term, independent candidates for such office shall file their nomination papers during the filing period set forth in Section 10-6 for new political party candidates.

(3) If a vacancy in office occurs prior to the first day provided in Section 10-6 for filing nomination papers for new political party candidates for the next ensuing general election, new political party candidates for such office shall file their nomination papers during the filing period as set forth in Section 10-6 as otherwise provided in this Article.

(4) If the vacancy in office occurs during the time provided in Section 10-6 for filing nomination papers for new political party candidates for the next ensuing general election, the time for independent and new political party candidates to file nomination papers for such office shall be not more than 92 ~~78~~ days nor less than 85 ~~77~~ days prior to the date of the general election.

(5) If the vacancy in office occurs after the last day provided in Section 10-6 for filing nomination papers for new political party candidates, independent and new political party candidates shall be nominated as provided by rules and regulations of the State Board of Elections.

The provisions of Sections 10-8 and 10-10.1 relating to objections to nomination papers, hearings on objections and judicial review, shall also apply to and govern objections to nomination papers filed pursuant to this Section.

Unless otherwise specified herein, the nomination and election provided for in this Section shall be governed by this Code.

(Source: P.A. 84-790.)

(10 ILCS 5/10-11.2) (from Ch. 46, par. 10-11.2)

Sec. 10-11.2. Whenever a vacancy in any elective county office is to be filled by election pursuant to Section 25-11 of this Code, nominations shall be made and any vacancy in nomination shall be filled pursuant to this Section:

(1) If the vacancy in office occurs before the first date provided in Section 10-3 for filing nomination papers for the general election in the next even-numbered year following the commencement of the term, the nomination of independent candidates for such office shall be made as otherwise provided in this Article.

(2) If the vacancy in office occurs after the first day for filing nomination papers for independent candidates as provided in Section 10-3 but before the first day provided in Section 10-6 for filing nomination papers for new political party candidates for the general election in the next even-numbered year following the commencement of the term, independent candidates for such office shall file their nomination papers during the filing period set forth in Section 10-6 for new political party candidates.

(3) If the vacancy in office occurs prior to the first date provided in Section 10-6 for filing nomination papers for new political party candidates for the next ensuing general election, new political party candidates for such office shall file their nomination papers during the filing period as set forth in Section 10-6 for new political party candidates.

(4) If the vacancy in office occurs during the time provided in Section 10-6 for filing nomination papers for new political party candidates for the next ensuing general election the time for independent and new political party candidates to file nomination papers for such office shall be not more than 92 ~~78~~ days nor less than 85 ~~77~~ days prior to the date of the general election.

The provisions of Sections 10-8 through 10-10.1 relating to objections to nomination papers, hearings on objections and judicial review, shall also apply to and govern objections to nomination papers filed pursuant to this Section.

Unless otherwise specified herein, the nomination and election provided for in this Section shall be governed by this Code.

(Source: P.A. 84-790.)

[May 26, 2010]

(10 ILCS 5/10-14) (from Ch. 46, par. 10-14)

Sec. 10-14. Not less than ~~74~~ ~~67~~ days before the date of the general election the State Board of Elections shall certify to the county clerk of each county the name of each candidate whose nomination papers, certificate of nomination or resolution to fill a vacancy in nomination has been filed with the State Board of Elections and direct the county clerk to place upon the official ballot for the general election the names of such candidates in the same manner and in the same order as shown upon the certification. The name of no candidate for an office to be filled by the electors of the entire state shall be placed upon the official ballot unless his name is duly certified to the county clerk upon a certificate signed by the members of the State Board of Elections. The names of group candidates on petitions shall be certified to the several county clerks in the order in which such names appear on such petitions filed with the State Board of Elections.

Not less than ~~68~~ ~~64~~ days before the date of the general election, each county clerk shall certify the names of each of the candidates for county offices whose nomination papers, certificates of nomination or resolutions to fill a vacancy in nomination have been filed with such clerk and declare that the names of such candidates for the respective offices shall be placed upon the official ballot for the general election in the same manner and in the same order as shown upon the certification. Each county clerk shall place a copy of the certification on file in his or her office and at the same time issue to the State Board of Elections a copy of such certification. In addition, each county clerk in whose county there is a board of election commissioners shall, not less than ~~69~~ ~~55~~ days before the election, certify to the board of election commissioners the name of the person or persons nominated for such office as shown by the certificate of the State Board of Elections, together with the names of all other candidates as shown by the certification of county officers on file in the clerk's office, and in the order so certified. The county clerk or board of election commissioners shall print the names of the nominees on the ballot for each office in the order in which they are certified to or filed with the county clerk; provided, that in printing the name of nominees for any office, if any of such nominees have also been nominated by one or more political parties pursuant to this Act, the location of the name of such candidate on the ballot for nominations made under this Article shall be precisely in the same order in which it appears on the certification of the State Board of Elections to the county clerk.

For the general election, the candidates of new political parties shall be placed on the ballot for said election after the established political party candidates and in the order of new political party petition filings.

Each certification shall indicate, where applicable, the following:

- (1) The political party affiliation if any, of the candidates for the respective offices;
- (2) If there is to be more than one candidate elected to an office from the State, political subdivision or district;
- (3) If the voter has the right to vote for more than one candidate for an office;
- (4) The term of office, if a vacancy is to be filled for less than a full term or if the offices to be filled in a political subdivision are for different terms.

The State Board of Elections or the county clerk, as the case may be, shall issue an amended certification whenever it is discovered that the original certification is in error.

(Source: P.A. 93-847, eff. 7-30-04.)

(10 ILCS 5/10-15) (from Ch. 46, par. 10-15)

Sec. 10-15. Not less than ~~68~~ ~~64~~ days before the date of the consolidated and nonpartisan elections, each local election official with whom certificates of nomination or nominating petitions have been filed shall certify to each election authority having jurisdiction over any of the territory of his political subdivision the names of all candidates entitled to be printed on the ballot for offices of that political subdivision to be voted upon at such election and direct the election authority to place upon the official ballot for such election the names of such candidates in the same manner and in the same order as shown upon the certification.

The local election officials shall certify such candidates for each office in the order in which such candidates' certificates of nomination or nominating petitions were filed in his office. However, subject to appeal, the names of candidates whose petitions have been held invalid by the appropriate electoral board provided in Section 10-9 of this Act shall not be so certified. The certification shall be modified as necessary to comply with the requirements of any other statute or any ordinance adopted pursuant to Article VII of the Constitution prescribing specific provisions for nonpartisan elections, including without limitation Articles 4 and 5 of "The Municipal Code" or Article 9 of The School Code.

In every instance where applicable, the following shall also be indicated in the certification:

- (1) The political party affiliation, if any, of the candidates for the respective offices;
- (2) Where there is to be more than one candidate elected to an office from a political subdivision or

district;

(3) Where a voter has the right to vote for more than one candidate for an office;

(4) The terms of the office to be on the ballot, when a vacancy is to be filled for less than a full term, or when offices of a particular subdivision to be on the ballot at the same election are to be filled for different terms;

(5) The territory in which a candidate is required by law to reside, when such residency requirement is not identical to the territory of the political subdivision from which the candidate is to be elected or nominated;

(6) Where a candidate's nominating papers or petitions have been objected to and the objection has been sustained by the electoral board established in Section 10-10, the words "OBJECTION SUSTAINED" shall be placed under the title of the office being sought by the candidate and the name of the aggrieved candidate shall not appear; and

(7) Where a candidate's nominating papers or petitions have been objected to and the decision of the electoral board established in Section 10-10 is either unknown or known to be in judicial review, the words "OBJECTION PENDING" shall be placed under the title of the office being sought by the candidate and next to the name of the candidate.

For the consolidated election, and for the general primary in the case of certain municipalities having annual elections, the candidates of new political parties shall be placed on the ballot for such elections after the established political party candidates and in the order of new political party petition filings.

The local election official shall issue an amended certification whenever it is discovered that the original certification is in error.

(Source: P.A. 95-699, eff. 11-9-07.)

(10 ILCS 5/19-2.1) (from Ch. 46, par. 19-2.1)

Sec. 19-2.1. At the consolidated primary, general primary, consolidated, and general elections, electors entitled to vote by absentee ballot under the provisions of Section 19-1 may vote in person at the office of the municipal clerk, if the elector is a resident of a municipality not having a board of election commissioners, or at the office of the township clerk or, in counties not under township organization, at the office of the road district clerk if the elector is not a resident of a municipality; provided, in each case that the municipal, township or road district clerk, as the case may be, is authorized to conduct in-person absentee voting pursuant to this Section. Absentee voting in such municipal and township clerk's offices under this Section shall be conducted from the 22nd day through the day before the election.

Municipal and township clerks (or road district clerks) who have regularly scheduled working hours at regularly designated offices other than a place of residence and whose offices are open for business during the same hours as the office of the election authority shall conduct in-person absentee voting for said elections. Municipal and township clerks (or road district clerks) who have no regularly scheduled working hours but who have regularly designated offices other than a place of residence shall conduct in-person absentee voting for said elections during the hours of 8:30 a.m. to 4:30 p.m. or 9:00 a.m. to 5:00 p.m., weekdays, and 9:00 a.m. to 12:00 noon on Saturdays, but not during such hours as the office of the election authority is closed, unless the clerk files a written waiver with the election authority not later than July 1 of each year stating that he or she is unable to conduct such voting and the reasons therefor. Such clerks who conduct in-person absentee voting may extend their hours for that purpose to include any hours in which the election authority's office is open. Municipal and township clerks (or road district clerks) who have no regularly scheduled office hours and no regularly designated offices other than a place of residence may not conduct in-person absentee voting for said elections. The election authority may devise alternative methods for in-person absentee voting before said elections for those precincts located within the territorial area of a municipality or township (or road district) wherein the clerk of such municipality or township (or road district) has waived or is not entitled to conduct such voting. In addition, electors may vote by absentee ballot under the provisions of Section 19-1 at the office of the election authority having jurisdiction over their residence. Unless specifically authorized by the election authority, municipal, township, and road district clerks shall not conduct in-person absentee voting. No less than 45 days before the date of an election, the election authority shall notify the municipal, township, and road district clerks within its jurisdiction if they are to conduct in-person absentee voting. Election authorities, however, may conduct in-person absentee voting in one or more designated appropriate public buildings from the fourth day before the election through the day before the election.

In conducting in-person absentee voting under this Section, the respective clerks shall be required to verify the signature of the absentee voter by comparison with the signature on the official registration record card. The clerk also shall reasonably ascertain the identity of such applicant, shall verify that each such applicant is a registered voter, and shall verify the precinct in which he or she is registered and the

[May 26, 2010]

proper ballots of the political subdivisions in which the applicant resides and is entitled to vote, prior to providing any absentee ballot to such applicant. The clerk shall verify the applicant's registration and from the most recent poll list provided by the county clerk, and if the applicant is not listed on that poll list then by telephoning the office of the county clerk.

Absentee voting procedures in the office of the municipal, township and road district clerks shall be subject to all of the applicable provisions of this Article 19. Pollwatchers may be appointed to observe in-person absentee voting procedures and view all reasonably requested records relating to the conduct of the election, provided the secrecy of the ballot is not impinged, at the office of the municipal, township or road district clerks' offices where such absentee voting is conducted. Such pollwatchers shall qualify and be appointed in the same manner as provided in Sections 7-34 and 17-23, except each candidate, political party or organization of citizens may appoint only one pollwatcher for each location where in-person absentee voting is conducted. Pollwatchers must be registered to vote in Illinois and possess valid pollwatcher credentials. All requirements in this Article applicable to election authorities shall apply to the respective local clerks, except where inconsistent with this Section.

The sealed absentee ballots in their carrier envelope shall be delivered by the respective clerks, or by the election authority on behalf of a clerk if the clerk and the election authority agree, to the election authority's central ballot counting location before the close of the polls on the day of the general primary, consolidated primary, consolidated, or general election.

Not more than 23 days before the general and consolidated elections, the county clerk shall make available to those municipal, township and road district clerks conducting in-person absentee voting within such county, a sufficient number of applications, absentee ballots, envelopes, and printed voting instruction slips for use by absentee voters in the offices of such clerks. The respective clerks shall receipt for all ballots received, shall return all unused or spoiled ballots to the county clerk on the day of the election and shall strictly account for all ballots received.

The ballots delivered to the respective clerks shall include absentee ballots for each precinct in the municipality, township or road district, or shall include such separate ballots for each political subdivision conducting an election of officers or a referendum on that election day as will permit any resident of the municipality, township or road district to vote absentee in the office of the proper clerk.

The clerks of all municipalities, townships and road districts may distribute applications for absentee ballot for the use of voters who wish to mail such applications to the appropriate election authority. Any person may reproduce, distribute, or return to an election authority the application for absentee ballot. Upon receipt, the appropriate election authority shall accept and promptly process any application for absentee ballot. Such applications for absentee ballots shall be made on forms provided by the election authority. Duplication of such forms by the municipal, township or road district clerk is prohibited. (Source: P.A. 93-574, eff. 8-21-03; 94-645, eff. 8-22-05; 94-1000, eff. 7-3-06.)

(10 ILCS 5/19-3) (from Ch. 46, par. 19-3)

~~Sec. 19-3. Application for such ballot shall be made on blanks to be furnished by the election authority and duplication of such application for ballot is prohibited, except by the election authority. The application for absentee ballot shall be substantially in the following form:~~

APPLICATION FOR ABSENTEE BALLOT

To be voted at the election in the County of and State of Illinois, in the precinct of the (1) *township of (2) *City of or (3) *.... ward in the City of

I state that I am a resident of the precinct of the (1) *township of (2) *City of or (3) *.... ward in the city of residing at in such city or town in the county of and State of Illinois; that I have lived at such address for month(s) last past; that I am lawfully entitled to vote in such precinct at the election to be held therein on; and that I wish to vote by absentee ballot.

I hereby make application for an official ballot or ballots to be voted by me at such election, and I agree that I shall return such ballot or ballots to the official issuing the same prior to the closing of the polls on the date of the election or, if returned by mail, postmarked no later than midnight preceding election day, for counting no later than during the period for counting provisional ballots, the last day of which is the 14th day following election day.

Under penalties as provided by law pursuant to Section 29-10 of The Election Code, the undersigned certifies that the statements set forth in this application are true and correct.

....

*fill in either (1), (2) or (3).

Post office address to which ballot is mailed:

.....
However, if application is made for a primary election ballot, such application shall require the applicant to designate the name of the political party with which the applicant is affiliated.

[May 26, 2010]

Any person may reproduce, distribute, or return to an election authority the application for absentee ballot. Upon receipt, the appropriate election authority shall accept and promptly process any application for absentee ballot.

~~or, if returned by mail, postmarked no later than midnight preceding election day, for counting no later than during the period for counting provisional ballots, the last day of which is the 14th day following election day~~

~~or, if returned by mail, postmarked no later than midnight preceding election day, for counting no later than during the period for counting provisional ballots, the last day of which is the 14th day following election day~~

~~or, if returned by mail, postmarked no later than midnight preceding election day, for counting no later than during the period for counting provisional ballots, the last day of which is the 14th day following election day~~

~~or, if returned by mail, postmarked no later than midnight preceding election day, for counting no later than during the period for counting provisional ballots, the last day of which is the 14th day following election day~~

~~or, if returned by mail, postmarked no later than midnight preceding election day, for counting no later than during the period for counting provisional ballots, the last day of which is the 14th day following election day~~

~~or, if returned by mail, postmarked no later than midnight preceding election day, for counting no later than during the period for counting provisional ballots, the last day of which is the 14th day following election day~~

~~or, if returned by mail, postmarked no later than midnight preceding election day, for counting no later than during the period for counting provisional ballots, the last day of which is the 14th day following election day~~

(Source: P.A. 95-440, eff. 8-27-07; 96-312, eff. 1-1-10; 96-553, eff. 8-17-09; revised 9-15-09.)

(10 ILCS 5/28-2) (from Ch. 46, par. 28-2)

Sec. 28-2. (a) Except as otherwise provided in this Section, petitions for the submission of public questions to referendum must be filed with the appropriate officer or board not less than 92 ~~78~~ days prior to a regular election to be eligible for submission on the ballot at such election; and petitions for the submission of a question under Section 18-120 of the Property Tax Code must be filed with the appropriate officer or board not more than 10 months nor less than 6 months prior to the election at which such question is to be submitted to the voters.

(b) However, petitions for the submission of a public question to referendum which proposes the creation or formation of a political subdivision must be filed with the appropriate officer or board not less than 122 ~~108~~ days prior to a regular election to be eligible for submission on the ballot at such election.

(c) Resolutions or ordinances of governing boards of political subdivisions which initiate the submission of public questions pursuant to law must be adopted not less than 79 ~~65~~ days before a regularly scheduled election to be eligible for submission on the ballot at such election.

(d) A petition, resolution or ordinance initiating the submission of a public question may specify a regular election at which the question is to be submitted, and must so specify if the statute authorizing the public question requires submission at a particular election. However, no petition, resolution or ordinance initiating the submission of a public question, other than a legislative resolution initiating an amendment to the Constitution, may specify such submission at an election more than one year, or 15 months in the case of a back door referendum as defined in subsection (f), after the date on which it is filed or adopted, as the case may be. A petition, resolution or ordinance initiating a public question which specifies a particular election at which the question is to be submitted shall be so limited, and shall not be valid as to any other election, other than an emergency referendum ordered pursuant to Section 2A-1.4.

(e) If a petition initiating a public question does not specify a regularly scheduled election, the public question shall be submitted to referendum at the next regular election occurring not less than 92 ~~78~~ days after the filing of the petition, or not less than 122 ~~108~~ days after the filing of a petition for referendum to create a political subdivision. If a resolution or ordinance initiating a public question does not specify a regularly scheduled election, the public question shall be submitted to referendum at the next regular election occurring not less than 79 ~~65~~ days after the adoption of the resolution or ordinance.

(f) In the case of back door referenda, any limitations in another statute authorizing such a referendum which restrict the time in which the initiating petition may be validly filed shall apply to such petition, in addition to the filing deadlines specified in this Section for submission at a particular election. In the case of any back door referendum, the publication of the ordinance or resolution of the political

subdivision shall include a notice of (1) the specific number of voters required to sign a petition requesting that a public question be submitted to the voters of the subdivision; (2) the time within which the petition must be filed; and (3) the date of the prospective referendum. The secretary or clerk of the political subdivision shall provide a petition form to any individual requesting one. The legal sufficiency of that form, if provided by the secretary or clerk of the political subdivision, cannot be the basis of a challenge to placing the back door referendum on the ballot. As used herein, a "back door referendum" is the submission of a public question to the voters of a political subdivision, initiated by a petition of voters or residents of such political subdivision, to determine whether an action by the governing body of such subdivision shall be adopted or rejected.

(g) A petition for the incorporation or formation of a new political subdivision whose officers are to be elected rather than appointed must have attached to it an affidavit attesting that at least 122 ~~108~~ days and no more than 152 ~~138~~ days prior to such election notice of intention to file such petition was published in a newspaper published within the proposed political subdivision, or if none, in a newspaper of general circulation within the territory of the proposed political subdivision in substantially the following form:

NOTICE OF PETITION TO FORM A NEW.....

Residents of the territory described below are notified that a petition will or has been filed in the Office of.....requesting a referendum to establish a new....., to be called the.....

*The officers of the new.....will be elected on the same day as the referendum. Candidates for the governing board of the new.....may file nominating petitions with the officer named above until.....

The territory proposed to comprise the new.....is described as follows:

(description of territory included in petition)

(signature).....

Name and address of person or persons proposing the new political subdivision.

* Where applicable.

Failure to file such affidavit, or failure to publish the required notice with the correct information contained therein shall render the petition, and any referendum held pursuant to such petition, null and void.

Notwithstanding the foregoing provisions of this subsection (g) or any other provisions of this Code, the publication of notice and affidavit requirements of this subsection (g) shall not apply to any petition filed under Article 7 or 11E of the School Code nor to any referendum held pursuant to any such petition, and neither any petition filed under any of those Articles nor any referendum held pursuant to any such petition shall be rendered null and void because of the failure to file an affidavit or publish a notice with respect to the petition or referendum as required under this subsection (g) for petitions that are not filed under any of those Articles of the School Code.

(Source: P.A. 94-30, eff. 6-14-05; 94-578, eff. 8-12-05; 94-1019, eff. 7-10-06.)

Section 10. The Revised Cities and Villages Act of 1941 is amended by changing Section 21-29 as follows:

(65 ILCS 20/21-29) (from Ch. 24, par. 21-29)

Sec. 21-29. Withdrawals and substitution of candidates.

Any candidate for alderman under the provisions of this article may withdraw his name as a candidate by filing with the board of election commissioners of the city of Chicago not later than the date of certification of the ballot ~~twenty days before the holding of the election~~ his written request signed by him and duly acknowledged before an officer qualified to take acknowledgements of deeds, whereupon his name shall not be printed as a candidate upon the official ballot.

If any candidate at an aldermanic election who was not elected as provided for in this article but who shall have received sufficient votes to entitle him to a place on the official ballot at the ensuing supplementary election shall die or withdraw his candidacy before such supplementary election, the name of the candidate who shall receive the next highest number of votes shall be printed on the ballot in lieu of the name of the candidate who shall have died or withdrawn his candidacy.

(Source: Laws 1941, vol. 2, p. 19.)

Section 15. The Liquor Control Act of 1934 is amended by changing Sections 9-2 and 9-4 as follows:

(235 ILCS 5/9-2) (from Ch. 43, par. 167)

Sec. 9-2. When any legal voters of a precinct in any city, village or incorporated town of more than 200,000 inhabitants, as determined by the last preceding Federal census, desire to pass upon the question of whether the sale at retail of alcoholic liquor shall be prohibited in the precinct or at a particular street

address within the precinct, they shall, at least ~~104~~ 90 days before an election, file in the office of the clerk of such city, village or incorporated town, a petition directed to the clerk, containing the signatures of not less than 25% of the legal voters registered with the board of election commissioners or county clerk, as the case may be, from the precinct. Provided, however, that when the petition seeks to prohibit the sale at retail of alcoholic liquor at a particular street address of a licensed establishment within the precinct the petition shall contain the signatures of not less than 40% of the legal voters requested from that precinct. The petition shall request that the proposition "Shall the sale at retail of alcoholic liquor be prohibited in (or at)?" be submitted to the voters of the precinct at the next ensuing election at which such proposition may be voted upon. The submission of the question to the voters of such precinct at such election shall be mandatory when the petition has been filed in proper form with the clerk. If more than one set of petitions are presented to the clerk for submission at the same election, the petition presented first shall be given preference; however, the clerk shall provisionally accept any other set of petitions setting forth the same (or substantially the same) proposition. If the first set of petitions for a proposition is found to be in proper form and is not found to be invalid, it shall be accepted by the clerk and all provisionally accepted sets of petitions setting forth the same (or substantially the same) proposition shall be rejected by the clerk. If the first set of petitions for a proposition is found not to be in proper form or is found to be invalid, the clerk shall (i) reject the first set of petitions, (ii) accept the first provisionally accepted set of petitions that is in proper form and is not found to be invalid, and (iii) reject all other provisionally accepted sets of petitions setting forth the same (or substantially the same) proposition. Notice of the filing of the petition and the result of the election shall be given to the Secretary of State at his offices in both, Chicago and Springfield, Illinois. A return of the result of the election shall be made to the clerk of the city, village or incorporated town in which the precinct is located. If a majority of the voters voting upon such proposition vote "YES", the sale at retail of alcoholic liquor shall be prohibited in the precinct or at the street address. If the sale at retail of alcoholic liquor at a particular street address is prohibited pursuant to this Section, the license for any establishment at that street address shall be void, and no person may apply for a license for the sale at retail of alcoholic liquor at an establishment at that street address unless such prohibition is discontinued pursuant to Section 9-10.

In cities, villages and incorporated towns of 200,000 or less population, as determined by the last preceding Federal census, the vote upon the question of prohibiting the sale at retail of alcoholic liquor, or alcoholic liquor other than beer containing not more than 4% of alcohol by volume, or alcoholic liquor containing more than 4% of alcohol by weight in the original package and not for consumption on the premises, shall be by the voters of the political subdivision as a unit. When any legal voters of such a city, village or incorporated town desire to pass upon the question of whether the sale at retail of alcoholic liquor shall be prohibited in the municipality, they shall, at least ~~104~~ 90 days before an election, file in the office of the clerk of the municipality, a petition directed to the clerk, containing the signatures of not less than 25% of the legal voters registered with the board of election commissioners or county clerk, as the case may be, from the municipality. The petition shall request that the proposition, "Shall the sale at retail of alcoholic liquor be prohibited in....?" be submitted to the voters of the municipality at the next ensuing election at which the proposition may be voted upon. The submission of the question to the voters of the municipality at such election shall be mandatory when the petition has been filed in proper form with the clerk. If more than one set of petitions are presented to the clerk for submission at the same election, setting forth the same or different propositions, the petition presented first shall be given preference and the clerk shall refuse to accept any other set of petitions. Notice of the filing of the petition and the result of the election shall be given to the Secretary of State at his offices in both Chicago and Springfield, Illinois. A return of the result of the election shall be made to the clerk of the city, village or incorporated town. If a majority of the voters voting upon the proposition vote "Yes", the sale at retail of alcoholic liquor shall be prohibited in the municipality.

In the event a municipality does not vote to prohibit the sale at retail of alcoholic liquor, the council or governing body shall ascertain and determine what portions of the municipality are predominantly residence districts. No license permitting the sale of alcoholic liquors shall be issued by the local liquor commissioner or licensing officer permitting the sale of alcoholic liquors at any place within the residence district so determined, unless the owner or owners of at least two-thirds of the frontage, 200 feet in each direction along the street and streets adjacent to the place of business for which a license is sought, file with the local liquor commissioner or licensing officer, his or their written consent to the use of such place for the sale of alcoholic liquors.

In each township or road district lying outside the corporate limits of a city, village or incorporated town, or in a part of a township or road district lying partly within and partly outside a city, village or incorporated town, the vote of such township, road district or part thereof, shall be as a unit. When any

legal voters of any such township, or part thereof, in counties under township organization, or any legal voters of such road district or part thereof, in counties not under township organization, desire to vote upon the proposition as to whether the sale at retail of alcoholic liquor shall be prohibited in such township or road district or part thereof, they shall, at least 90 days before an election, file in the office of the township or road district clerk, of the township or road district within which the election is to be held, a petition directed to the clerk and containing the signatures of not less than 25% of the legal voters registered with the county clerk from such township or road district or part thereof. The submission of the question to the voters of the township, road district or part thereof, at the next ensuing election shall be mandatory when the petition has been filed in proper form with the clerk. If more than one set of petitions are presented to the clerk for submission at the same election, setting forth the same or different propositions, the petition presented first shall be given preference and the clerk shall refuse to accept any other set of petitions. A return of the result of such election shall be made to the clerk of the township or road district in which the territory is situated, and shall also be made to the Secretary of State at his offices in both Chicago and Springfield, Illinois.

(Source: P.A. 88-613, eff. 1-1-95.)

(235 ILCS 5/9-4) (from Ch. 43, par. 169)

Sec. 9-4. A petition for submission of the proposition shall be in substantially the following form:

To the clerk of the (here insert the corporate or legal name of the county, township, road district, city, village or incorporated town):

The undersigned, residents and legal voters of the (insert the legal name or correct designation of the political subdivision or precinct, as the case may be), respectfully petition that you cause to be submitted, in the manner provided by law, to the voters thereof, at the next election, the proposition "Shall the sale at retail of alcoholic liquor (or alcoholic liquor other than beer containing not more than 4% of alcohol by weight) (or alcoholic liquor containing more than 4% of alcohol by weight except in the original package and not for consumption on the premises) be prohibited in this (or at the following address)?"

 Name of P. O. address Description of precinct Date of
 signer (including township, road district signing
 street no., or part thereof, as of
 if any). the last general
 election

A petition for a proposition to be submitted to the voters of a precinct shall also contain in plain and nonlegal language a description of the precinct to which the proposition is to be submitted at the election. The description shall describe the territory of the precinct by reference to streets, natural or artificial landmarks, addresses, or by any other method which would enable a voter signing such petition to be informed of the territory of the precinct. Each such petition for a precinct referendum shall also contain a list of the names and addresses of all licensees in the precinct.

Such petition shall conform to the requirements of the general election law, as to form and signature requirements. The circulator's statement shall include an attestation of: (1) that none of the signatures on this petition sheet were signed more than 4 months before the filing of this petition, or (2) the dates on which the petitioners signed the petition, and shall be sworn to before an officer residing in the county where such legal voters reside and authorized to administer oaths therein. No signature shall be revoked except by a revocation filed within 20 days from the filing of the petition with the clerk with whom the petition is required to be filed. Upon request of any citizen for a photostatic copy of the petition and paying or tendering to the clerk the costs of making the photostatic copy, the clerk shall immediately make, or cause to be made a photostatic copy of such petition. The clerk shall also deliver to such person, his official certification that such copy is a true copy of the original, stating the day when such original was filed in his office. Any 5 legal voters or any affected licensee of any political subdivision, district or precinct in which a proposed election is about to be held as provided for in this Act, within any time up to ~~72~~ 30 days immediately prior to the date of such proposed election and upon filing a bond for costs, may contest the validity of the petitions for such election by filing a verified petition in the Circuit Court for the county in which the political subdivision, district or precinct is situated, setting forth the grounds for contesting the validity of such petitions. Upon the filing of the petition, a summons shall be issued by the Court, addressed to the appropriate city, village, town, township or road district clerk, notifying the clerk of the filing of the petition and directing him to appear before the Court on behalf of the political subdivision or district at the time named in the summons; provided, the time shall not be less than 5 days nor more than 15 days after the filing of the petition. The procedure in these

[May 26, 2010]

cases, as far as may be applicable, shall be the same as that provided for the objections to petitions in the general election law. Any legal voter in the political subdivision or precinct in which such election is to be held may appear in person or by counsel, in any such contest to defend or oppose the validity of the petition for election.

The municipal, town or road district clerk shall certify the proposition to be submitted at the election to the appropriate election officials, in accordance with the general election law, unless the petition has been determined to be invalid. If the court determines the petitions to be invalid subsequent to the certification by the clerk, the court's order shall be transmitted to the election officials and shall nullify such certification.

(Source: P.A. 86-861; 87-347.)

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

Under the rules, the foregoing **Senate Bill No. 3012**, 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. 3537

A bill for AN ACT concerning public employee benefits.

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. 3537

House Amendment No. 2 to SENATE BILL NO. 3537

Passed the House, as amended, May 26, 2010.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 3537

AMENDMENT NO. 1. Amend Senate Bill 3537 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 2-119, 2-119.01, 2-119.1, 2-121.1, 18-124, 18-125.1, and 18-128.01 as follows:

(40 ILCS 5/2-119) (from Ch. 108 1/2, par. 2-119)

(Text of Section after amendment by P.A. 96-889)

Sec. 2-119. Retirement annuity - conditions for eligibility.

(a) A participant whose service as a member is terminated, regardless of age or cause, is entitled to a retirement annuity beginning on the date specified by the participant in a written application subject to the following conditions:

1. The date the annuity begins does not precede the date of final termination of service, or is not more than 30 days before the receipt of the application by the board in the case of annuities based on disability or one year before the receipt of the application in the case of annuities based on attained age;

2. The participant meets one of the following eligibility requirements:

For a participant who first becomes a participant of this System before January 1, 2011 (the effective

date of ~~Public Act 96-889~~ ~~this amendatory Act of the 96th General Assembly~~:

(A) He or she has attained age 55 and has at least 8 years of service credit;

(B) He or she has attained age 62 and terminated service after July 1, 1971 with at least 4 years of service credit; or

(C) He or she has completed 8 years of service and has become permanently disabled and as a consequence, is unable to perform the duties of his or her office.

For a participant who first becomes a participant of this System on or after January 1, 2011 (the effective date of ~~Public Act 96-889~~ ~~this amendatory Act of the 96th General Assembly~~, he or she has attained age 67 and has at least 10 ~~8~~ years of service credit.

(a-5) A participant who first becomes a participant of this System on or after January 1, 2011 (the

[May 26, 2010]

effective date of ~~Public Act 96-889~~) ~~this amendatory Act of the 96th General Assembly~~ who has attained age 62 and has at least 10 8 years of service credit may elect to receive the lower retirement annuity provided in paragraph (c) of Section 2-119.01 of this Code.

(b) A participant shall be considered permanently disabled only if: (1) disability occurs while in service and is of such a nature as to prevent him or her from reasonably performing the duties of his or her office at the time; and (2) the board has received a written certificate by at least 2 licensed physicians appointed by the board stating that the member is disabled and that the disability is likely to be permanent.

(Source: P.A. 96-889, eff. 1-1-11.)

(40 ILCS 5/2-119.01) (from Ch. 108 1/2, par. 2-119.01)

(Text of Section after amendment by P.A. 96-889)

Sec. 2-119.01. Retirement annuities - Amount.

(a) For a participant in service after June 30, 1977 who has not made contributions to this System after January 1, 1982, the annual retirement annuity is 3% for each of the first 8 years of service, plus 4% for each of the next 4 years of service, plus 5% for each year of service in excess of 12 years, based on the participant's highest salary for annuity purposes. The maximum retirement annuity payable shall be 80% of the participant's highest salary for annuity purposes.

(b) For a participant in service after June 30, 1977 who has made contributions to this System on or after January 1, 1982, the annual retirement annuity is 3% for each of the first 4 years of service, plus 3 1/2% for each of the next 2 years of service, plus 4% for each of the next 2 years of service, plus 4 1/2% for each of the next 4 years of service, plus 5% for each year of service in excess of 12 years, of the participant's highest salary for annuity purposes. The maximum retirement annuity payable shall be 85% of the participant's highest salary for annuity purposes.

(c) Notwithstanding any other provision of this Article, for a participant who first becomes a participant on or after January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~, the annual retirement annuity is 3% of the participant's highest salary for annuity purposes for each year of service. The maximum retirement annuity payable shall be 60% of the participant's highest salary for annuity purposes.

(d) Notwithstanding any other provision of this Article, for a participant who first becomes a participant on or after January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~ and who is retiring after attaining age 62 with at least 10 8 years of service credit, the retirement annuity shall be reduced by one-half of 1% for each month that the member's age is under age 67.

(Source: P.A. 96-889, eff. 1-1-11.)

(40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

(Text of Section after amendment by P.A. 96-889)

Sec. 2-119.1. Automatic increase in retirement annuity.

(a) A participant who retires after June 30, 1967, and who has not received an initial increase under this Section before the effective date of this amendatory Act of 1991, shall, in January or July next following the first anniversary of retirement, whichever occurs first, and in the same month of each year thereafter, but in no event prior to age 60, have the amount of the originally granted retirement annuity increased as follows: for each year through 1971, 1 1/2%; for each year from 1972 through 1979, 2%; and for 1980 and each year thereafter, 3%. Annuitants who have received an initial increase under this subsection prior to the effective date of this amendatory Act of 1991 shall continue to receive their annual increases in the same month as the initial increase.

(b) Beginning January 1, 1990, for eligible participants who remain in service after attaining 20 years of creditable service, the 3% increases provided under subsection (a) shall begin to accrue on the January 1 next following the date upon which the participant (1) attains age 55, or (2) attains 20 years of creditable service, whichever occurs later, and shall continue to accrue while the participant remains in service; such increases shall become payable on January 1 or July 1, whichever occurs first, next following the first anniversary of retirement. For any person who has service credit in the System for the entire period from January 15, 1969 through December 31, 1992, regardless of the date of termination of service, the reference to age 55 in clause (1) of this subsection (b) shall be deemed to mean age 50.

This subsection (b) does not apply to any person who first becomes a member of the System after the effective date of this amendatory Act of the 93rd General Assembly.

(b-5) Notwithstanding any other provision of this Article, a participant who first becomes a participant on or after January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~ shall, in January or July next following the first anniversary of retirement, whichever occurs first, and in the same month of each year thereafter, but in no event prior to age 67, have the

amount of the retirement annuity then being paid increased by 3% or one-half the annual change in the Consumer Price Index for All Urban Consumers, whichever is less.

(c) The foregoing provisions relating to automatic increases are not applicable to a participant who retires before having made contributions (at the rate prescribed in Section 2-126) for automatic increases for less than the equivalent of one full year. However, in order to be eligible for the automatic increases, such a participant may make arrangements to pay to the system the amount required to bring the total contributions for the automatic increase to the equivalent of one year's contributions based upon his or her last salary.

(d) A participant who terminated service prior to July 1, 1967, with at least 14 years of service is entitled to an increase in retirement annuity beginning January, 1976, and to additional increases in January of each year thereafter.

The initial increase shall be 1 1/2% of the originally granted retirement annuity multiplied by the number of full years that the annuitant was in receipt of such annuity prior to January 1, 1972, plus 2% of the originally granted retirement annuity for each year after that date. The subsequent annual increases shall be at the rate of 2% of the originally granted retirement annuity for each year through 1979 and at the rate of 3% for 1980 and thereafter.

(e) Beginning January 1, 1990, all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including previous increases granted under this Article.

(Source: P.A. 96-889, eff. 1-1-11.)

(40 ILCS 5/2-121.1) (from Ch. 108 1/2, par. 2-121.1)

(Text of Section after amendment by P.A. 96-889)

Sec. 2-121.1. Survivor's annuity - amount.

(a) A surviving spouse shall be entitled to 66 2/3% of the amount of retirement annuity to which the participant or annuitant was entitled on the date of death, without regard to whether the participant had attained age 55 prior to his or her death, subject to a minimum payment of 10% of salary. If a surviving spouse, regardless of age, has in his or her care at the date of death any eligible child or children of the participant, the survivor's annuity shall be the greater of the following: (1) 66 2/3% of the amount of retirement annuity to which the participant or annuitant was entitled on the date of death, or (2) 30% of the participant's salary increased by 10% of salary on account of each such child, subject to a total payment for the surviving spouse and children of 50% of salary. If eligible children survive but there is no surviving spouse, or if the surviving spouse dies or becomes disqualified by remarriage while eligible children survive, each eligible child shall be entitled to an annuity of 20% of salary, subject to a maximum total payment for all such children of 50% of salary.

However, the survivor's annuity payable under this Section shall not be less than 100% of the amount of retirement annuity to which the participant or annuitant was entitled on the date of death, if he or she is survived by a dependent disabled child.

The salary to be used for determining these benefits shall be the salary used for determining the amount of retirement annuity as provided in Section 2-119.01.

(b) Upon the death of a participant after the termination of service or upon death of an annuitant, the maximum total payment to a surviving spouse and eligible children, or to eligible children alone if there is no surviving spouse, shall be 75% of the retirement annuity to which the participant or annuitant was entitled, unless there is a dependent disabled child among the survivors.

(c) When a child ceases to be an eligible child, the annuity to that child, or to the surviving spouse on account of that child, shall thereupon cease, and the annuity payable to the surviving spouse or other eligible children shall be recalculated if necessary.

Upon the ineligibility of the last eligible child, the annuity shall immediately revert to the amount payable upon death of a participant or annuitant who leaves no eligible children. If the surviving spouse is then under age 50, the annuity as revised shall be deferred until the attainment of age 50.

(d) Beginning January 1, 1990, every survivor's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity, or (2) in other cases, on each January 1 occurring on or after the first anniversary of the commencement of the annuity, by an amount equal to 3% of the current amount of the annuity, including any previous increases under this Article. Such increases shall apply without regard to whether the deceased member was in service on or after the effective date of this amendatory Act of 1991, but shall not accrue for any period prior to January 1, 1990.

(d-5) Notwithstanding any other provision of this Article, the initial survivor's annuity of a survivor of a participant who first becomes a participant on or after January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~ shall be in the amount of 66 2/3% of the

amount of the retirement annuity to which the participant or annuitant was entitled on the date of death and shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring on or after the first anniversary of the commencement of the annuity, by an amount equal to 3% or one-half the annual change in the Consumer Price Index for All Urban Consumers, whichever is less, of the survivor's annuity then being paid.

(e) Notwithstanding any other provision of this Article, beginning January 1, 1990, the minimum survivor's annuity payable to any person who is entitled to receive a survivor's annuity under this Article shall be \$300 per month, without regard to whether or not the deceased participant was in service on the effective date of this amendatory Act of 1989.

(f) In the case of a proportional survivor's annuity arising under the Retirement Systems Reciprocal Act where the amount payable by the System on January 1, 1993 is less than \$300 per month, the amount payable by the System shall be increased beginning on that date by a monthly amount equal to \$2 for each full year that has expired since the annuity began.

(Source: P.A. 96-889, eff. 1-1-11.)

(40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)

(Text of Section after amendment by P.A. 96-889)

Sec. 18-124. Retirement annuities - conditions for eligibility.

(a) This subsection (a) applies to a participant who first serves as a judge before January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~.

A participant whose employment as a judge is terminated, regardless of age or cause is entitled to a retirement annuity beginning on the date specified in a written application subject to the following:

(1) the date the annuity begins is subsequent to the date of final termination of employment, or the date 30 days prior to the receipt of the application by the board for annuities based on disability, or one year before the receipt of the application by the board for annuities based on attained age;

(2) the participant is at least age 55, or has become permanently disabled and as a consequence is unable to perform the duties of his or her office;

(3) the participant has at least 10 years of service credit except that a participant terminating service after June 30 1975, with at least 6 years of service credit, shall be entitled to a retirement annuity at age 62 or over;

(4) the participant is not receiving or entitled to receive, at the date of retirement, any salary from an employer for service currently performed.

(b) This subsection (b) applies to a participant who first serves as a judge on or after January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~.

A participant who has at least 10 & years of creditable service is entitled to a retirement annuity when he or she has attained age 67.

A member who has attained age 62 and has at least 10 & years of service credit may elect to receive the lower retirement annuity provided in subsection (d) of Section 18-125 of this Code.

(Source: P.A. 96-889, eff. 1-1-11.)

(40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

(Text of Section after amendment by P.A. 96-889)

Sec. 18-125.1. Automatic increase in retirement annuity. A participant who retires from service after June 30, 1969, shall, in January of the year next following the year in which the first anniversary of retirement occurs, and in January of each year thereafter, have the amount of his or her originally granted retirement annuity increased as follows: for each year up to and including 1971, 1 1/2%; for each year from 1972 through 1979 inclusive, 2%; and for 1980 and each year thereafter, 3%.

Notwithstanding any other provision of this Article, a retirement annuity for a participant who first serves as a judge on or after January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~ shall be increased in January of the year next following the year in which the first anniversary of retirement occurs, and in January of each year thereafter, by an amount equal to 3% or one-half the annual change in the Consumer Price Index for All Urban Consumers, whichever is less, of the retirement annuity then being paid.

This Section is not applicable to a participant who retires before he or she has made contributions at the rate prescribed in Section 18-133 for automatic increases for not less than the equivalent of one full year, unless such a participant arranges to pay the system the amount required to bring the total contributions for the automatic increase to the equivalent of one year's contribution based upon his or her last year's salary.

This Section is applicable to all participants in service after June 30, 1969 unless a participant has

elected, prior to September 1, 1969, in a written direction filed with the board not to be subject to the provisions of this Section. Any participant in service on or after July 1, 1992 shall have the option of electing prior to April 1, 1993, in a written direction filed with the board, to be covered by the provisions of the 1969 amendatory Act. Such participant shall be required to make the aforesaid additional contributions with compound interest at 4% per annum.

Any participant who has become eligible to receive the maximum rate of annuity and who resumes service as a judge after receiving a retirement annuity under this Article shall have the amount of his or her retirement annuity increased by 3% of the originally granted annuity amount for each year of such resumed service, beginning in January of the year next following the date of such resumed service, upon subsequent termination of such resumed service.

Beginning January 1, 1990, all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including previous increases granted under this Article.

(Source: P.A. 96-889, eff. 1-1-11.)

(40 ILCS 5/18-128.01) (from Ch. 108 1/2, par. 18-128.01)

(Text of Section after amendment by P.A. 96-889)

Sec. 18-128.01. Amount of survivor's annuity.

(a) Upon the death of an annuitant, his or her surviving spouse shall be entitled to a survivor's annuity of 66 2/3% of the annuity the annuitant was receiving immediately prior to his or her death, inclusive of annual increases in the retirement annuity to the date of death.

(b) Upon the death of an active participant, his or her surviving spouse shall receive a survivor's annuity of 66 2/3% of the annuity earned by the participant as of the date of his or her death, determined without regard to whether the participant had attained age 60 as of that time, or 7 1/2% of the last salary of the decedent, whichever is greater.

(c) Upon the death of a participant who had terminated service with at least 10 years of service, his or her surviving spouse shall be entitled to a survivor's annuity of 66 2/3% of the annuity earned by the deceased participant at the date of death.

(d) Upon the death of an annuitant, active participant, or participant who had terminated service with at least 10 years of service, each surviving child under the age of 18 or disabled as defined in Section 18-128 shall be entitled to a child's annuity in an amount equal to 5% of the decedent's final salary, not to exceed in total for all such children the greater of 20% of the decedent's last salary or 66 2/3% of the annuity received or earned by the decedent as provided under subsections (a) and (b) of this Section. This child's annuity shall be paid whether or not a survivor's annuity was elected under Section 18-123.

(e) The changes made in the survivor's annuity provisions by Public Act 82-306 shall apply to the survivors of a deceased participant or annuitant whose death occurs on or after August 21, 1981.

(f) Beginning January 1, 1990, every survivor's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity, or (2) in other cases, on each January 1 occurring on or after the first anniversary of the commencement of the annuity, by an amount equal to 3% of the current amount of the annuity, including any previous increases under this Article. Such increases shall apply without regard to whether the deceased member was in service on or after the effective date of this amendatory Act of 1991, but shall not accrue for any period prior to January 1, 1990.

(g) Notwithstanding any other provision of this Article, the initial survivor's annuity for a survivor of a participant who first serves as a judge after January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~ shall be in the amount of 66 2/3% of the annuity received or earned by the decedent, and shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased participant died while receiving a retirement annuity, or (2) in other cases, on each January 1 occurring on or after the first anniversary of the commencement of the annuity, by an amount equal to 3% or one-half the annual change in the Consumer Price Index for All Urban Consumers, whichever is less, of the survivor's annuity then being paid.

(Source: P.A. 96-889, eff. 1-1-11.)

Section 99. Effective date. This Act takes effect January 1, 2011."

AMENDMENT NO. 2 TO SENATE BILL 3537

AMENDMENT NO. 2. Amend Senate Bill 3537, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 1, line 5, after "Sections", by inserting "2-108.1,"; and

[May 26, 2010]

on page 1, line 5, after "18-124,", by inserting "18-125,;" and

on page 1, immediately below line 6, by inserting the following:

"(40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

(Text of Section after amendment by P.A. 96-889)

Sec. 2-108.1. Highest salary for annuity purposes.

(a) "Highest salary for annuity purposes" means whichever of the following is applicable to the participant:

For a participant who first becomes a participant of this System before August 10, 2009 (the effective date of Public Act 96-207):

(1) For a participant who is a member of the General Assembly on his or her last day of service: the highest salary that is prescribed by law, on the participant's last day of service, for a member of the General Assembly who is not an officer; plus, if the participant was elected or appointed to serve as an officer of the General Assembly for 2 or more years and has made contributions as required under subsection (d) of Section 2-126, the highest additional amount of compensation prescribed by law, at the time of the participant's service as an officer, for members of the General Assembly who serve in that office.

(2) For a participant who holds one of the State executive offices specified in Section 2-105 on his or her last day of service: the highest salary prescribed by law for service in that office on the participant's last day of service.

(3) For a participant who is Clerk or Assistant Clerk of the House of Representatives or Secretary or Assistant Secretary of the Senate on his or her last day of service: the salary received for service in that capacity on the last day of service, but not to exceed the highest salary (including additional compensation for service as an officer) that is prescribed by law on the participant's last day of service for the highest paid officer of the General Assembly.

(4) For a participant who is a continuing participant under Section 2-117.1 on his or her last day of service: the salary received for service in that capacity on the last day of service, but not to exceed the highest salary (including additional compensation for service as an officer) that is prescribed by law on the participant's last day of service for the highest paid officer of the General Assembly.

For a participant who first becomes a participant of this System on or after August 10, 2009

(the effective date of Public Act 96-207) and before January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~, the average monthly salary obtained by dividing the total salary of the participant during the period of: (1) the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or (2) the total period of service, if less than 48 months, by the number of months of service in that period.

For a participant who first becomes a participant of this System on or after January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~, the average monthly salary obtained by dividing the total salary of the participant during the 96 consecutive months of service within the last 120 months of service in which the total compensation was the highest by the number of months of service in that period; however, the highest salary for annuity purposes may not exceed the Social Security Covered Wage Base for 2010, as automatically increased by the lesser of 3% or one-half of the annual increase in the consumer price index-u during the preceding 12-month calendar year and shall automatically be increased or decreased, as applicable, by a percentage equal to the percentage change in the consumer price index u during the preceding 12 month calendar year. "Consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the Board.

(b) The earnings limitations of subsection (a) apply to earnings under any other participating system under the Retirement Systems Reciprocal Act that are considered in calculating a proportional annuity under this Article, except in the case of a person who first became a member of this System before August 22, 1994.

(c) In calculating the subsection (a) earnings limitation to be applied to earnings under any other participating system under the Retirement Systems Reciprocal Act for the purpose of calculating a proportional annuity under this Article, the participant's last day of service shall be deemed to mean the last day of service in any participating system from which the person has applied for a proportional annuity under the Retirement Systems Reciprocal Act.

(Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11.); and

on page 6, line 14, by replacing "then being paid" with "~~then being paid~~"; and

on page 6, line 16, after "less", by inserting ", of the originally granted retirement annuity"; and

on page 10, lines 14 and 15, by replacing "survivor's annuity then being paid" with "originally granted survivor's annuity ~~then being paid~~"; and

on page 12, immediately below line 18, by inserting the following:

"(40 ILCS 5/18-125) (from Ch. 108 1/2, par. 18-125)

(Text of Section after amendment by P.A. 96-889)

Sec. 18-125. Retirement annuity amount.

(a) The annual retirement annuity for a participant who terminated service as a judge prior to July 1, 1971 shall be based on the law in effect at the time of termination of service.

(b) Except as provided in subsection (b-5), effective July 1, 1971, the retirement annuity for any participant in service on or after such date shall be 3 1/2% of final average salary, as defined in this Section, for each of the first 10 years of service, and 5% of such final average salary for each year of service on excess of 10.

For purposes of this Section, final average salary for a participant who first serves as a judge before August 10, 2009 (the effective date of Public Act 96-207) shall be:

(1) the average salary for the last 4 years of credited service as a judge for a participant who terminates service before July 1, 1975.

(2) for a participant who terminates service after June 30, 1975 and before July 1, 1982, the salary on the last day of employment as a judge.

(3) for any participant who terminates service after June 30, 1982 and before January 1, 1990, the average salary for the final year of service as a judge.

(4) for a participant who terminates service on or after January 1, 1990 but before the effective date of this amendatory Act of 1995, the salary on the last day of employment as a judge.

(5) for a participant who terminates service on or after the effective date of this amendatory Act of 1995, the salary on the last day of employment as a judge, or the highest salary received by the participant for employment as a judge in a position held by the participant for at least 4 consecutive years, whichever is greater.

However, in the case of a participant who elects to discontinue contributions as provided in subdivision (a)(2) of Section 18-133, the time of such election shall be considered the last day of employment in the determination of final average salary under this subsection.

For a participant who first serves as a judge on or after August 10, 2009 (the effective date of Public Act 96-207) and before January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~, final average salary shall be the average monthly salary obtained by dividing the total salary of the participant during the period of: (1) the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or (2) the total period of service, if less than 48 months, by the number of months of service in that period.

The maximum retirement annuity for any participant shall be 85% of final average salary.

(b-5) Notwithstanding any other provision of this Article, for a participant who first serves as a judge on or after January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~, the annual retirement annuity is 3% of the participant's final average salary for each year of service. The maximum retirement annuity payable shall be 60% of the participant's final average salary.

For a participant who first serves as a judge on or after January 1, 2011 (the effective date of Public Act 96-889) ~~this amendatory Act of the 96th General Assembly~~, final average salary shall be the average monthly salary obtained by dividing the total salary of the judge during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period; however, the final average salary may not exceed the Social Security Covered Wage Base for 2010, ~~as automatically increased by the lesser of 3% or one-half of the annual increase in the consumer price index-u during the preceding 12-month calendar year and shall automatically be increased or decreased, as applicable, by a percentage equal to the percentage change in the consumer price index-u during the preceding 12-month calendar year.~~ "Consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers,

[May 26, 2010]

United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the Board.

(c) The retirement annuity for a participant who retires prior to age 60 with less than 28 years of service in the System shall be reduced 1/2 of 1% for each month that the participant's age is under 60 years at the time the annuity commences. However, for a participant who retires on or after the effective date of this amendatory Act of the 91st General Assembly, the percentage reduction in retirement annuity imposed under this subsection shall be reduced by 5/12 of 1% for every month of service in this System in excess of 20 years, and therefore a participant with at least 26 years of service in this System may retire at age 55 without any reduction in annuity.

The reduction in retirement annuity imposed by this subsection shall not apply in the case of retirement on account of disability.

(d) Notwithstanding any other provision of this Article, for a participant who first serves as a judge on or after the effective date of this amendatory Act of the 96th General Assembly and who is retiring after attaining age 62, the retirement annuity shall be reduced by 1/2 of 1% for each month that the participant's age is under age 67 at the time the annuity commences.

(Source: P.A. 96-207, eff. 8-10-09; 96-889, eff. 1-1-11.); and

on page 13, lines 13 and 14, by replacing "retirement annuity then being paid" with "originally granted retirement annuity ~~then being paid~~"; and

on page 16, line 26, by replacing "survivor's annuity" with "originally granted survivor's annuity"; and

on page 17, line 1, by replacing "then being paid" with "~~then being paid~~".

Under the rules, the foregoing **Senate Bill No. 3537**, 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 adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 537

A bill for AN ACT concerning financial regulation.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 537

Senate Amendment No. 2 to HOUSE BILL NO. 537

Senate Amendment No. 3 to HOUSE BILL NO. 537

Senate Amendment No. 4 to HOUSE BILL NO. 537

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 917

A bill for AN ACT concerning public aid.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 917

Senate Amendment No. 2 to HOUSE BILL NO. 917

Concurred in by the House, May 26, 2010.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

[May 26, 2010]

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 3869

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3869

Concurred in by the House, May 26, 2010.

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 4644

A bill for AN ACT concerning public employee benefits.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 4644

Concurred in by the House, May 26, 2010.

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 4647

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4647

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 4658

A bill for AN ACT concerning employment.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4658

Senate Amendment No. 2 to HOUSE BILL NO. 4658

Concurred in by the House, May 26, 2010.

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 4691

A bill for AN ACT concerning transportation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4691

Concurred in by the House, May 26, 2010.

MARK MAHONEY, Clerk of the House

[May 26, 2010]

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 4711

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4711

Concurred in by the House, May 26, 2010.

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 4788

A bill for AN ACT concerning the public employee benefits.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 4788

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 4927

A bill for AN ACT concerning regulation.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4927

Senate Amendment No. 2 to HOUSE BILL NO. 4927

Senate Amendment No. 3 to HOUSE BILL NO. 4927

Concurred in by the House, May 26, 2010.

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 4928

A bill for AN ACT concerning government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4928

Concurred in by the House, May 26, 2010.

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 4984

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4984

Concurred in by the House, May 26, 2010.

[May 26, 2010]

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 4990

A bill for AN ACT concerning utilities.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4990

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 5055

A bill for AN ACT concerning civil law.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5055

Senate Amendment No. 2 to HOUSE BILL NO. 5055

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 5065

A bill for AN ACT concerning finance.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5065

Senate Amendment No. 3 to HOUSE BILL NO. 5065

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 5080

A bill for AN ACT concerning professional regulation.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5080

Senate Amendment No. 3 to HOUSE BILL NO. 5080

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 5132

[May 26, 2010]

A bill for AN ACT concerning children.
Which amendments are as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 5132
Senate Amendment No. 2 to HOUSE BILL NO. 5132
Concurred in by the House, May 26, 2010.

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 5150

A bill for AN ACT concerning criminal law.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 5150
Concurred in by the House, May 26, 2010.

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 5183

A bill for AN ACT concerning regulation.
Which amendment is as follows:
Senate Amendment No. 2 to HOUSE BILL NO. 5183
Concurred in by the House, May 26, 2010.

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 5191

A bill for AN ACT concerning government.
Which amendment is as follows:
Senate Amendment No. 2 to HOUSE BILL NO. 5191
Concurred in by the House, May 26, 2010.

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 5193

A bill for AN ACT concerning transportation.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 5193
Concurred in by the House, May 26, 2010.

MARK MAHONEY, Clerk of the House

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

[May 26, 2010]

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

HOUSE BILL 5230

A bill for AN ACT concerning State government.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5230

Senate Amendment No. 2 to HOUSE BILL NO. 5230

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 5290

A bill for AN ACT concerning civil law.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5290

Senate Amendment No. 2 to HOUSE BILL NO. 5290

Concurred in by the House, May 26, 2010.

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 5306

A bill for AN ACT concerning health.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 5306

Concurred in by the House, May 26, 2010.

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 5340

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5340

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 5350

A bill for AN ACT concerning health.

Which amendments are as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 5350

Senate Amendment No. 3 to HOUSE BILL NO. 5350

Concurred in by the House, May 26, 2010.

[May 26, 2010]

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 5409

A bill for AN ACT concerning insurance.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5409

Senate Amendment No. 2 to HOUSE BILL NO. 5409

Senate Amendment No. 3 to HOUSE BILL NO. 5409

Concurred in by the House, May 26, 2010.

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 5458

A bill for AN ACT concerning government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5458

Concurred in by the House, May 26, 2010.

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 5483

A bill for AN ACT concerning government.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 5483

Concurred in by the House, May 26, 2010.

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 5513

A bill for AN ACT concerning professional regulation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 5513

Concurred in by the House, May 26, 2010.

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 5515

A bill for AN ACT concerning education.

Which amendment is as follows:

[May 26, 2010]

Senate Amendment No. 1 to HOUSE BILL NO. 5515
 Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:
 HOUSE BILL 5571

A bill for AN ACT concerning finance.
 Which amendments are as follows:
 Senate Amendment No. 1 to HOUSE BILL NO. 5571
 Senate Amendment No. 2 to HOUSE BILL NO. 5571
 Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:
 HOUSE BILL 5745

A bill for AN ACT concerning criminal law.
 Which amendments are as follows:
 Senate Amendment No. 1 to HOUSE BILL NO. 5745
 Senate Amendment No. 2 to HOUSE BILL NO. 5745
 Concurred in by the House, May 26, 2010.

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 5749

A bill for AN ACT concerning criminal law.
 Which amendment is as follows:
 Senate Amendment No. 1 to HOUSE BILL NO. 5749
 Concurred in by the House, May 26, 2010.

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 5823

A bill for AN ACT concerning State government.
 Which amendment is as follows:
 Senate Amendment No. 1 to HOUSE BILL NO. 5823
 Concurred in by the House, May 26, 2010.

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:

[May 26, 2010]

HOUSE BILL 5833

A bill for AN ACT concerning revenue.
 Which amendment is as follows:
 Senate Amendment No. 1 to HOUSE BILL NO. 5833
 Concurred in by the House, May 26, 2010.

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 5836

A bill for AN ACT concerning education.
 Which amendment is as follows:
 Senate Amendment No. 1 to HOUSE BILL NO. 5836
 Concurred in by the House, May 26, 2010.

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 5888

A bill for AN ACT concerning civil law.
 Which amendment is as follows:
 Senate Amendment No. 2 to HOUSE BILL NO. 5888
 Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:
 HOUSE BILL 6034

A bill for AN ACT concerning public health.
 Which amendments are as follows:
 Senate Amendment No. 1 to HOUSE BILL NO. 6034
 Senate Amendment No. 2 to HOUSE BILL NO. 6034
 Concurred in by the House, May 26, 2010.

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 6080

A bill for AN ACT concerning civil law.
 Which amendment is as follows:
 Senate Amendment No. 1 to HOUSE BILL NO. 6080
 Concurred in by the House, May 26, 2010.

MARK MAHONEY, Clerk of the House

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

[May 26, 2010]

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 6094

A bill for AN ACT concerning transportation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 6094

Concurred in by the House, May 26, 2010.

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 6124

A bill for AN ACT concerning civil law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 6124

Concurred in by the House, May 26, 2010.

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 6151

A bill for AN ACT concerning transportation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 6151

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 6202

A bill for AN ACT concerning utilities.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 6202

Senate Amendment No. 3 to HOUSE BILL NO. 6202

Concurred in by the House, May 26, 2010.

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 amendments to a bill of the following title, to-wit:

HOUSE BILL 6241

A bill for AN ACT concerning revenue.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 6241

Senate Amendment No. 2 to HOUSE BILL NO. 6241

Concurred in by the House, May 26, 2010.

MARK MAHONEY, Clerk of the House

[May 26, 2010]

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 amendments to a bill of the following title, to-wit:
HOUSE BILL 6349

A bill for AN ACT concerning finance.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 6349

Senate Amendment No. 2 to HOUSE BILL NO. 6349

Senate Amendment No. 3 to HOUSE BILL NO. 6349

Concurred in by the House, May 26, 2010.

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 the following joint resolution, to-wit:

HOUSE JOINT RESOLUTION NO. 121

Senate Amendment No. 1

Action taken by the House, May 26, 2010.

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 Assignments:

Motion to Concur in House Amendments 1 and 3 to Senate Bill 49

Motion to Concur in House Amendments 1 and 2 to Senate Bill 375

Motion to Concur in House Amendments 1, 3 and 6 to Senate Bill 377

Motion to Concur in House Amendments 2 and 3 to Senate Bill 1215

Motion to Concur in House Amendments 1 and 2 to Senate Bill 1642

Motion to Concur in House Amendments 1 and 2 to Senate Bill 2534

Motion to Concur in House Amendment 1 to Senate Bill 3012

Motion to Concur in House Amendments 1, 3, 4 and 5 to Senate Bill 3514

Motion to Concur in House Amendments 1, 9, 12, 14, 17, 18 and 19 to Senate Bill 3660

Motion to Concur in House Amendments 1 and 3 to Senate Bill 3662

MESSAGE FROM THE SECRETARY OF STATE

OFFICE OF THE SECRETARY OF STATE
JESSE WHITE • Secretary of State

May 26, 2010

To the Honorable President of the Senate:

Sir:

In compliance with the provisions of the Constitution of the State of Illinois, I am forwarding herewith the enclosed Senate Bill from the 96th General Assembly that is being returned by the Governor with specific recommendations for change.

SENATE BILL

[May 26, 2010]

0028

Respectfully,
s/Jesse White
Secretary of State

May 26, 2010

To the Honorable Members of the Illinois Senate,
96th General Assembly:

In accordance with Article IV, Section 9(e) of the Illinois Constitution, I hereby return Senate Bill 28 with specific recommendations for change.

This bill is the product of the hard work of many parties who all share the same goals: protecting thousands of jobs, putting more people to work and maintaining Chicago's status as the convention capital of the world.

Senate Bill 28 is important progress. But more work remains to be done.

By passing this bill, the General Assembly has taken only half a step towards reforming our State's convention industry. As long as I have been Governor, my message has been clear: when it comes to reform, half measures do not suffice. The only real reform is comprehensive reform.

This bill directs the Authority to enter into certain agreements in a manner "substantially similar" to the Procurement Code. It is entirely unclear what it means to "substantially" follow the Procurement Code, and I will not tolerate ambiguity on such an important principle. How the Authority spends its funds and enters into contractual agreements is a matter of the utmost importance. We have seen all too recently the harms that can occur when transactions are carried out outside the realm of sunshine and openness. Clarity and consistency in the Authority's procurement practices are required if the taxpayers of our State are to have confidence in the operations of the Authority.

Over the past sixteen months, I have worked with the General Assembly to overhaul our State's procurement practices through landmark amendments to the Procurement Code. I am certain that the Authority will be well served by adopting these reforms. Accordingly, my recommendation is that the Authority follows the same procurement requirements that we now require throughout state government.

For the Authority to fully fuel the Illinois economy, we must also eliminate tax increases that are counter-productive to the purpose of the bill. The fundamental purpose of this bill is to preserve and expand our State's convention industry, but a tax on ground transportation services at commercial airports will do the opposite.

During these difficult economic times, it is incumbent on our elected officials to do everything possible to protect and create jobs for the citizens of Illinois. Every year thousands of conventioners gather in Chicago, shop in our stores, eat in our restaurants, and stay in our hotels. They, along with the Illinois citizens who travel through O'Hare and Midway, should not be greeted there with a doubling of this tax on ground transportation services. As Governor, I am committed to taking every step necessary to protect our taxpayers and an industry that supports some 65,000 jobs and \$8 billion in annual economic activity for the state of Illinois. However, we cannot take shortcuts that place short-term benefits ahead of long-term gains.

Though imposing a new tax levy on travelers might generate revenue in the short-term, it increases the cost of hosting conventions in our State. Chicago sits at the crossroads of the world, and those who visit from near and far must know that our State is open for business.

There are obstacles towards implementation of this bill that we must also address. Senate Bill 28 appoints a specific Trustee to effectuate the provisions of this bill and fails to provide for the removal or succession of the Trustee. This provision presents two problems. First, by naming a specific individual

[May 26, 2010]

as a trustee, this bill violates Article IV, Section 13 of the Illinois Constitution which states that “The General Assembly shall pass no special or local law when a general law is or can be made applicable.” Second, if the Trustee was unable to serve, or if the Trustee failed to carry out his duties, no mechanism exists to protect the people of our State from a void at the Authority. This complete lack of accountability places our taxpayers at great risk. Granting the Trustee unbridled authority without oversight is not a path I am willing to pursue. My recommendations below address this gaping problem and resolve the constitutional issue.

Lastly, true reform is not only a matter of ensuring transparency in the management of the Authority, but we must also make the Authority more efficient and effective and remove the hassles that add costs to customers. In this extremely competitive industry, the Authority needs the flexibility and resources that are found in most major venues across the country, while ensuring that our highly-skilled workforce is treated fairly. Reducing the number of the Authority’s work jurisdictions will allow the Authority to continue to offer service superior to that found in other large convention destinations, such as Orlando, Florida and Las Vegas, Nevada. By putting the customers first, we will also protect thousands of Illinois jobs.

I have always said that our democracy works best when people band together towards a common interest. This bill demonstrates how true that is. Republicans and Democrats, upstate and downstate, labor and business, have worked together to see that Senate Bill 28 be placed on my desk. By continuing to work together, the General Assembly can take the final steps towards ensuring this vital economic engine will save and create thousands of jobs in our State. I am confident that the members of the General Assembly will do so and accept the recommendations below.

Therefore, pursuant to Article IV, Section 9(e) of the Illinois Constitution of 1970, I hereby return Senate Bill 28, entitled “AN ACT concerning civil law.” with the following specific recommendations for change:

on page 123, by replacing lines 25 and 26 with “requirements of Section 5.6 of this Act.”; and

on page 124, by deleting lines 1 through 3; and

on page 133, by replacing lines 20 through 26 with

“(12) The Authority shall not recognize (i) more than a single bargaining unit for employees engaged in drayage, rigging, and related duties and (ii) more than a single bargaining unit for employees engaged in carpentry, decorating, and related duties.”; and

on page 134, by deleting lines 1 through 11; and

on page 158, line 14, by deleting “~~\$4 \$2~~” and reinserting “\$2”; and

on page 158, line 19, by deleting “~~\$18 \$9~~” and reinserting “\$9”; and

on page 158, line 20, by deleting “~~\$36 \$18~~” and reinserting “\$18”; and

on page 158, line 21, by deleting “~~\$54 \$27~~” and reinserting “\$27”; and

on page 159, line 2, by replacing “~~\$2 \$1~~” with “\$1”; and

on page 160, by deleting lines 6 through 17; and

on page 174, by replacing lines 10 through 12 with the following:

“chief executive office, whichever is longer. The Governor, with the advice and consent of the Senate, shall appoint the Trustee of the Authority who shall immediately assume all duties and powers of the Board and the chief executive officer.”; and

on page 174, immediately below line 17, by inserting the following:

[May 26, 2010]

“(a-5) In the case of a vacancy in the office of Trustee of the Authority after the initial appointment of the Governor pursuant to subsection (a) of this Section, the Governor, with the advice and consent of the Senate, shall appoint a Trustee within 5 calendar days. If the vacancy occurs during a recess of the Senate, the Governor shall make a temporary appointment within 5 calendar days and the person shall serve until the next meeting of the Senate, when the Governor shall nominate some person to fill the office of Trustee. Any person so nominated who is confirmed by the Senate shall hold the office of Trustee during the remainder of the term as provided for in this Section.

(a-10) If the Trustee of the Authority, or the guardian of his estate and person, notifies the Governor that he is unable to perform the duties vested by law in the Trustee, then the Governor may designate some person as acting Trustee to execute and discharge those duties. When the Trustee of the Authority is prepared to resume his duties, he, or the guardian of his estate and person, shall do so by notifying the Governor.

(a-15) The Trustee of the Authority shall be subject to the Governor’s removal power provided for under Section 10 of the Article V of the Illinois Constitution.”; and

on page 175, on line 6, by replacing “a manner” with “accordance with the Illinois Procurement Code.”; and

on page 175, by deleting line 7; and

on page 184, line 1, by replacing “a manner substantially similar” with “accordance with the Illinois Procurement Code.”; and

on page 184, by deleting line 2.

With these changes, Senate Bill 28 will have my approval. I respectfully request your concurrence.

Sincerely,
s/Pat Quinn
Governor

Pursuant to Senate Rule 9-1, the foregoing Senate Bill, which was returned by the Governor, was placed on the Senate Calendar for Thursday, May 27, 2010.

MOTION IN WRITING

Senator Cullerton submitted the following Motion in Writing:

I move that Senate Bill 28 do pass, notwithstanding the specific recommendations of the Governor.

5/26/10
DATE

s/John J. Cullerton
SENATOR

The foregoing Motion in Writing was filed with the Secretary and ordered placed on the Senate Calendar.

At the hour of 5:44 o'clock p.m., the Chair announced that the Senate stand at ease.

AT EASE

[May 26, 2010]

At the hour of 5:56 o'clock p.m., the Senate resumed consideration of business.
 Senator Schoenberg, presiding.

REPORTS FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 26, 2010 meeting, to which was referred **House Bill No. 1597** on November 30, 2009, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **House Bill No. 1597** was returned to the order of third reading.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 26, 2010 meeting, to which was referred **House Bill No. 3690** on August 15, 2009, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **House Bill No. 3690** was returned to the order of third reading.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 26, 2010 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Appropriations II: **Motion to Concur in House Amendments 2 and 3 to Senate Bill 1215**

Executive: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 375**
Motion to Concur in House Amendments 1 and 2 to Senate Bill 1642
Motion to Concur in House Amendment 1 to Senate Bill 2863
Motion to Concur in House Amendment 1 to Senate Bill 3012
Motion to Concur in House Amendments 1, 3, 4 and 5 to Senate Bill 3514
Motion to Concur in House Amendments 1, 9, 12, 14, 17, 18 and 19 to Senate Bill 3660
Motion to Concur in House Amendments 1 and 3 to Senate Bill 3662

Revenue: **Motion to Concur in House Amendments 1 and 3 to Senate Bill 49**
Motion to Concur in House Amendments 1, 3 and 6 to Senate Bill 377
Motion to Concur in House Amendments 1 and 2 to Senate Bill 2534
Motion to Concur in House Amendments 1 and 2 to Senate Bill 2647
Motion to Concur in House Amendment 3 to Senate Bill 3749

State Government and Veterans Affairs: **Motion to Concur in House Amendments 1 and 4 to Senate Bill 2093**

Motion to Concur in House Amendment 1 to Senate Bill 3739

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 26, 2010 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committee of the Senate:

Executive: **Senate Floor Amendment No. 4 to House Bill 1597; Senate Floor Amendment No. 1 to House Bill 3690.**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 26, 2010 meeting, reported the following Senate Resolutions have been assigned to the indicated Standing Committees of the Senate:

[May 26, 2010]

Revenue: **Senate Resolution No. 808.**

State Government and Veterans Affairs: **Senate Resolutions Numbered 782 and 860.**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 26, 2010 meeting, reported the following House Resolution has been assigned to the indicated Standing Committee of the Senate:

State Government and Veterans Affairs: **House Joint Resolution No. 119.**

COMMITTEE MEETING ANNOUNCEMENTS

The Chair announced the following Committees to meet Thursday, May 27, 2010:

Executive Appointments in Room 212 at 9:00 o'clock a.m.
 Executive in Room 212 at 9:30 o'clock a.m.
 State Government & Veterans' Affairs in Room 409 at 10:00 o'clock a.m.
 Appropriations II in Room 400 at 10:15 o'clock a.m.

POSTING NOTICES WAIVED

Senator Demuzio moved to waive the six-day posting requirement on **Senate Resolution No. 782** so that the bill may be heard in the Committee on State Government and Veterans Affairs that is scheduled to meet May 27, 2010.

The motion prevailed.

Senator Muñoz moved to waive the six-day posting requirement on **House Joint Resolution No. 119** so that the bill may be heard in the Committee on State Government and Veterans Affairs that is scheduled to meet May 27, 2010.

And on that motion, a call of the roll was had resulting as follows:

YEAS 26; NAYS 12; Present 1.

The following voted in the affirmative:

Bond	Harmon	Link	Stears
Clayborne	Hunter	Maloney	Sullivan
Collins	Jacobs	Muñoz	Trotter
Delgado	Jones, E.	Noland	Viverito
Forby	Koehler	Raoul	Wilhelmi
Garrett	Kotowski	Schoenberg	
Haine	Lightford	Silverstein	

The following voted in the negative:

Althoff	Dillard	Pankau
Bivins	Jones, J.	Radogno
Bomke	Millner	Righter
Burzynski	Murphy	Syverson

The following voted present:

Crotty

[May 26, 2010]

The motion failed.

Senator Frerichs moved to waive the six-day posting requirement on **Senate Resolution No. 808** so that the bill may be heard in the Committee on State Government and Veterans Affairs that is scheduled to meet May 27, 2010.

The motion prevailed.

Senator Frerichs moved to waive the six-day posting requirement on **Senate Resolution No. 860** so that the bill may be heard in the Committee on State Government and Veterans Affairs that is scheduled to meet May 27, 2010.

The motion prevailed.

At the hour of 6:15 o'clock p.m., the Chair announced that the Senate stand adjourned until Thursday, May 27, 2010, at 11:00 o'clock a.m.