



# **SENATE JOURNAL**

**STATE OF ILLINOIS**

**NINETY-SEVENTH GENERAL ASSEMBLY**

**58TH LEGISLATIVE DAY**

**TUESDAY, MAY 31, 2011**

**12:38 O'CLOCK P.M.**

**SENATE**  
**Daily Journal Index**  
**58th Legislative Day**

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The Senate met pursuant to adjournment.  
Senator John M. Sullivan, Rushville, Illinois, presiding.  
Prayer by Pastor John Smith, United Methodist Church, Springfield, Illinois.  
Senator Maloney led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Monday, May 30, 2011, be postponed, pending arrival of the printed Journal.  
The motion prevailed.

**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. 2 to Senate Bill 1180

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 1262  
Senate Floor Amendment No. 1 to House Bill 1723

**MESSAGES FROM THE PRESIDENT**

**OFFICE OF THE SENATE PRESIDENT  
STATE OF ILLINOIS**

JOHN J. CULLERTON  
SENATE PRESIDENT

327 STATE CAPITOL  
SPRINGFIELD, ILLINOIS 62706  
217-782-2728

May 31, 2011

Ms. Jillayne Rock  
Secretary of the Senate  
Room 401 State House  
Springfield, IL 62706

Dear Madam Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Terry Link to temporarily replace Senator Kimberly Lightford as a member of the Senate Education Committee. This appointment will automatically expire upon adjournment of the Senate Education Committee.

Sincerely,  
s/John J. Cullerton  
John J. Cullerton  
Senate President

cc: Senate Minority Leader Christine Radogno

**OFFICE OF THE SENATE PRESIDENT  
STATE OF ILLINOIS**

JOHN J. CULLERTON

327 STATE CAPITOL

[May 31, 2011]

SENATE PRESIDENT

SPRINGFIELD, ILLINOIS 62706  
217-782-2728

May 31, 2011

Ms. Jillayne Rock  
Secretary of the Senate  
Room 401 State House  
Springfield, IL 62706

Dear Madam Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator Heather Steans to temporarily replace Senator Annazette Collins as a member of the Senate Education Committee. This appointment will automatically expire upon adjournment of the Senate Education Committee.

Sincerely,  
s/John J. Cullerton  
John J. Cullerton  
Senate President

cc: Senate Minority Leader Christine Radogno

**OFFICE OF THE SENATE PRESIDENT  
STATE OF ILLINOIS**

JOHN J. CULLERTON  
SENATE PRESIDENT

327 STATE CAPITOL  
SPRINGFIELD, ILLINOIS 62706  
217-782-2728

May 31, 2011

Ms. Jillayne Rock  
Secretary of the Senate  
Room 403 State House  
Springfield, IL 62706

Dear Madam Secretary:

Pursuant to the provisions of Senate Rule 2-10, I hereby establish May 31, 2011 as the 3<sup>rd</sup> Reading deadline for HB 1237, HB 1723, and HB 3188.

Sincerely,  
s/John J. Cullerton  
John J. Cullerton  
Senate President

cc: Senate Republican Leader Christine Radogno

**REPORTS FROM STANDING COMMITTEES**

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

Motion to Concur in House Amendments 2, 3 and 4 to Senate Bill 145; Motion to Concur in House Amendments 2, 3 and 4 to Senate Bill 1943

[May 31, 2011]

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

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

Motion to Concur in House Amendment 2 to Senate Bill 123

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

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

Motion to Concur in House Amendment 1 to Senate Bill 122; Motion to Concur in House Amendment 1 to Senate Bill 2133

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

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

Motion to Concur in House Amendments 2 and 3 to Senate Bill 1799

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

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

Motion to Concur in House Amendment 1 to Senate Bill 539

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

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

Motion to Concur in House Amendment 1 to Senate Bill 2288

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

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

Motion to Concur in House Amendment 1 to Senate Bill 1394

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

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

Motion to Concur in House Amendment 1 to Senate Bill 1122

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

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

Motion to Concur in House Amendments 1, 2, 3, 4, 5, 6 and 7 to Senate Bill 744; Motion to Concur in House Amendments 1 and 2 to Senate Bill 1835

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

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

Motion to Concur in House Amendment 1 to Senate Bill 109

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

Senator Jacobs, Chairperson of the Committee on Energy, to which was referred **House Bill No. 815**, reported the same back with the recommendation that the bill do pass.

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

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

Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 1652

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

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

Motion to Concur in House Amendment 2 to Senate Bill 1613

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

#### 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 adoption of the following joint resolution, to-wit:

#### SENATE JOINT RESOLUTION NO. 2

Concurred in by the House, May 30, 2011.

[May 31, 2011]

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. 107

A bill for AN ACT concerning finance.

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

House Amendment No. 1 to SENATE BILL NO. 107

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 107**

AMENDMENT NO. 1. Amend Senate Bill 107 on page 4, by replacing line 1 with the following:

"Illinois. Any fund created by an Illinois venture capital firm in which the State Treasurer places money under this Section ("TDA II-Recipient Fund") shall invest a minimum of twice (2x) the aggregate amount of investable capital that is received from the State Treasurer under this Section in Illinois companies during the life of the fund. "Illinois companies", as used in this Section, are companies that are headquartered or that otherwise have a significant presence in the State at the time of initial or follow-on investment. Investable capital is calculated as committed capital, as defined in the firm's applicable fund's governing documents, less related estimated fees and expenses to be incurred during the life of the fund.

Any TDA II-Recipient Fund shall also invest additional capital in Illinois companies during the life of the fund if, as determined by the fund's manager, the investment:

- (1) is consistent with the firm's fiduciary responsibility to its limited partners;
- (2) is consistent with the fund manager's investment strategy; and
- (3) demonstrates the potential to create risk-adjusted financial returns consistent with the fund manager's investment goals.

In addition to any reporting requirements set forth in Section 10 of this Act, any TDA II-Recipient Fund shall report the following additional information to the Treasurer on a quarterly basis for all investments:

- (1) the names of portfolio companies invested in during the applicable investment period;
- (2) the addresses of reported portfolio companies;
- (3) the date of the initial (and follow-on) investment;
- (4) the cost of the investment;
- (5) the current fair market value of the investment;
- (6) for Illinois companies, the number of Illinois employees on the investment date; and
- (7) for Illinois companies, the current number of Illinois employees.

If, as of the earlier to occur of (i) the fourth year of the investment period of any TDA II-Recipient Fund or (ii) when that TDA II-Recipient fund has drawn more than 60% of the investable capital of all limited partners, that TDA II-Recipient Fund has failed to invest the minimum amount required under this subsection (d) in Illinois companies, then the Treasurer shall deliver written notice to the manager of that fund seeking compliance with the minimum amount requirement under this subsection (d). If, after 180 days of delivery of notice, the TDA II-Recipient Fund has still failed to invest the minimum amount required under this subsection (d) in Illinois companies, then the Treasurer may elect, in writing, to terminate any further commitment to make capital contributions to that fund which otherwise would have been made under this Section."

Under the rules, the foregoing **Senate Bill No. 107**, 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:

[May 31, 2011]



## SENATE BILL NO. 266

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. 2 to SENATE BILL NO. 266

House Amendment No. 3 to SENATE BILL NO. 266

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 2 TO SENATE BILL 266**

AMENDMENT NO. 2. Amend Senate Bill 266 by replacing everything after the enacting clause with the following:

"Section 5. The General Assembly Compensation Act is amended by changing Section 1 and by adding Section 1.7 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 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 and until July 1, 2010, 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 and until July 1, 2010, 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

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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 and for session days beginning in fiscal year 2012 ~~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.

Beginning in fiscal year 2012, travel reimbursement for General Assembly members on non-session days shall be calculated using the guidelines set forth by the Legislative Travel Control Board, except that fiscal year 2012 mileage reimbursement is set 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. 96-958, eff. 7-1-10.)

(25 ILCS 115/1.7 new)

Sec. 1.7. FY12 furlough days. During each month of the fiscal year beginning July 1, 2011, every member of the 97th General Assembly is mandatorily required to forfeit one day of compensation. The State Comptroller shall deduct the equivalent of 1/261st of the annual salary of each member of the 97th General Assembly from the compensation of that member in each month 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 10. The Compensation Review Act is amended by changing Section 5.7 and by adding Section 5.8 as follows:

(25 ILCS 120/5.7)

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.

(Source: P.A. 96-958, eff. 7-1-10.)

(25 ILCS 120/5.8 new)

Sec. 5.8. FY12 COLAs 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, 2011. That cost of living adjustment shall apply again in the fiscal year beginning July 1, 2012 and thereafter.

Section 97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

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

### **AMENDMENT NO. 3 TO SENATE BILL 266**

AMENDMENT NO. 3. Amend Senate Bill 266, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The General Assembly Compensation Act is amended by changing Section 1 and by

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adding Section 1.7 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 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 and for session days in fiscal year 2012 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.

Notwithstanding any other provision of law to the contrary, beginning in fiscal year 2012, travel reimbursement for General Assembly members on non-session days shall be calculated using the guidelines set forth by the Legislative Travel Control Board, except that fiscal year 2012 mileage reimbursement is set 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. 96-958, eff. 7-1-10.)

(25 ILCS 115/1.7 new)

Sec. 1.7. FY12 furlough days. During each month of the fiscal year beginning July 1, 2011, every

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member of the 97th General Assembly is mandatorily required to forfeit one day of compensation. The State Comptroller shall deduct the equivalent of 1/261st of the annual salary of each member of the 97th General Assembly from the compensation of that member in each month 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 10. The Compensation Review Act is amended by changing Section 5.7 and by adding Section 5.8 as follows:

(25 ILCS 120/5.7)

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.~~  
(Source: P.A. 96-958, eff. 7-1-10.)

(25 ILCS 120/5.8 new)

Sec. 5.8. FY12 COLAs 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, 2011. That cost of living adjustment shall apply again in the fiscal year beginning July 1, 2012 and thereafter.

Section 97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

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

Under the rules, the foregoing **Senate Bill No. 266**, 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. 270

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. 2 to SENATE BILL NO. 270

House Amendment No. 3 to SENATE BILL NO. 270

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 2 TO SENATE BILL 270**

AMENDMENT NO. 2. Amend Senate Bill 270 as follows:

[May 31, 2011]

on page 3, line 13, by deleting "20,"; and

by deleting line 11 on page 47 through line 24 on page 48.

**AMENDMENT NO. 3 TO SENATE BILL 270**

AMENDMENT NO. 3. Amend Senate Bill 270, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Civil Administrative Code of Illinois is amended by changing Sections 5-20 and 5-175 as follows:

(20 ILCS 5/5-20) (was 20 ILCS 5/4)

Sec. 5-20. Heads of departments. Each department shall have an officer as its head who shall be known as director or secretary and who shall, subject to the provisions of the Civil Administrative Code of Illinois, execute the powers and discharge the duties vested by law in his or her respective department.

The following officers are hereby created:

Director of Aging, for the Department on Aging.

Director of Agriculture, for the Department of Agriculture.

Director of Central Management Services, for the Department of Central Management Services.

Director of Children and Family Services, for the Department of Children and Family Services.

Director of Commerce and Economic Opportunity, for the Department of Commerce and Economic Opportunity.

Director of Corrections, for the Department of Corrections.

Director of the Illinois Emergency Management Agency, for the Illinois Emergency Management Agency.

Director of Employment Security, for the Department of Employment Security.

Secretary of Financial and Professional Regulation, for the Department of Financial and Professional Regulation.

Director of Healthcare and Family Services, for the Department of Healthcare and Family Services.

Director of Human Rights, for the Department of Human Rights.

Secretary of Human Services, for the Department of Human Services.

Director of the Illinois Power Agency, for the Illinois Power Agency.

Director of Juvenile Justice, for the Department of Juvenile Justice.

Director of Labor, for the Department of Labor.

~~Director of the Lottery, for the Department of the Lottery.~~

Director of Natural Resources, for the Department of Natural Resources.

Director of Public Health, for the Department of Public Health.

Director of Revenue, for the Department of Revenue.

Director of State Police, for the Department of State Police.

Secretary of Transportation, for the Department of Transportation.

Director of Veterans' Affairs, for the Department of Veterans' Affairs.

(Source: P.A. 95-331, eff. 8-21-07; 95-481, eff. 8-28-07; 95-777, eff. 8-4-08; 96-328, eff. 8-11-09.)

(20 ILCS 5/5-175) (was 20 ILCS 5/5.12)

Sec. 5-175. In the Department of Revenue. Assistant Director of Revenue; ~~and State Lottery Superintendent.~~

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

Section 10. The Illinois Lottery Law is amended by changing Sections 3, 4, 5, 6, 7.1, 7.6, 7.11, 7.12, 9, 9.1, 10, 10.1, 10.1a, 10.2, 10.6, 10.7, 10.8, 12, 13, 14, 14.3, 19, 20.1, 21, 21.5, 21.6, 21.7, 21.8, 26, and 27 and by adding Section 29 as follows:

(20 ILCS 1605/3) (from Ch. 120, par. 1153)

Sec. 3. For the purposes of this Act:

a. "Lottery" or "State Lottery" means the lottery or lotteries established and operated pursuant to this Act.

b. "Board" means the Lottery Control Board created by this Act.

c. "Department" means the Department of ~~the Lottery~~ Revenue.

d. (Blank). ~~"Director" means the Director of Revenue.~~

e. "Chairman" means the Chairman of the Lottery Control Board.

f. "Multi-state game directors" means such persons, including the Superintendent, as may be designated by an agreement between the ~~Department~~ Division and one or more additional lotteries

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operated under the laws of another state or states.

g. ~~(Blank). "Division" means the Division of the State Lottery of the Department of Revenue.~~

h. ~~"Superintendent" means the Superintendent of the Department Division of the State Lottery of the Department of Revenue.~~

i. "Management agreement" means an agreement or contract between the Department on behalf of the State with a private manager, as an independent contractor, whereby the private manager provides management services to the Lottery in exchange for compensation that may consist of, among other things, a fee for services and a performance-based bonus of no more than 5% of Lottery profits so long as the Department continues to exercise actual control over all significant business decisions made by the private manager as set forth in Section 9.1.

j. "Person" means any individual, firm, association, joint venture, partnership, estate, trust, syndicate, fiduciary, corporation, or other legal entity, group, or combination.

k. "Private manager" means a person that provides management services to the Lottery on behalf of the Department under a management agreement.

l. "Profits" means total revenues accruing from the sale of lottery tickets or shares and related proceeds minus (1) the payment of prizes and retailer bonuses and (2) the payment of costs incurred in the operation and administration of the lottery, excluding costs of services directly rendered by a private manager.

m. "Chief Procurement Officer" means the Chief Procurement Officer provided for under paragraph (4) of subsection (a) of Section 10-20 of the Illinois Procurement Code.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840, eff. 12-23-09.)

(20 ILCS 1605/4) (from Ch. 120, par. 1154)

Sec. 4. The Department of the Lottery is established to implement and regulate the State Lottery in the manner provided in this Act.

~~In accordance with Executive Order No. 9 (2003), the Division of the State Lottery is established within the Department of Revenue. Unless otherwise provided by law, the Division of the State Lottery shall be subject to and governed by all of the laws and rules applicable to the Department.~~

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/5) (from Ch. 120, par. 1155)

Sec. 5. (a) ~~The Department Division shall be under the supervision and direction of a Superintendent, who shall be a person qualified by training and experience to perform the duties required by this Act. The Superintendent shall be appointed by the Governor, by and with the advice and consent of the Senate. The term of office of the Superintendent shall expire on the third Monday of January in odd numbered years provided that he or she shall hold office until a successor is appointed and qualified. The annual salary of the Superintendent is \$142,000.~~

Any vacancy occurring in the office of the Superintendent shall be filled in the same manner as the original appointment. In case of a vacancy during the recess of the Senate, the Governor shall make a temporary appointment until the next meeting of the Senate, when the Governor shall nominate some person to fill the office, and any person so nominated who is confirmed by the Senate shall hold office during the remainder of the term and until his or her successor is appointed and qualified.

During the absence or inability to act of the Superintendent, or in the case of a vacancy in the office of Superintendent until a successor is appointed and qualified, the Governor may designate some person as Acting Superintendent of the Lottery to execute the powers and discharge the duties vested by law in that office. A person who is designated as an Acting Superintendent shall not continue in office for more than 60 calendar days unless the Governor files a message with the Secretary of the Senate nominating that person to fill the office. After 60 calendar days, the office is considered vacant and shall be filled only under this Section. No person who has been appointed by the Governor to serve as Acting Superintendent shall, except at the Senate's request, be designated again as an Acting Superintendent at the same session of that Senate, subject to the provisions of this Section. A person appointed as an Acting Superintendent is not required to meet the requirements of paragraph (1) of subsection (b) of this Section. In no case may the Governor designate a person to serve as Acting Superintendent if that person has prior to the effective date of this amendatory Act of the 97th General Assembly exercised any of the duties and functions of the office of Superintendent without having been nominated by the Governor to serve as Superintendent.

(b) The Superintendent shall devote his or her entire time and attention to the duties of the office and shall not be engaged in any other profession or occupation. The Superintendent shall receive such salary as shall be provided by law.

The Superintendent shall:

(1) be qualified by training and experience to direct a lottery, including, at a minimum, 5 years of

senior executive-level experience in the successful advertising, marketing, and selling of consumer products, 4 years of successful experience directing a lottery on behalf of a governmental entity, or 5 years of successful senior-level management experience at a lottery on behalf of a governmental entity;

(2) have significant and meaningful management and regulatory experience; and

(3) have a good reputation, particularly as a person of honesty, independence, and integrity.

The Superintendent shall not during his or her term of appointment: become a candidate for any elective office; hold any other elected or appointed public office; be actively involved in the affairs of any political party or political organization; advocate for the appointment of another person to an appointed or elected office or position; or actively participate in any campaign for any elective office. The Superintendent may be appointed to serve on a governmental advisory or board study commission or as otherwise expressly authorized by law.

(c) No person shall perform the duties and functions of the Superintendent, or otherwise exercise the authority of the Superintendent, unless the same shall have been appointed by the Governor pursuant to this Section.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/6) (from Ch. 120, par. 1156)

Sec. 6. There is hereby created an independent board to be known as the Lottery Control Board, consisting of 5 members, all of whom shall be citizens of the United States and residents of this State and shall be appointed by the Governor with the advice and consent of the Senate. No more than 3 of the 5 members shall be members of the same political party. A chairman of the Board shall be chosen annually from the membership of the Board by a majority of the members of the Board at the first meeting of the Board each fiscal year.

Initial members shall be appointed to the Board by the Governor as follows: one member to serve until July 1, 1974, and until his successor is appointed and qualified; 2 members to serve until July 1, 1975, and until their successors are appointed and qualified; 2 members to serve until July 1, 1976, and until their successors are appointed and qualified. As terms of members so appointed expire, their successors shall be appointed for terms to expire the first day in July 3 years thereafter, and until their successors are appointed and qualified.

Any vacancy in the Board occurring for any reason other than expiration of term, shall be filled for the unexpired term in the same manner as the original appointment.

Any member of the Board may be removed by the Governor for neglect of duty, misfeasance, malfeasance, or nonfeasance in office.

Board members shall receive as compensation for their services \$100 for each day they are in attendance at any official board meeting, but in no event shall members receive more than \$1,200 per year. They shall receive no other compensation for their services, but shall be reimbursed for necessary traveling and other reasonable expenses incurred in the performance of their official duties. Each member shall make a full financial disclosure upon appointment.

The Board shall hold at least one meeting each quarter of the fiscal year. In addition, special meetings may be called by the Chairman, any 2 Board members, or the ~~Superintendent~~ ~~Director~~ of the Department, upon delivery of 72 hours' written notice to the office of each member. All Board meetings shall be open to the public pursuant to the Open Meetings Act.

Three members of the Board shall constitute a quorum, and 3 votes shall be required for any final determination by the Board. The Board shall keep a complete and accurate record of all its meetings.

(Source: P.A. 84-1128.)

(20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

Sec. 7.1. The Department shall promulgate such rules and regulations governing the establishment and operation of a State lottery as it deems necessary to carry out the purposes of this Act. Such rules and regulations shall be subject to the provisions of The Illinois Administrative Procedure Act. The ~~Department~~ ~~Division~~ shall issue written game rules, play instructions, directives, operations manuals, brochures, or any other publications necessary to conduct specific games, as authorized by rule by the Department. Any written game rules, play instructions, directives, operations manuals, brochures, or other game publications issued by the ~~Department~~ ~~Division~~ that relate to a specific lottery game shall be maintained as a public record in the ~~Department's~~ ~~Division's~~ principal office, and made available for public inspection and copying but shall be exempt from the rulemaking procedures of the Illinois Administrative Procedure Act. However, when such written materials contain any policy of general applicability, the ~~Department~~ ~~Division~~ shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act. In addition, the ~~Department~~ ~~Division~~ shall publish each January in the Illinois Register a list of all game-specific rules, play instructions, directives, operations manuals, brochures, or other game-specific publications issued by the ~~Department~~ ~~Division~~

during the previous year and instructions concerning how the public may obtain copies of these materials from the Department Division.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/7.6) (from Ch. 120, par. 1157.6)

Sec. 7.6. The Board shall advise and make recommendations to the Superintendent ~~or the Director~~ regarding the functions and operations of the State Lottery. A copy of all such recommendations shall also be forwarded to the Governor, the Attorney General, the Speaker of the House, the President of the Senate and the minority leaders of both houses.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/7.11) (from Ch. 120, par. 1157.11)

Sec. 7.11. The Department Division may establish and collect nominal charges for promotional products ("premiums") and other promotional materials produced or acquired by the Department Division as part of its advertising and promotion activities. Such premiums or other promotional materials may be sold to individuals, government agencies and not-for-profit organizations, but not to for-profit enterprises for the purpose of resale. Other State agencies shall be charged no more than the cost to the Department Division of the premium or promotional material. All proceeds from the sale of premiums or promotional materials shall be deposited in the State Lottery Fund in the State Treasury.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/7.12)

Sec. 7.12. Internet pilot program. The General Assembly finds that:

(1) the consumer market in Illinois has changed since the creation of the Illinois State Lottery in 1974;

(2) the Internet has become an integral part of everyday life for a significant number of Illinois residents not only in regards to their professional life, but also in regards to personal business and communication; and

(3) the current practices of selling lottery tickets does not appeal to the new form of market participants who prefer to make purchases on the internet at their own convenience.

It is the intent of the General Assembly to create an Internet pilot program for the sale of lottery tickets to capture this new form of market participant.

The Department shall create a pilot program that allows an individual 18 years of age or older to purchase lottery tickets or shares on the Internet without using a Lottery retailer with on-line status, as those terms are defined by rule. The Department shall restrict the sale of lottery tickets on the Internet to transactions initiated and received or otherwise made exclusively within the State of Illinois. The Department shall adopt rules necessary for the administration of this program. These rules shall include requirements for marketing of the Lottery to infrequent players. The provisions of this Act and the rules adopted under this Act shall apply to the sale of lottery tickets or shares under this program.

Before beginning the pilot program, the Department of the Lottery Revenue must submit a request to the United States Department of Justice for review of the State's plan to implement a pilot program for the sale of lottery tickets on the Internet and its propriety under federal law. The Department shall implement the Internet pilot program only if the Department of Justice does not object to the implementation of the program within a reasonable period of time after its review.

The Department is obligated to implement the pilot program set forth in this Section and Sections 7.15 and 7.16 only at such time, and to such extent, that the Department of Justice does not object to the implementation of the program within a reasonable period of time after its review. While the Illinois Lottery may only offer Lotto and Mega Millions games through the pilot program, the Department shall request review from the federal Department of Justice for the Illinois Lottery to sell lottery tickets on the Internet on behalf of the State of Illinois that are not limited to just these games.

The Department shall authorize the private manager to implement and administer the program pursuant to the management agreement entered into under Section 9.1 and in a manner consistent with the provisions of this Section. If a private manager has not been selected pursuant to Section 9.1 at the time the Department is obligated to implement the pilot program, then the Department shall not proceed with the pilot program until after the selection of the private manager, at which time the Department shall authorize the private manager to implement and administer the program pursuant to the management agreement entered into under Section 9.1 and in a manner consistent with the provisions of this Section.

The pilot program shall last for not less than 36 months, but not more than 48 months from the date of its initial operation.

Nothing in this Section shall be construed as prohibiting the Department from implementing and operating a website portal whereby individuals who are 18 years of age or older with an Illinois mailing



address may apply to purchase lottery tickets via subscription.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840, eff. 12-23-09.)

(20 ILCS 1605/9) (from Ch. 120, par. 1159)

Sec. 9. The Superintendent, as administrative head of the Department Division, shall direct and supervise all its administrative and technical activities ~~and shall report to the Director~~. In addition to the duties imposed upon him elsewhere in this Act, it shall be the Superintendent's duty:

a. To supervise and administer the operation of the lottery in accordance with the provisions of this Act or such rules and regulations of the Department adopted thereunder.

b. To attend meetings of the Board or to appoint a designee to attend in his stead.

c. To employ and direct such personnel in accord with the Personnel Code, as may be necessary to carry out the purposes of this Act. ~~The Superintendent may, subject to the approval of the Director, use the services, personnel, or facilities of the Department.~~ In addition, the Superintendent may by agreement secure such services as he or she may deem necessary from any other department, agency, or unit of the State government, and may employ and compensate such consultants and technical assistants as may be required and is otherwise permitted by law.

d. To license, in accordance with the provisions of Sections 10 and 10.1 of this Act and the rules and regulations of the Department adopted thereunder, as agents to sell lottery tickets such persons as in his opinion will best serve the public convenience and promote the sale of tickets or shares. The Superintendent may require a bond from every licensed agent, in such amount as provided in the rules and regulations of the Department. Every licensed agent shall prominently display his license, or a copy thereof, as provided in the rules and regulations of the Department.

e. To suspend or revoke any license issued pursuant to this Act or the rules and regulations promulgated by the Department thereunder.

f. To confer regularly as necessary or desirable and not less than once every month with the Lottery Control Board on the operation and administration of the Lottery; to make available for inspection by the Board or any member of the Board, upon request, all books, records, files, and other information and documents of his office; to advise the Board and recommend such rules and regulations and such other matters as he deems necessary and advisable to improve the operation and administration of the lottery.

g. To enter into contracts for the operation of the lottery, or any part thereof, and into contracts for the promotion of the lottery on behalf of the Department with any person, firm or corporation, to perform any of the functions provided for in this Act or the rules and regulations promulgated thereunder. The Department shall not expend State funds on a contractual basis for such functions unless those functions and expenditures are expressly authorized by the General Assembly.

h. To enter into an agreement or agreements with the management of state lotteries operated pursuant to the laws of other states for the purpose of creating and operating a multi-state lottery game wherein a separate and distinct prize pool would be combined to award larger prizes to the public than could be offered by the several state lotteries, individually. No tickets or shares offered in connection with a multi-state lottery game shall be sold within the State of Illinois, except those offered by and through the Department. No such agreement shall purport to pledge the full faith and credit of the State of Illinois, nor shall the Department expend State funds on a contractual basis in connection with any such game unless such expenditures are expressly authorized by the General Assembly, provided, however, that in the event of error or omission by the Illinois State Lottery in the conduct of the game, as determined by the multi-state game directors, the Department shall be authorized to pay a prize winner or winners the lesser of a disputed prize or \$1,000,000, any such payment to be made solely from funds appropriated for game prize purposes. The Department shall be authorized to share in the ordinary operating expenses of any such multi-state lottery game, from funds appropriated by the General Assembly, and in the event the multi-state game control offices are physically located within the State of Illinois, the Department is authorized to advance start-up operating costs not to exceed \$150,000, subject to proportionate reimbursement of such costs by the other participating state lotteries. The Department shall be authorized to share proportionately in the costs of establishing a liability reserve fund from funds appropriated by the General Assembly. The Department is authorized to transfer prize award funds attributable to Illinois sales of multi-state lottery game tickets to the multi-state control office, or its designated depository, for deposit to such game pool account or accounts as may be established by the multi-state game directors, the records of which account or accounts shall be available at all times for inspection in an audit by the Auditor General of Illinois and any other auditors pursuant to the laws of the State of Illinois. No multi-state game prize awarded to a nonresident of Illinois, with respect to a ticket or share purchased in a state other than the State of Illinois, shall be deemed to be a prize awarded under this Act for the purpose of taxation under the Illinois Income Tax Act. The Department shall promulgate such rules as may be appropriate to implement the provisions of this Section.

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i. To make a continuous study and investigation of (1) the operation and the administration of similar laws which may be in effect in other states or countries, (2) any literature on the subject which from time to time may be published or available, (3) any Federal laws which may affect the operation of the lottery, and (4) the reaction of Illinois citizens to existing and potential features of the lottery with a view to recommending or effecting changes that will tend to serve the purposes of this Act.

j. To report monthly to the State Treasurer and the Lottery Control Board a full and complete statement of lottery revenues, prize disbursements and other expenses for each month and the amounts to be transferred to the Common School Fund pursuant to Section 7.2 or such other funds as are otherwise authorized by Section 21.2 of this Act, and to make an annual report, which shall include a full and complete statement of lottery revenues, prize disbursements and other expenses, to the Governor and the Board. All reports required by this subsection shall be public and copies of all such reports shall be sent to the Speaker of the House, the President of the Senate, and the minority leaders of both houses.

(Source: P.A. 96-37, eff. 7-13-09.)

(20 ILCS 1605/9.1)

Sec. 9.1. Private manager and management agreement.

(a) As used in this Section:

"Offeror" means a person or group of persons that responds to a request for qualifications under this Section.

"Request for qualifications" means all materials and documents prepared by the Department to solicit the following from offerors:

(1) Statements of qualifications.

(2) Proposals to enter into a management agreement, including the identity of any prospective vendor or vendors that the offeror intends to initially engage to assist the offeror in performing its obligations under the management agreement.

"Final offer" means the last proposal submitted by an offeror in response to the request for qualifications, including the identity of any prospective vendor or vendors that the offeror intends to initially engage to assist the offeror in performing its obligations under the management agreement.

"Final offeror" means the offeror ultimately selected by the Governor to be the private manager for the Lottery under subsection (h) of this Section.

(b) By September 15, 2010, the Governor shall select a private manager for the total management of the Lottery with integrated functions, such as lottery game design, supply of goods and services, and advertising and as specified in this Section.

(c) Pursuant to the terms of this subsection, the Department shall endeavor to expeditiously terminate the existing contracts in support of the Lottery in effect on the effective date of this amendatory Act of the 96th General Assembly in connection with the selection of the private manager. As part of its obligation to terminate these contracts and select the private manager, the Department shall establish a mutually agreeable timetable to transfer the functions of existing contractors to the private manager so that existing Lottery operations are not materially diminished or impaired during the transition. To that end, the Department shall do the following:

(1) where such contracts contain a provision authorizing termination upon notice, the Department shall provide notice of termination to occur upon the mutually agreed timetable for transfer of functions;

(2) upon the expiration of any initial term or renewal term of the current Lottery contracts, the Department shall not renew such contract for a term extending beyond the mutually agreed timetable for transfer of functions; or

(3) in the event any current contract provides for termination of that contract upon the implementation of a contract with the private manager, the Department shall perform all necessary actions to terminate the contract on the date that coincides with the mutually agreed timetable for transfer of functions.

If the contracts to support the current operation of the Lottery in effect on the effective date of this amendatory Act of the 96th General Assembly are not subject to termination as provided for in this subsection (c), then the Department may include a provision in the contract with the private manager specifying a mutually agreeable methodology for incorporation.

(c-5) The Department shall include provisions in the management agreement whereby the private manager shall, for a fee, and pursuant to a contract negotiated with the Department (the "Employee Use Contract"), utilize the services of current Department employees to assist in the administration and operation of the Lottery. The Department shall be the employer of all such bargaining unit employees assigned to perform such work for the private manager, and such employees shall be State employees, as defined by the Personnel Code. Department employees shall operate under the same employment

policies, rules, regulations, and procedures, as other employees of the Department. In addition, neither historical representation rights under the Illinois Public Labor Relations Act, nor existing collective bargaining agreements, shall be disturbed by the management agreement with the private manager for the management of the Lottery.

(d) The management agreement with the private manager shall include all of the following:

- (1) A term not to exceed 10 years, including any renewals.
- (2) A provision specifying that the Department:
  - (A) shall exercise actual control over all significant business decisions;
    - (A-5) has the authority to direct or countermand operating decisions by the private manager at any time;
    - (B) has ready access at any time to information regarding Lottery operations;
    - (C) has the right to demand and receive information from the private manager concerning any aspect of the Lottery operations at any time; and
    - (D) retains ownership of all trade names, trademarks, and intellectual property associated with the Lottery.
  - (3) A provision imposing an affirmative duty on the private manager to provide the Department with material information and with any information the private manager reasonably believes the Department would want to know to enable the Department to conduct the Lottery.
  - (4) A provision requiring the private manager to provide the Department with advance notice of any operating decision that bears significantly on the public interest, including, but not limited to, decisions on the kinds of games to be offered to the public and decisions affecting the relative risk and reward of the games being offered, so the Department has a reasonable opportunity to evaluate and countermand that decision.
  - (5) A provision providing for compensation of the private manager that may consist of, among other things, a fee for services and a performance based bonus as consideration for managing the Lottery, including terms that may provide the private manager with an increase in compensation if Lottery revenues grow by a specified percentage in a given year.
  - (6) (Blank).
  - (7) A provision requiring the deposit of all Lottery proceeds to be deposited into the State Lottery Fund except as otherwise provided in Section 20 of this Act.
  - (8) A provision requiring the private manager to locate its principal office within the State.
    - (8-5) A provision encouraging that at least 20% of the cost of contracts entered into for goods and services by the private manager in connection with its management of the Lottery, other than contracts with sales agents or technical advisors, be awarded to businesses that are a minority owned business, a female owned business, or a business owned by a person with disability, as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.
  - (9) A requirement that so long as the private manager complies with all the conditions of the agreement under the oversight of the Department, the private manager shall have the following duties and obligations with respect to the management of the Lottery:
    - (A) The right to use equipment and other assets used in the operation of the Lottery.
    - (B) The rights and obligations under contracts with retailers and vendors.
    - (C) The implementation of a comprehensive security program by the private manager.
    - (D) The implementation of a comprehensive system of internal audits.
    - (E) The implementation of a program by the private manager to curb compulsive gambling by persons playing the Lottery.
    - (F) A system for determining (i) the type of Lottery games, (ii) the method of selecting winning tickets, (iii) the manner of payment of prizes to holders of winning tickets, (iv) the frequency of drawings of winning tickets, (v) the method to be used in selling tickets, (vi) a system for verifying the validity of tickets claimed to be winning tickets, (vii) the basis upon which retailer commissions are established by the manager, and (viii) minimum payouts.
  - (10) A requirement that advertising and promotion must be consistent with Section 7.8a of this Act.
  - (11) A requirement that the private manager market the Lottery to those residents who are new, infrequent, or lapsed players of the Lottery, especially those who are most likely to make regular purchases on the Internet as permitted by law.
  - (12) A code of ethics for the private manager's officers and employees.
  - (13) A requirement that the Department monitor and oversee the private manager's

practices and take action that the Department considers appropriate to ensure that the private manager is in compliance with the terms of the management agreement, while allowing the manager, unless specifically prohibited by law or the management agreement, to negotiate and sign its own contracts with vendors.

(14) A provision requiring the private manager to periodically file, at least on an annual basis, appropriate financial statements in a form and manner acceptable to the Department.

(15) Cash reserves requirements.

(16) Procedural requirements for obtaining the prior approval of the Department when a management agreement or an interest in a management agreement is sold, assigned, transferred, or pledged as collateral to secure financing.

(17) Grounds for the termination of the management agreement by the Department or the private manager.

(18) Procedures for amendment of the agreement.

(19) A provision requiring the private manager to engage in an open and competitive bidding process for any procurement having a cost in excess of \$50,000 that is not a part of the private manager's final offer. The process shall favor the selection of a vendor deemed to have submitted a proposal that provides the Lottery with the best overall value. The process shall not be subject to the provisions of the Illinois Procurement Code, unless specifically required by the management agreement.

(20) The transition of rights and obligations, including any associated equipment or other assets used in the operation of the Lottery, from the manager to any successor manager of the lottery, including the Department, following the termination of or foreclosure upon the management agreement.

(21) Right of use of copyrights, trademarks, and service marks held by the Department in the name of the State. The agreement must provide that any use of them by the manager shall only be for the purpose of fulfilling its obligations under the management agreement during the term of the agreement.

(22) The disclosure of any information requested by the Department to enable it to comply with the reporting requirements and information requests provided for under subsection (p) of this Section.

(e) Notwithstanding any other law to the contrary, the Department shall select a private manager through a competitive request for qualifications process consistent with Section 20-35 of the Illinois Procurement Code, which shall take into account:

(1) the offeror's ability to market the Lottery to those residents who are new, infrequent, or lapsed players of the Lottery, especially those who are most likely to make regular purchases on the Internet;

(2) the offeror's ability to address the State's concern with the social effects of gambling on those who can least afford to do so;

(3) the offeror's ability to provide the most successful management of the Lottery for the benefit of the people of the State based on current and past business practices or plans of the offeror; and

(4) the offeror's poor or inadequate past performance in servicing, equipping, operating or managing a lottery on behalf of Illinois, another State or foreign government and attracting persons who are not currently regular players of a lottery.

(f) The Department may retain the services of an advisor or advisors with significant experience in financial services or the management, operation, and procurement of goods, services, and equipment for a government-run lottery to assist in the preparation of the terms of the request for qualifications and selection of the private manager. Any prospective advisor seeking to provide services under this subsection (f) shall disclose any material business or financial relationship during the past 3 years with any potential offeror, or with a contractor or subcontractor presently providing goods, services, or equipment to the Department to support the Lottery. The Department shall evaluate the material business or financial relationship of each prospective advisor. The Department shall not select any prospective advisor with a substantial business or financial relationship that the Department deems to impair the objectivity of the services to be provided by the prospective advisor. During the course of the advisor's engagement by the Department, and for a period of one year thereafter, the advisor shall not enter into any business or financial relationship with any offeror or any vendor identified to assist an offeror in performing its obligations under the management agreement. Any advisor retained by the Department shall be disqualified from being an offeror. The Department shall not include terms in the request for qualifications that provide a material advantage whether directly or indirectly to any potential offeror, or any contractor or subcontractor presently providing goods, services, or equipment to the Department to

support the Lottery, including terms contained in previous responses to requests for proposals or qualifications submitted to Illinois, another State or foreign government when those terms are uniquely associated with a particular potential offeror, contractor, or subcontractor. The request for proposals offered by the Department on December 22, 2008 as "LOT08GAMESYS" and reference number "22016176" is declared void.

(g) The Department shall select at least 2 offerors as finalists to potentially serve as the private manager no later than August 9, 2010. Upon making preliminary selections, the Department shall schedule a public hearing on the finalists' proposals and provide public notice of the hearing at least 7 calendar days before the hearing. The notice must include all of the following:

- (1) The date, time, and place of the hearing.
- (2) The subject matter of the hearing.
- (3) A brief description of the management agreement to be awarded.
- (4) The identity of the offerors that have been selected as finalists to serve as the private manager.
- (5) The address and telephone number of the Department.

(h) At the public hearing, the Department shall (i) provide sufficient time for each finalist to present and explain its proposal to the Department and the Governor or the Governor's designee, including an opportunity to respond to questions posed by the Department, Governor, or designee and (ii) allow the public and non-selected offerors to comment on the presentations. The Governor or a designee shall attend the public hearing. After the public hearing, the Department shall have 14 calendar days to recommend to the Governor whether a management agreement should be entered into with a particular finalist. After reviewing the Department's recommendation, the Governor may accept or reject the Department's recommendation, and shall select a final offeror as the private manager by publication of a notice in the Illinois Procurement Bulletin on or before September 15, 2010. The Governor shall include in the notice a detailed explanation and the reasons why the final offeror is superior to other offerors and will provide management services in a manner that best achieves the objectives of this Section. The Governor shall also sign the management agreement with the private manager.

(i) Any action to contest the private manager selected by the Governor under this Section must be brought within 7 calendar days after the publication of the notice of the designation of the private manager as provided in subsection (h) of this Section.

(j) The Lottery shall remain, for so long as a private manager manages the Lottery in accordance with provisions of this Act, a Lottery conducted by the State, and the State shall not be authorized to sell or transfer the Lottery to a third party.

(k) Any tangible personal property used exclusively in connection with the lottery that is owned by the Department and leased to the private manager shall be owned by the Department in the name of the State and shall be considered to be public property devoted to an essential public and governmental function.

(l) The Department may exercise any of its powers under this Section or any other law as necessary or desirable for the execution of the Department's powers under this Section.

(m) Neither this Section nor any management agreement entered into under this Section prohibits the General Assembly from authorizing forms of gambling that are not in direct competition with the Lottery.

(n) The private manager shall be subject to a complete investigation in the third, seventh, and tenth years of the agreement (if the agreement is for a 10-year term) by the Department in cooperation with the Auditor General to determine whether the private manager has complied with this Section and the management agreement. The private manager shall bear the cost of an investigation or reinvestigation of the private manager under this subsection.

(o) The powers conferred by this Section are in addition and supplemental to the powers conferred by any other law. If any other law or rule is inconsistent with this Section, including, but not limited to, provisions of the Illinois Procurement Code, then this Section controls as to any management agreement entered into under this Section. This Section and any rules adopted under this Section contain full and complete authority for a management agreement between the Department and a private manager. No law, procedure, proceeding, publication, notice, consent, approval, order, or act by the Department or any other officer, Department, agency, or instrumentality of the State or any political subdivision is required for the Department to enter into a management agreement under this Section. This Section contains full and complete authority for the Department to approve any contracts entered into by a private manager with a vendor providing goods, services, or both goods and services to the private manager under the terms of the management agreement, including subcontractors of such vendors.

Upon receipt of a written request from the Chief Procurement Officer, the Department shall provide to

the Chief Procurement Officer a complete and un-redacted copy of the management agreement or any contract that is subject to the Department's approval authority under this subsection (o). The Department shall provide a copy of the agreement or contract to the Chief Procurement Officer in the time specified by the Chief Procurement Officer in his or her written request, but no later than 5 business days after the request is received by the Department. The Chief Procurement Officer must retain any portions of the management agreement or of any contract designated by the Department as confidential, proprietary, or trade secret information in complete confidence pursuant to the subsection (g) of Section 7 of the Freedom of Information Act. The Department shall also provide the Chief Procurement Officer with reasonable advance written notice of any contract that is pending Department approval.

Notwithstanding any other provision of this Section to the contrary, the Chief Procurement Officer shall adopt administrative rules, including emergency rules, to establish a procurement process to select a successor private manager if a private management agreement has been terminated. The selection process shall at a minimum take into account the criteria set forth in items (1) through (4) of subsection (e) of this Section and may include provisions consistent with subsections (f), (g), (h), and (i) of this Section. The Chief Procurement Officer shall also implement and administer the adopted selection process upon the termination of a private management agreement. The Department, after the Chief Procurement Officer certifies that the procurement process has been followed in accordance with the rules adopted under this subsection (o), shall select a final offeror as the private manager and sign the management agreement with the private manager.

Except as provided in Sections 21.2, 21.5, 21.6, 21.7, and 21.8, the Department shall distribute all proceeds of lottery tickets and shares sold in the following priority and manner:

(1) The payment of prizes and retailer bonuses.

(2) The payment of costs incurred in the operation and administration of the Lottery, including the payment of sums due to the private manager under the management agreement with the Department ~~and payment of sums due to the private vendor for lottery tickets and shares sold on the Internet via the pilot program as compensation under its contract with the Department.~~

(3) On the last day of each month or as soon thereafter as possible, the State Comptroller shall direct and the State Treasurer shall transfer from the Lottery Fund to the Common School Fund an amount that is equal to the proceeds transferred in the corresponding month of fiscal year 2009, as adjusted for inflation, to the Common School Fund.

(4) On or before the last day of each fiscal year, deposit any remaining proceeds, subject to payments under items (1), (2), and (3) into the Capital Projects Fund each fiscal year.

(p) The Department shall be subject to the following reporting and information request requirements:

(1) The Department shall submit written quarterly reports to the Governor and the General Assembly on the activities and actions of the private manager selected under this Section;

(2) upon request of the Chief Procurement Officer, the Department shall promptly produce information related to the procurement activities of the Department and the private manager requested by the Chief Procurement Officer; the Chief Procurement Officer must retain confidential, proprietary, or trade secret information designated by the Department in complete confidence pursuant to subsection (g) of Section 7 of the Freedom of Information Act; and

(3) at least 30 days prior to the beginning of the Department's fiscal year, the Department shall prepare an annual written report on the activities of the private manager selected under this Section and deliver that report to the Governor and General Assembly.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840, eff. 12-23-09.)

(20 ILCS 1605/10) (from Ch. 120, par. 1160)

Sec. 10. The ~~Department Division~~, upon application therefor on forms prescribed by the ~~Department Division~~, and upon a determination by the ~~Department Division~~ that the applicant meets all of the qualifications specified in this Act, shall issue a license as an agent to sell lottery tickets or shares. No license as an agent to sell lottery tickets or shares shall be issued to any person to engage in business exclusively as a lottery sales agent.

Before issuing such license the Superintendent shall consider (a) the financial responsibility and security of the person and his business or activity, (b) the accessibility of his place of business or activity to the public, (c) the sufficiency of existing licenses to serve the public convenience, (d) the volume of expected sales, and (e) such other factors as he or she may deem appropriate.

Until September 1, 1987, the provisions of Sections 2a, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 12 and 13.5 of the Retailers' Occupation Tax Act which are not inconsistent with this Act shall apply to the subject matter of this Act to the same extent as if such provisions were included in this Act. For purposes of this Act, references in such incorporated Sections of the Retailers' Occupation Tax Act to retailers, sellers or persons engaged in the business of selling tangible personal property mean

persons engaged in selling lottery tickets or shares; references in such incorporated Sections to sales of tangible personal property mean the selling of lottery tickets or shares; and references in such incorporated Sections to certificates of registration mean licenses issued under this Act. The provisions of the Retailers' Occupation Tax Act as heretofore applied to the subject matter of this Act shall not apply with respect to tickets sold by or delivered to lottery sales agents on and after September 1, 1987, but such provisions shall continue to apply with respect to transactions involving the sale and delivery of tickets prior to September 1, 1987.

All licenses issued by the ~~Department~~ Division under this Act shall be valid for a period not to exceed 2 years after issuance unless sooner revoked, canceled or suspended as in this Act provided. No license issued under this Act shall be transferable or assignable. Such license shall be conspicuously displayed in the place of business conducted by the licensee in Illinois where lottery tickets or shares are to be sold under such license.

For purposes of this Section, the term "person" shall be construed to mean and include an individual, association, partnership, corporation, club, trust, estate, society, company, joint stock company, receiver, trustee, referee, any other person acting in a fiduciary or representative capacity who is appointed by a court, or any combination of individuals. "Person" includes any department, commission, agency or instrumentality of the State, including any county, city, village, or township and any agency or instrumentality thereof.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/10.1) (from Ch. 120, par. 1160.1)

Sec. 10.1. The following are ineligible for any license under this Act:

- (a) any person who has been convicted of a felony;
- (b) any person who is or has been a professional gambler or gambling promoter;
- (c) any person who has engaged in bookmaking or other forms of illegal gambling;
- (d) any person who is not of good character and reputation in the community in which he resides;
- (e) any person who has been found guilty of any fraud or misrepresentation in any connection;
- (f) any firm or corporation in which a person defined in (a), (b), (c), (d) or (e) has a proprietary, equitable or credit interest of 5% or more.
- (g) any organization in which a person defined in (a), (b), (c), (d) or (e) is an officer, director, or managing agent, whether compensated or not;
- (h) any organization in which a person defined in (a), (b), (c), (d), or (e) is to participate in the management or sales of lottery tickets or shares.

However, with respect to persons defined in (a), the Department may grant any such person a license under this Act when:

- 1) at least 10 years have elapsed since the date when the sentence for the most recent such conviction was satisfactorily completed;
- 2) the applicant has no history of criminal activity subsequent to such conviction;
- 3) the applicant has complied with all conditions of probation, conditional discharge, supervision, parole or mandatory supervised release; and
- 4) the applicant presents at least 3 letters of recommendation from responsible citizens in his community who personally can attest that the character and attitude of the applicant indicate that he is unlikely to commit another crime.

The ~~Department~~ Division may revoke, without notice or a hearing, the license of any agent who violates this Act or any rule or regulation promulgated pursuant to this Act. However, if the ~~Department~~ Division does revoke a license without notice and an opportunity for a hearing, the ~~Department~~ Division shall, by appropriate notice, afford the person whose license has been revoked an opportunity for a hearing within 30 days after the revocation order has been issued. As a result of any such hearing, the ~~Department~~ Division may confirm its action in revoking the license, or it may order the restoration of such license.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/10.1a) (from Ch. 120, par. 1160.1a)

Sec. 10.1a. In addition to other grounds specified in this Act, the ~~Department~~ Division shall refuse to issue and shall suspend the license of any lottery sales agency who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Department of Revenue, until such time as the requirements of any such tax Act are satisfied, unless the agency is contesting, in accordance with the procedures established by the appropriate revenue Act, its liability for the tax or the amount of tax. The ~~Department~~ Division shall affirmatively verify the tax status of every sales agency before issuing or renewing a license. For purposes of this Section, a sales agency shall not be considered delinquent in the payment of

a tax if the agency (a) has entered into an agreement with the Department of Revenue for the payment of all such taxes that are due and (b) is in compliance with the agreement.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

Sec. 10.2. Application and other fees. Each application for a new lottery license must be accompanied by a one-time application fee of \$50; the Department Division, however, may waive the fee for licenses of limited duration as provided by Department rule. Each application for renewal of a lottery license must be accompanied by a renewal fee of \$25. Each lottery licensee granted on-line status pursuant to the Department's rules must pay a fee of \$10 per week as partial reimbursement for telecommunications charges incurred by the Department in providing access to the lottery's on-line gaming system. The Department, by rule, may increase or decrease the amount of these fees.

(Source: P.A. 93-840, eff. 7-30-04; 94-776, eff. 5-19-06.)

(20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

Sec. 10.6. The Department Division shall make an effort to more directly inform players of the odds of winning prizes. This effort shall include, at a minimum, that the Department Division require all ticket agents to display a placard stating the odds of winning for each game offered by that agent.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/10.7)

Sec. 10.7. Compulsive gambling.

(a) Each lottery sales agent shall post a statement regarding obtaining assistance with gambling problems and including a toll-free "800" telephone number providing crisis counseling and referral services to families experiencing difficulty as a result of problem or compulsive gambling. The text of the statement shall be determined by rule by the Department of Human Services, shall be no more than one sentence in length, and shall be posted on the placard required under Section 10.6. The signs shall be provided by the Department of Human Services.

(b) The Department Division shall print a statement regarding obtaining assistance with gambling problems, the text of which shall be determined by rule by the Department of Human Services, on all paper stock it provides to the general public.

(c) The Department Division shall print a statement of no more than one sentence in length regarding obtaining assistance with gambling problems and including a toll-free "800" number providing crisis counseling and referral services to families experiencing difficulty as a result of problem or compulsive gambling on the back of all lottery tickets.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/10.8)

Sec. 10.8. Specialty retailers license.

(a) "Veterans service organization" means an organization that:

- (1) is formed by and for United States military veterans;
- (2) is chartered by the United States Congress and incorporated in the State of Illinois;
- (3) maintains a state headquarters office in the State of Illinois; and
- (4) is not funded by the State of Illinois or by any county in this State.

(b) The Department Division shall establish a special classification of retailer license to facilitate the year-round sale of the instant scratch-off lottery game established by the General Assembly in Section 21.6. The fees set forth in Section 10.2 do not apply to a specialty retailer license.

The holder of a specialty retailer license (i) shall be a veterans service organization,

(ii) may sell only specialty lottery tickets established for the benefit of the Veterans Assistance Fund in the State treasury, (iii) is required to purchase those tickets up front at face value from the Illinois Lottery, and (iv) must sell those tickets at face value. Specialty retailers may obtain a refund from the Department Division for any unsold specialty tickets that they have purchased for resale, as set forth in the specialty retailer agreement.

Specialty retailers shall receive a sales commission equal to 2% of the face value of specialty game tickets purchased from the Department, less adjustments for unsold tickets returned to the Illinois Lottery for credit. Specialty retailers may not cash winning tickets, but are entitled to a 1% bonus in connection with the sale of a winning specialty game ticket having a price value of \$1,000 or more.

(Source: P.A. 96-1105, eff. 7-19-10.)

(20 ILCS 1605/12) (from Ch. 120, par. 1162)

Sec. 12. The public inspection and copying of the records and data of the Department Division and the Board shall be generally governed by the provisions of the Freedom of Information Act except that the following shall additionally be exempt from inspection and copying:

[May 31, 2011]



- (i) information privileged against introduction in judicial proceedings;
- (ii) internal communications of the several agencies;
- (iii) information concerning secret manufacturing processes or confidential data submitted by any person under this Act;

(iv) any creative proposals, scripts, storyboards or other materials prepared by or for the ~~Department Division~~, prior to the placement of the materials in the media, if the prior release of the materials would compromise the effectiveness of an advertising campaign.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/13) (from Ch. 120, par. 1163)

Sec. 13. Except as otherwise provided in Section 13.1, no prize, nor any portion of a prize, nor any right of any person to a prize awarded shall be assignable. Any prize, or portion thereof remaining unpaid at the death of a prize winner, may be paid to the estate of such deceased prize winner, or to the trustee under a revocable living trust established by the deceased prize winner as settlor, provided that a copy of such a trust has been filed with the Department along with a notarized letter of direction from the settlor and no written notice of revocation has been received by the ~~Department Division~~ prior to the settlor's death. Following such a settlor's death and prior to any payment to such a successor trustee, the Superintendent shall obtain from the trustee a written agreement to indemnify and hold the Department and the ~~Department Division~~ harmless with respect to any claims that may be asserted against the Department ~~or the Division~~ arising from payment to or through the trust. Notwithstanding any other provision of this Section, any person pursuant to an appropriate judicial order may be paid the prize to which a winner is entitled, and all or part of any prize otherwise payable by State warrant under this Section shall be withheld upon certification to the State Comptroller from the Department of Healthcare and Family Services as provided in Section 10-17.5 of The Illinois Public Aid Code. The Director and the Superintendent shall be discharged of all further liability upon payment of a prize pursuant to this Section.

(Source: P.A. 94-776, eff. 5-19-06; 95-331, eff. 8-21-07.)

(20 ILCS 1605/14) (from Ch. 120, par. 1164)

Sec. 14. No person shall sell a ticket or share at a price greater than that fixed by rule or regulation of the Department ~~or the Division~~. No person other than a licensed lottery sales agent or distributor shall sell or resell lottery tickets or shares. No person shall charge a fee to redeem a winning ticket or share.

Any person convicted of violating this Section shall be guilty of a Class B misdemeanor; provided, that if any offense under this Section is a subsequent offense, the offender shall be guilty of a Class 4 felony.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/14.3)

Sec. 14.3. Misuse of proprietary material prohibited. Except as may be provided in Section 7.11, or by bona fide sale or by prior authorization from the Department or the Division, or otherwise by law, all premiums, promotional and other proprietary material produced or acquired by the ~~Department Division~~ as part of its advertising and promotional activities shall remain the property of the Department. Nothing herein shall be construed to affect the rights or obligations of the Department or any other person under federal or State trademark or copyright laws.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/19) (from Ch. 120, par. 1169)

Sec. 19. The ~~Department Division~~ shall establish an appropriate period for the claiming of prizes for each lottery game offered. Each claim period shall be stated in game rules and written play instructions issued by the Superintendent in accordance with Section 7.1 of this Act. Written play instructions shall be made available to all players through sales agents licensed to sell game tickets or shares. Prizes for lottery games which involve the purchase of a physical lottery ticket may be claimed only by presentation of a valid winning lottery ticket that matches validation records on file with the Lottery; no claim may be honored which is based on the assertion that the ticket was lost or stolen. No lottery ticket which has been altered, mutilated, or fails to pass validation tests shall be deemed to be a winning ticket.

If no claim is made for the money within the established claim period, the prize may be included in the prize pool of such special drawing or drawings as the ~~Department Division~~ may, from time to time, designate. Unclaimed multi-state game prize money may be included in the multi-state prize pool for such special drawing or drawings as the multi-state game directors may, from time to time, designate. Any bonuses offered by the Department to sales agents who sell winning tickets or shares shall be payable to such agents regardless of whether or not the prize money on the ticket or share is claimed, provided that the agent can be identified as the vendor of the winning ticket or share, and that the winning ticket or share was sold on or after January 1, 1984. All unclaimed prize money not included in

the prize pool of a special drawing shall be transferred to the Common School Fund.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/20.1) (from Ch. 120, par. 1170.1)

Sec. 20.1. Department account.

(a) The Department is authorized to pay validated prizes up to \$25,000 from funds held by the Department in an account separate and apart from all public moneys of the State. Moneys in this account shall be administered by the ~~Superintendent~~ Director exclusively for the purposes of issuing payments to prize winners authorized by this Section. Moneys in this account shall be deposited by the Department into the Public Treasurers' Investment Pool established under Section 17 of the State Treasurer Act. The Department shall submit vouchers from time to time as needed for reimbursement of this account from moneys appropriated for prizes from the State Lottery Fund. Investment income earned from this account shall be deposited monthly by the Department into the Common School Fund. The Department shall file quarterly fiscal reports specifying the activity of this account as required under Section 16 of the State Comptroller Act, and shall file quarterly with the General Assembly, the Auditor General, the Comptroller, and the State Treasurer a report indicating the costs associated with this activity.

(b) The Department is authorized to enter into an interagency agreement with the Office of the Comptroller or any other State agency to establish responsibilities, duties, and procedures for complying with the Comptroller's Offset System under Section 10.05 of the State Comptroller Act. All federal and State tax reporting and withholding requirements relating to prize winners under this Section shall be the responsibility of the Department. Moneys from this account may not be used to pay amounts to deferred prize winners. Moneys may not be transferred from the State Lottery Fund to this account for payment of prizes under this Section until procedures are implemented to comply with the Comptroller's Offset System and sufficient internal controls are in place to validate prizes.

(Source: P.A. 87-1197; 88-676, eff. 12-14-94.)

(20 ILCS 1605/21) (from Ch. 120, par. 1171)

Sec. 21. All lottery sales agents or distributors shall be liable to the Lottery for any and all tickets accepted or generated by any employee or representative of that agent or distributor, and such tickets shall be deemed to have been purchased by the agent or distributor unless returned to the Lottery within the time and in the manner prescribed by the Superintendent. All moneys received by such agents or distributors from the sale of lottery tickets or shares, less the amount retained as compensation for the sale of the tickets or shares and the amount paid out as prizes, shall be paid over to a lottery representative or deposited in a bank or savings and loan association approved by the State Treasurer, as prescribed by the Superintendent.

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

Each payment or deposit shall be accompanied by a report of the agent's receipts and transactions in the sale of lottery tickets in such form and containing such information as the Superintendent may require. Any discrepancies in such receipts and transactions may be resolved as provided by the rules and regulations of the Department.

If any money due the Lottery by a sales agent or distributor is not paid when due or demanded, it shall immediately become delinquent and be billed on a subsequent monthly statement. If on the closing date for any monthly statement a delinquent amount previously billed of more than \$50 remains unpaid, interest in such amount shall be accrued at the rate of 2% per month or fraction thereof from the date when such delinquent amount becomes past due until such delinquent amount, including interest, penalty and other costs and charges that the Department may incur in collecting such amounts, is paid. In case any agent or distributor fails to pay any moneys due the Lottery within 30 days after a second bill or statement is rendered to the agent or distributor, such amount shall be deemed seriously delinquent and may be referred by the Department to a collection agency or credit bureau for collection. Any contract entered into by the Department for the collection of seriously delinquent accounts with a collection agency or credit bureau may be satisfied by a commercially reasonable percentage of the delinquent account recouped, which shall be negotiated by the Department in accordance with commercially accepted standards. Any costs incurred by the Department or others authorized to act in its behalf in collecting such delinquencies may be assessed against the agent or distributor and included as a part of the delinquent account.

In case of failure of an agent or distributor to pay a seriously delinquent amount, or any portion thereof, including interest, penalty and costs, the ~~Department~~ Division may issue a Notice of Assessment. In determining amounts shown on the Notice of Assessment, the ~~Department~~ Division shall utilize the financial information available from its records. Such Notice of Assessment shall be prima

facie correct and shall be prima facie evidence of delinquent sums due under this Section at any hearing before the Board, or its Hearing Officers, or at any other legal proceeding. Reproduced copies of the ~~Department's Division's~~ records relating to a delinquent account or a Notice of Assessment offered in the name of the Department, under the Certificate of the ~~Superintendent Director~~ or any officer or employee of the Department designated in writing by the ~~Superintendent Director~~ shall, without further proof, be admitted into evidence in any such hearing or any legal proceeding and shall be prima facie proof of the delinquency, including principal and any interest, penalties and costs, as shown thereon. The Attorney General may bring suit on behalf of the Department to collect all such delinquent amounts, or any portion thereof, including interest, penalty and costs, due the Lottery.

Any person who accepts money that is due to the Department from the sale of lottery tickets under this Act, but who wilfully fails to remit such payment to the Department when due or who purports to make such payment but wilfully fails to do so because his check or other remittance fails to clear the bank or savings and loan association against which it is drawn, in addition to the amount due and in addition to any other penalty provided by law, shall be assessed, and shall pay, a penalty equal to 5% of the deficiency plus any costs or charges incurred by the Department in collecting such amount.

The ~~Superintendent Director~~ may make such arrangements for any person(s), banks, savings and loan associations or distributors, to perform such functions, activities or services in connection with the operation of the lottery as he deems advisable pursuant to this Act, the State Comptroller Act, or the rules and regulations of the Department, and such functions, activities or services shall constitute lawful functions, activities and services of such person(s), banks, savings and loan associations or distributors.

All income arising out of any activity or purpose of the ~~Department Division~~ shall, pursuant to the State Finance Act, be paid into the State Treasury except as otherwise provided by the rules and regulations of the Department and shall be covered into a special fund to be known as the State Lottery Fund. Banks and savings and loan associations may be compensated for services rendered based upon the activity and amount of funds on deposit.

(Source: P.A. 94-776, eff. 5-19-06.)

(20 ILCS 1605/21.5)

Sec. 21.5. Ticket For The Cure.

(a) The Department shall offer a special instant scratch-off game with the title of "Ticket For The Cure". The game shall commence on January 1, 2006 or as soon thereafter, in the discretion of the ~~Superintendent Director~~, as is reasonably practical, and shall be discontinued on December 31, 2011. The operation of the game shall be governed by this Act and any rules adopted by the Department. The Department must consult with the Ticket For The Cure Board, which is established under Section 2310-347 of the Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois, regarding the design and promotion of the game. If any provision of this Section is inconsistent with any other provision of this Act, then this Section governs.

(b) The Carolyn Adams Ticket For The Cure Grant Fund is created as a special fund in the State treasury. The net revenue from the Ticket For The Cure special instant scratch-off game shall be deposited into the Fund for appropriation by the General Assembly solely to the Department of Public Health for the purpose of making grants to public or private entities in Illinois for the purpose of funding research concerning breast cancer and for funding services for breast cancer victims. The Department must, before grants are awarded, provide copies of all grant applications to the Ticket For The Cure Board, receive and review the Board's recommendations and comments, and consult with the Board regarding the grants. For purposes of this Section, the term "research" includes, without limitation, expenditures to develop and advance the understanding, techniques, and modalities effective in the detection, prevention, screening, and treatment of breast cancer and may include clinical trials. The grant funds may not be used for institutional, organizational, or community-based overhead costs, indirect costs, or levies.

Moneys received for the purposes of this Section, including, without limitation, net revenue from the special instant scratch-off game and gifts, grants, and awards from any public or private entity, must be deposited into the Fund. Any interest earned on moneys in the Fund must be deposited into the Fund.

For purposes of this subsection, "net revenue" means the total amount for which tickets have been sold less the sum of the amount paid out in prizes and the actual administrative expenses of the Department solely related to the Ticket For The Cure game.

(c) During the time that tickets are sold for the Ticket For The Cure game, the Department shall not unreasonably diminish the efforts devoted to marketing any other instant scratch-off lottery game.

(d) The Department may adopt any rules necessary to implement and administer the provisions of this Section.

(Source: P.A. 96-1290, eff. 7-26-10.)

(20 ILCS 1605/21.6)

Sec. 21.6. Scratch-off for Illinois veterans.

(a) The Department shall offer a special instant scratch-off game for the benefit of Illinois veterans. The game shall commence on January 1, 2006 or as soon thereafter, at the discretion of the Superintendent Director, as is reasonably practical. The operation of the game shall be governed by this Act and any rules adopted by the Department. If any provision of this Section is inconsistent with any other provision of this Act, then this Section governs.

(b) The Illinois Veterans Assistance Fund is created as a special fund in the State treasury. The net revenue from the Illinois veterans scratch-off game shall be deposited into the Fund for appropriation by the General Assembly solely to the Department of Veterans Affairs for making grants, funding additional services, or conducting additional research projects relating to each of the following:

- (i) veterans' post traumatic stress disorder;
- (ii) veterans' homelessness;
- (iii) the health insurance costs of veterans;
- (iv) veterans' disability benefits, including but not limited to, disability benefits provided by veterans service organizations and veterans assistance commissions or centers; and
- (v) the long-term care of veterans; provided that, beginning with moneys appropriated for fiscal year 2008, no more than 20% of such moneys shall be used for health insurance costs.

In order to expend moneys from this special fund, beginning with moneys appropriated for fiscal year 2008, the Director of Veterans' Affairs shall appoint a 3-member funding authorization committee. The Superintendent Director shall designate one of the members as chairperson. The committee shall meet on a quarterly basis, at a minimum, and shall authorize expenditure of moneys from the special fund by a two-thirds vote. Decisions of the committee shall not take effect unless and until approved by the Director of Veterans' Affairs. Each member of the committee shall serve until a replacement is named by the Director of Veterans' Affairs. One member of the committee shall be a member of the Veterans' Advisory Council.

Moneys collected from the special instant scratch-off game shall be used only as a supplemental financial resource and shall not supplant existing moneys that the Department of Veterans Affairs may currently expend for the purposes set forth in items (i) through (v).

Moneys received for the purposes of this Section, including, without limitation, net revenue from the special instant scratch-off game and from gifts, grants, and awards from any public or private entity, must be deposited into the Fund. Any interest earned on moneys in the Fund must be deposited into the Fund.

For purposes of this subsection, "net revenue" means the total amount for which tickets have been sold less the sum of the amount paid out in the prizes and the actual administrative expenses of the Department solely related to the scratch-off game under this Section.

(c) During the time that tickets are sold for the Illinois veterans scratch-off game, the Department shall not unreasonably diminish the efforts devoted to marketing any other instant scratch-off lottery game.

(d) The Department may adopt any rules necessary to implement and administer the provisions of this Section.

(Source: P.A. 94-585, eff. 8-15-05; 95-331, eff. 8-20-07; 95-649, eff. 10-11-07.)

(20 ILCS 1605/21.7)

Sec. 21.7. Scratch-out Multiple Sclerosis scratch-off game.

(a) The Department shall offer a special instant scratch-off game for the benefit of research pertaining to multiple sclerosis. The game shall commence on July 1, 2008 or as soon thereafter, in the discretion of the Superintendent Director, as is reasonably practical. The operation of the game shall be governed by this Act and any rules adopted by the Department. If any provision of this Section is inconsistent with any other provision of this Act, then this Section governs.

(b) The Multiple Sclerosis Research Fund is created as a special fund in the State treasury. The net revenue from the scratch-out multiple sclerosis scratch-off game created under this Section shall be deposited into the Fund for appropriation by the General Assembly to the Department of Public Health for the purpose of making grants to organizations in Illinois that conduct research pertaining to the repair of damage caused by an acquired demyelinating disease of the central nervous system.

Moneys received for the purposes of this Section, including, without limitation, net revenue from the special instant scratch-off game and from gifts, grants, and awards from any public or private entity, must be deposited into the Fund. Any interest earned on moneys in the Fund must be deposited into the Fund.

For purposes of this Section, the term "research" includes, without limitation, expenditures to develop and advance the understanding, techniques, and modalities effective for maintaining function, mobility,

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and strength through preventive physical therapy or other treatments and to develop and advance the repair of myelin, neuron, and axon damage caused by an acquired demyelinating disease of the central nervous system and the restoration of function, including but not limited to, nervous system repair or neuroregeneration.

The grant funds may not be used for institutional, organizational, or community-based overhead costs, indirect costs, or levies.

For purposes of this subsection, "net revenue" means the total amount for which tickets have been sold less the sum of the amount paid out in the prizes and the actual administrative expenses of the Department solely related to the scratch-off game under this Section.

(c) During the time that tickets are sold for the scratch-out multiple sclerosis scratch-off game, the Department shall not unreasonably diminish the efforts devoted to marketing any other instant scratch-off lottery game.

(d) The Department may adopt any rules necessary to implement and administer the provisions of this Section.

(Source: P.A. 95-673, eff. 10-11-07; 95-876, eff. 8-21-08.)

(20 ILCS 1605/21.8)

Sec. 21.8. Quality of Life scratch-off game.

(a) The Department shall offer a special instant scratch-off game with the title of "Quality of Life". The game shall commence on July 1, 2007 or as soon thereafter, in the discretion of the Superintendent Director, as is reasonably practical, and shall be discontinued on December 31, 2012. The operation of the game is governed by this Act and by any rules adopted by the Department. The Department must consult with the Quality of Life Board, which is established under Section 2310-348 of the Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois, regarding the design and promotion of the game. If any provision of this Section is inconsistent with any other provision of this Act, then this Section governs.

(b) The Quality of Life Endowment Fund is created as a special fund in the State treasury. The net revenue from the Quality of Life special instant scratch-off game must be deposited into the Fund for appropriation by the General Assembly solely to the Department of Public Health for the purpose of HIV/AIDS-prevention education and for making grants to public or private entities in Illinois for the purpose of funding organizations that serve the highest at-risk categories for contracting HIV or developing AIDS. Grants shall be targeted to serve at-risk populations in proportion to the distribution of recent reported Illinois HIV/AIDS cases among risk groups as reported by the Illinois Department of Public Health. The recipient organizations must be engaged in HIV/AIDS-prevention education and HIV/AIDS healthcare treatment. The Department must, before grants are awarded, provide copies of all grant applications to the Quality of Life Board, receive and review the Board's recommendations and comments, and consult with the Board regarding the grants. Organizational size will determine an organization's competitive slot in the "Request for Proposal" process. Organizations with an annual budget of \$300,000 or less will compete with like size organizations for 50% of the Quality of Life annual fund. Organizations with an annual budget of \$300,001 to \$700,000 will compete with like organizations for 25% of the Quality of Life annual fund, and organizations with an annual budget of \$700,001 and upward will compete with like organizations for 25% of the Quality of Life annual fund. The lottery may designate a percentage of proceeds for marketing purpose. The grant funds may not be used for institutional, organizational, or community-based overhead costs, indirect costs, or levies.

Grants awarded from the Fund are intended to augment the current and future State funding for the prevention and treatment of HIV/AIDS and are not intended to replace that funding.

Moneys received for the purposes of this Section, including, without limitation, net revenue from the special instant scratch-off game and gifts, grants, and awards from any public or private entity, must be deposited into the Fund. Any interest earned on moneys in the Fund must be deposited into the Fund.

For purposes of this subsection, "net revenue" means the total amount for which tickets have been sold less the sum of the amount paid out in prizes and the actual administrative expenses of the Department solely related to the Quality of Life game.

(c) During the time that tickets are sold for the Quality of Life game, the Department shall not unreasonably diminish the efforts devoted to marketing any other instant scratch-off lottery game.

(d) The Department may adopt any rules necessary to implement and administer the provisions of this Section in consultation with the Quality of Life Board.

(Source: P.A. 95-674, eff. 10-11-07; 95-876, eff. 8-21-08.)

(20 ILCS 1605/27) (from Ch. 120, par. 1177)

Sec. 27. (a) The State Treasurer may, with the consent of the Superintendent Director, contract with any person or corporation, including, without limitation, a bank, banking house, trust company or

investment banking firm, to perform such financial functions, activities or services in connection with operation of the lottery as the State Treasurer and the Superintendent Director may prescribe.

(b) All proceeds from investments made pursuant to contracts executed by the State Treasurer, with the consent of the Superintendent Director, to perform financial functions, activities or services in connection with operation of the lottery, shall be deposited and held by the State Treasurer as ex-officio custodian thereof, separate and apart from all public money or funds of this State in a special trust fund outside the State treasury. Such trust fund shall be known as the "Deferred Lottery Prize Winners Trust Fund", and shall be administered by the Superintendent Director.

The Superintendent Director shall, at such times and in such amounts as shall be necessary, prepare and send to the State Comptroller vouchers requesting payment from the Deferred Lottery Prize Winners Trust Fund to deferred prize winners, in a manner that will insure the timely payment of such amounts owed.

This Act shall constitute an irrevocable appropriation of all amounts necessary for that purpose, and the irrevocable and continuing authority for and direction to the Superintendent Director and the State Treasurer to make the necessary payments out of such trust fund for that purpose.

(c) Moneys invested pursuant to subsection (a) of this Section may be invested only in bonds, notes, certificates of indebtedness, treasury bills, or other securities constituting direct obligations of the United States of America and all securities or obligations the prompt payment of principal and interest of which is guaranteed by a pledge of the full faith and credit of the United States of America. Interest earnings on moneys in the Deferred Lottery Prize Winners Trust Fund shall remain in such fund and be used to pay the winners of lottery prizes deferred as to payment until such obligations are discharged. Proceeds from bonds purchased and interest accumulated as a result of a grand prize multi-state game ticket that goes unclaimed will be transferred after the termination of the relevant claim period directly from the lottery's Deferred Lottery Prize Winners Trust Fund to each respective multi-state partner state according to its contribution ratio.

(c-5) If a deferred lottery prize is not claimed within the claim period established by game rule, then the securities or other instruments purchased to fund the prize shall be liquidated and the liquidated amount shall be transferred to the State Lottery Fund for disposition pursuant to Section 19 of this Act.

(c-10) The Superintendent Director may use a portion of the moneys in the Deferred Lottery Prize Winners Trust Fund to purchase bonds to pay a lifetime prize if the prize duration exceeds the length of available securities. If the winner of a lifetime prize exceeds his or her life expectancy as determined using actuarial assumptions and the securities or moneys set aside to pay the prize have been exhausted, moneys in the State Lottery Fund shall be used to make payments to the winner for the duration of the winner's life.

(c-15) From time to time, the Superintendent Director may request that the State Comptroller transfer any excess moneys in the Deferred Lottery Prize Winners Trust Fund to the Lottery Fund.

(d) This amendatory Act of 1985 shall be construed liberally to effect the purposes of the Illinois Lottery Law.

(Source: P.A. 89-466, eff. 6-13-96; 90-346, eff. 8-8-97.)

(20 ILCS 1605/29 new)

Sec. 29. The Department of the Lottery.

(a) Executive Order No. 2003-09 is hereby superseded by this amendatory Act of the 97th General Assembly to the extent that Executive Order No. 2003-09 transfers the powers, duties, rights, and responsibilities of the Department of the Lottery to the Division of the Lottery within the Department of Revenue.

(b) The Division of the Lottery within the Department of Revenue is hereby abolished and the Department of the Lottery is created as an independent department. On the effective date of this amendatory Act of the 97th General Assembly, all powers, duties, rights, and responsibilities of the Division of the Lottery within the Department of Revenue shall be transferred to the Department of the Lottery.

(c) The personnel of the Division of the Lottery within the Department of Revenue shall be transferred to the Department of the Lottery. The status and rights of such employees under the Personnel Code shall not be affected by the transfer. The rights of the employees and the State of Illinois and its agencies under the Personnel Code and applicable collective bargaining agreements or under any pension, retirement, or annuity plan shall not be affected by this amendatory Act of the 97th General Assembly. To the extent that an employee performs duties for the Division of the Lottery within the Department of Revenue and the Department of Revenue itself or any other division or agency within the Department of Revenue, that employee shall be transferred at the Governor's discretion.

(d) All books, records, papers, documents, property (real and personal), contracts, causes of action,

and pending business pertaining to the powers, duties, rights, and responsibilities transferred by this amendatory Act of the 97th General Assembly from the Division of the Lottery within the Department of Revenue to the Department of the Lottery, including, but not limited to, material in electronic or magnetic format and necessary computer hardware and software, shall be transferred to the Department of the Lottery.

(e) All unexpended appropriations and balances and other funds available for use by the Division of the Lottery within the Department of Revenue shall be transferred for use by the Department of the Lottery pursuant to the direction of the Governor. Unexpended balances so transferred shall be expended only for the purpose for which the appropriations were originally made.

(f) The powers, duties, rights, and responsibilities transferred from the Division of the Lottery within the Department of Revenue by this amendatory Act of the 97th General Assembly shall be vested in and shall be exercised by the Department of the Lottery.

(g) Whenever reports or notices are now required to be made or given or papers or documents furnished or served by any person to or upon the Division of the Lottery within the Department of Revenue in connection with any of the powers, duties, rights, and responsibilities transferred by this amendatory Act of the 97th General Assembly, the same shall be made, given, furnished, or served in the same manner to or upon the Department of the Lottery.

(h) This amendatory Act of the 97th General Assembly does not affect any act done, ratified, or canceled or any right occurring or established or any action or proceeding had or commenced in an administrative, civil, or criminal cause by the Division of the Lottery within the Department of Revenue before this amendatory Act of the 97th General Assembly takes effect; such actions or proceedings may be prosecuted and continued by the Department of the Lottery.

(i) Any rules of the Division of the Lottery within the Department of Revenue, including any rules of its predecessor Department of the Lottery, that relate to its powers, duties, rights, and responsibilities and are in full force on the effective date of this amendatory Act of the 97th General Assembly shall become the rules of the recreated Department of the Lottery. This amendatory Act of the 97th General Assembly does not affect the legality of any such rules in the Illinois Administrative Code.

Any proposed rules filed with the Secretary of State by the Division of the Lottery within the Department of Revenue that are pending in the rulemaking process on the effective date of this amendatory Act of the 97th General Assembly and pertain to the powers, duties, rights, and responsibilities transferred, shall be deemed to have been filed by the Department of the Lottery. As soon as practicable hereafter, the Department of the Lottery shall revise and clarify the rules transferred to it under this amendatory Act of the 97th General Assembly to reflect the reorganization of powers, duties, rights, and responsibilities affected by this amendatory Act, using the procedures for recodification of rules available under the Illinois Administrative Procedures Act, except that existing title, part, and section numbering for the affected rules may be retained. The Department of the Lottery may propose and adopt under the Illinois Administrative Procedures Act such other rules of the Division of the Lottery within the Department of Revenue that will now be administered by the Department of the Lottery.

To the extent that, prior to the effective date of this amendatory Act of the 97th General Assembly, the Superintendent of the Division of the Lottery within the Department of Revenue had been empowered to prescribe rules or had other rulemaking authority jointly with the Director of the Department of Revenue with regard to the powers, duties, rights, and responsibilities of the Division of the Lottery within the Department of Revenue, such duties shall be exercised from and after the effective date of this amendatory Act of the 97th General Assembly solely by the Superintendent of the Department of the Lottery.

Section 15. The Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois is amended by changing Section 2310-348 as follows:

(20 ILCS 2310/2310-348)

Sec. 2310-348. The Quality of Life Board.

(a) The Quality of Life Board is created as an advisory board within the Department. The Board shall consist of 11 members as follows: 2 members appointed by the President of the Senate; one member appointed by the Minority Leader of the Senate; 2 members appointed by the Speaker of the House of Representatives; one member appointed by the Minority Leader of the House of Representatives; 2 members appointed by the Governor, one of whom shall be designated as chair of the Board at the time of appointment; and 3 members appointed by the Director who represent organizations that advocate for the healthcare needs of the first and second highest HIV/AIDS risk groups, one each from the northern Illinois region, the central Illinois region, and the southern Illinois region.

The Board members shall serve one 2-year term. If a vacancy occurs in the Board membership, the vacancy shall be filled in the same manner as the initial appointment.

(b) Board members shall serve without compensation but may be reimbursed for their reasonable travel expenses from funds appropriated for that purpose. The Department shall provide staff and administrative support services to the Board.

(c) The Board must:

(i) consult with the Department of ~~the Lottery Revenue~~ in designing and promoting the Quality of Life

special instant scratch-off lottery game; and

(ii) review grant applications, make recommendations and comments, and consult with the Department of Public Health in making grants, from amounts appropriated from the Quality of Life Endowment Fund, to public or private entities in Illinois for the purpose of HIV/AIDS-prevention education and for making grants to public or private entities in Illinois for the purpose of funding organizations that serve the highest at-risk categories for contracting HIV or developing AIDS in accordance with Section 21.7 of the Illinois Lottery Law.

(d) The Board is discontinued on June 30, 2013.

(Source: P.A. 95-674, eff. 10-11-07.)

Section 20. The Illinois Department of Revenue Sunshine Act is amended by changing Section 2.3 as follows:

(20 ILCS 2515/2.3) (from Ch. 127, par. 2002.3)

Sec. 2.3. "Revenue laws" means any statutes, rules or regulations administered or promulgated by the Department ~~including those concerning the Illinois Lottery Law.~~

(Source: P.A. 82-727.)

(20 ILCS 5/5-370 rep.)

Section 25. The Civil Administrative Code of Illinois is amended by repealing Section 5-370.

Section 99. Effective date. This Section and the changes to Sections 3, 5, and 9.1 of the Illinois Lottery Law take effect upon becoming law. The remainder of this Act takes effect on October 15, 2011."

Under the rules, the foregoing **Senate Bill No. 270**, 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. 540

A bill for AN ACT concerning local government.

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

House Amendment No. 3 to SENATE BILL NO. 540

House Amendment No. 4 to SENATE BILL NO. 540

House Amendment No. 5 to SENATE BILL NO. 540

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

#### **AMENDMENT NO. 3 TO SENATE BILL 540**

AMENDMENT NO. 3. Amend Senate Bill 540 by replacing everything after the enacting clause with the following:

"Section 5. The State Comptroller Act is amended by adding Section 30 as follows:

(15 ILCS 405/30 new)

Sec. 30. Tax Increment Finance administrator training.

(a) The Comptroller, in consultation with the State Comptroller Local Government Advisory Board, shall establish and cause to be conducted a training program for Tax Increment Finance administrators. In the case of any administrator who fails to satisfactorily complete the training program, the

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Comptroller shall so notify the municipal clerk or other elected official in the municipality in which that administrator is employed who shall notify the corporate authorities of the municipality within 30 days.

(b) The Comptroller shall establish a curriculum, which must include, but is not limited to, State reporting requirements, State law and regulation concerning the use of prevailing wage in redevelopment project areas, and eligible redevelopment project costs.

Section 7. The Economic Development Area Tax Increment Allocation Act is amended by changing Sections 3, 4, 5, 8, 9, and 11 as follows:

(20 ILCS 620/3) (from Ch. 67 1/2, par. 1003)

Sec. 3. 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) "Department" means the Department of Commerce and Economic Opportunity.

(b) "Economic development plan" means the written plan of a municipality which sets forth an economic development program for an economic development project area. Each economic development plan shall include but not be limited to (1) estimated economic development project costs, (2) the sources of funds to pay such costs, (3) the nature and term of any obligations to be issued by the municipality to pay such costs, (4) the most recent equalized assessed valuation of the economic development project area, (5) an estimate of the equalized assessed valuation of the economic development project area after completion of an economic development project, (6) the estimated date of completion of any economic development project proposed to be undertaken, (7) a general description of any proposed developer, user, or tenant of any property to be located or improved within the economic development project area, (8) a description of the type, structure and general character of the facilities to be developed or improved in the economic development project area, (9) a description of the general land uses to apply in the economic development project area, (10) a description of the type, class and number of employees to be employed in the operation of the facilities to be developed or improved in the economic development project area, and (11) a commitment by the municipality to fair employment practices and an affirmative action plan with respect to any economic development program to be undertaken by the municipality.

(c) "Economic development project" means any development project in furtherance of the objectives of this Act.

(d) "Economic development project area" means any improved or vacant area which (1) is located within or partially within or partially without the territorial limits of a municipality, provided that no area without the territorial limits of a municipality shall be included in an economic development project area without the express consent of the Department, acting as agent for the State, (2) is contiguous, (3) is not less in the aggregate than three hundred twenty acres, (4) is suitable for siting by any commercial, manufacturing, industrial, research or transportation enterprise of facilities to include but not be limited to commercial businesses, offices, factories, mills, processing plants, assembly plants, packing plants, fabricating plants, industrial or commercial distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or transportation facilities, whether or not such area has been used at any time for such facilities and whether or not the area has been used or is suitable for other uses, including commercial agricultural purposes, and (5) which has been approved and certified by the Department pursuant to this Act.

(e) "Economic development project costs" mean and include the sum total of all reasonable or necessary costs incurred by a municipality incidental to an economic development project, including, without limitation, the following:

(1) Costs of studies, surveys, development of plans and specifications, implementation and administration of an economic development plan, personnel and professional service costs for architectural, engineering, legal, marketing, financial, planning, police, fire, public works or other services, provided that no charges for professional services may be based on a percentage of incremental tax revenues;

(2) Property assembly costs within an economic development project area, including but not limited to acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other nongovernmental persons as reimbursement for property assembly costs incurred by such developer or other nongovernmental person;

(3) Site preparation costs, including but not limited to clearance of any area within an economic development project area by demolition or removal of any existing buildings, structures, fixtures, utilities and improvements and clearing and grading; and including installation, repair, construction, reconstruction, or relocation of public streets, public utilities, and other public site improvements within or without an economic development project area which are essential to the preparation of the economic

development project area for use in accordance with an economic development plan; and specifically including payments to developers or other nongovernmental persons as reimbursement for site preparation costs incurred by such developer or nongovernmental person;

(4) Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of any existing buildings, improvements, and fixtures within an economic development project area, and specifically including payments to developers or other nongovernmental persons as reimbursement for such costs incurred by such developer or nongovernmental person;

(5) Costs of construction, acquisition, and operation within an economic development project area of public improvements, including but not limited to, publicly-owned buildings, structures, works, utilities or fixtures;

(6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued hereunder which accrues during the estimated period of construction of any economic development project for which such obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of such obligations;

(7) All or a portion of a taxing district's capital costs resulting from an economic development project necessarily incurred or estimated to be incurred by a taxing district in the furtherance of the objectives of an economic development project, to the extent that the municipality by written agreement accepts and approves such costs;

(8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law;

(9) The estimated tax revenues from real property in an economic development project area acquired by a municipality which, according to the economic development plan, is to be used for a private use and which any taxing district would have received had the municipality not adopted tax increment allocation financing for an economic development project area and which would result from such taxing district's levies made after the time of the adoption by the municipality of tax increment allocation financing to the time the current equalized assessed value of real property in the economic development project area exceeds the total initial equalized value of real property in said area;

(10) Costs of job training, advanced vocational or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in an economic development project area, and further provided that when such costs are incurred by a taxing district or taxing districts other than the municipality they shall be set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

(11) Private financing costs incurred by developers or other nongovernmental persons in connection with an economic development project, and specifically including payments to developers or other nongovernmental persons as reimbursement for such costs incurred by such developer or other nongovernmental person, provided that:

(A) private financing costs shall be paid or reimbursed by a municipality only pursuant to the prior official action of the municipality evidencing an intent to pay or reimburse such private financing costs;

(B) except as provided in subparagraph (D), the aggregate amount of such costs paid or reimbursed by a municipality in any one year shall not exceed 30% of such costs paid or incurred by the developer or other nongovernmental person in that year;

(C) private financing costs shall be paid or reimbursed by a municipality solely from the special tax allocation fund established pursuant to this Act and shall not be paid or reimbursed from the proceeds of any obligations issued by a municipality;

(D) if there are not sufficient funds available in the special tax allocation fund in any year to make such payment or reimbursement in full, any amount of such interest cost remaining to be paid or reimbursed by a municipality shall accrue and be payable when funds are available in the special tax allocation fund to make such payment; and

(E) in connection with its approval and certification of an economic development project pursuant to

Section 5 of this Act, the Department shall review any agreement authorizing the payment or reimbursement by a municipality of private financing costs in its consideration of the impact on the revenues of the municipality and the affected taxing districts of the use of tax increment allocation financing.

(f) "Municipality" means a city, village or incorporated town.

(g) "Obligations" means any instrument evidencing the obligation of a municipality to pay money, including without limitation, bonds, notes, installment or financing contracts, certificates, tax anticipation warrants or notes, vouchers, and any other evidence of indebtedness.

(h) "Taxing districts" means counties, townships, municipalities, and school, road, park, sanitary, mosquito abatement, forest preserve, public health, fire protection, river conservancy, tuberculosis sanitarium and any other municipal corporations or districts with the power to levy taxes.

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

(20 ILCS 620/4) (from Ch. 67 1/2, par. 1004)

Sec. 4. Establishment of economic development project areas; ordinance; notice; hearing; changes in economic development plan. Economic development project areas shall be established as follows:

(a) The corporate authorities of a municipality shall by ordinance propose the establishment of an economic development project area and fix a time and place for a public hearing, and shall submit a certified copy of the ordinance as adopted to the Department.

(b) (1) Notice of the public hearing shall be given by publication and mailing. Notice by publication shall be given by publication at least twice, the first publication to be not more than 30 nor less than 10 days prior to the hearing in a newspaper of general circulation within the taxing districts having property in the proposed economic development project area. Notice by mailing shall be given by depositing such notice together with a copy of the proposed economic development plan in the United States mails by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the economic development project area. The notice shall be mailed not less than 10 days prior to the date set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall also be sent to the persons last listed on the tax rolls within the preceding 3 years as the owners of such property.

(2) The notices issued pursuant to this Section shall include the following:

(A) The time and place of public hearing;

(B) The boundaries of the proposed economic development project area by legal description and by street location where possible;

(C) A notification that all interested persons will be given an opportunity to be heard at the public hearing;

(D) An invitation for any person to submit alternative proposals or bids for any proposed conveyance, lease, mortgage or other disposition of land within the proposed economic development project area;

(E) A description of the economic development plan or economic development project if a plan or project is a subject matter of the hearing; and

(F) Such other matters as the municipality may deem appropriate.

(3) Not less than 30 days prior to the date set for hearing, the municipality shall give notice by mail as provided in this subsection (b) to all taxing districts, of which taxable property is included in the economic development project area, and to the Department. In addition to the other requirements under this subsection (b), the notice shall include an invitation to the Department and each taxing district to submit comments to the municipality concerning the subject matter of the hearing prior to the date of hearing.

(c) At the public hearing any interested person, the Department or any affected taxing district may file written objections with the municipal clerk and may be heard orally with respect to any issues embodied in the notice. The municipality shall hear and determine all alternate proposals or bids for any proposed conveyance, lease, mortgage or other disposition of land and all protests and objections at the hearing, and the hearing may be adjourned to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the adjourned hearing. Public hearings with regard to an economic development plan, economic development project area, or economic development project may be held simultaneously.

(d) At the public hearing or at any time prior to the adoption by the municipality of an ordinance approving an economic development plan, the municipality may make changes in the economic development plan. Changes which (1) alter the exterior boundaries of the proposed economic development project area, (2) substantially affect the general land uses established in the proposed economic development plan, (3) substantially change the nature of the proposed economic development project, (4) change the general description of any proposed developer, user or tenant of any property to

be located or improved within the economic development project area, or (5) change the description of the type, class and number of employees to be employed in the operation of the facilities to be developed or improved within the economic development project area shall be made only after notice and hearing pursuant to the procedures set forth in this Section. Changes which do not (1) alter the exterior boundaries of a proposed economic development project area, (2) substantially affect the general land uses established in the proposed economic development plan, (3) substantially change the nature of the proposed economic development project, (4) change the general description of any proposed developer, user or tenant of any property to be located or improved within the economic development project area, or (5) change the description of the type, class and number of employees to be employed in the operation of the facilities to be developed or improved within the economic development project area may be made without further hearing, provided that the municipality shall give notice of its changes by mail to the Department and to each affected taxing district and by publication in a newspaper or newspapers of general circulation within the affected taxing districts. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes.

(e) At any time within 30 days of the final adjournment of the public hearing, a municipality may, by ordinance, approve the economic development plan, establish the economic development project area, and authorize tax increment allocation financing for such economic development project area. Any ordinance adopted which approves an economic development plan shall contain findings that the economic development project shall create or retain not less than 4,000 ~~2,000~~ full-time equivalent jobs, that private investment in an amount not less than \$100,000,000 shall occur in the economic development project area, that the economic development project will encourage the increase of commerce and industry within the State, thereby reducing the evils attendant upon unemployment and increasing opportunities for personal income, and that the economic development project will increase or maintain the property, sales and income tax bases of the municipality and of the State. Any ordinance adopted which establishes an economic development project area shall contain the boundaries of such area by legal description and, where possible, by street location. Any ordinance adopted which authorizes tax increment allocation financing shall provide that the ad valorem taxes, if any, arising from the levies upon taxable real property in such economic development project area by taxing districts and tax rates determined in the manner provided in subsection (b) of Section 6 of this Act each year after the effective date of the ordinance until economic development project costs and all municipal obligations financing economic development project costs incurred under this Act have been paid shall be divided as follows:

(1) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the economic development project area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(2) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the economic development project area over and above the initial equalized assessed value of each property in the economic development project area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit such taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying economic development project costs and obligations incurred in the payment thereof.

(f) After a municipality has by ordinance approved an economic development plan and established an economic development project area, the plan may be amended and the boundaries of the area may be altered only as herein provided. Amendments which (1) alter the exterior boundaries of an economic development project area, (2) substantially affect the general land uses established pursuant to the economic development plan, (3) substantially change the nature of the economic development project, (4) change the general description of any proposed developer, user, or tenant of any property to be located or improved within the economic development project area, or (5) change the description of the type, class and number of employees to be employed in the operation of the facilities to be developed or improved within the economic development project area, shall be made only after notice and hearing pursuant to the procedures set forth in this Section. Amendments which do not (1) alter the boundaries of the economic development project area, (2) substantially affect the general land uses established in the economic development plan, (3) substantially change the nature of the economic development project, (4) change the general description of any proposed developer, user, or tenant of any property to be located or improved within the economic development project area, or (5) change the description of the

type, class and number of employees to be employed in the operation of the facilities to be developed or improved within the economic development project area may be made without further hearing, provided that the municipality shall give notice of any amendment by mail to the Department and to each taxing district and by publication in a newspaper or newspapers of general circulation within the affected taxing districts. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of any amendments.

Notwithstanding anything to the contrary set forth in this Act, to the extent the maximum duration for obligations allowed under an economic development plan is less than the maximum duration permitted under Section 8 of this Act, a municipality may by ordinance amend such existing economic development plan to increase the duration of obligations allowed under the economic development plan up to the maximum duration permitted under Section 8 of this Act. [Such ordinance may also extend the estimated date of completion of the economic development project up to the maximum duration of any obligations permitted therein.] Such ordinance may be adopted without further hearing or notice and without complying with the procedures provided in this Act pertaining to an amendment to or the initial approval of an economic development plan.

(Source: P.A. 86-38.)

(20 ILCS 620/5) (from Ch. 67 1/2, par. 1005)

Sec. 5. Submission to Department; certification by Department; limitation on number of permissible economic development project areas. (a) The municipality shall submit certified copies of any ordinances adopted approving an economic development plan, establishing an economic development project area, and authorizing tax increment allocation financing for such economic development project area to the Department, together with (1) a map of the economic development project area, (2) a copy of the economic development plan as approved, (3) an analysis, and any supporting documents and statistics, demonstrating that the economic development project shall create or retain not less than ~~4,000~~ 2,000 full-time equivalent jobs and that private investment in the amount of not less than \$100,000,000 shall occur in the economic development project area, (4) an estimate of the economic impact of the economic development project and the use of tax increment allocation financing upon the revenues of the municipality and the affected taxing districts, (5) a record of all public hearings had in connection with the establishment of the economic development project area, and (6) such other information as the Department by regulation may require.

(b) Upon receipt of an application from a municipality the Department shall review the application to determine whether the economic development project area qualifies as an economic development project area under this Act. At its discretion, the Department may accept or reject the application or may request such additional information as it deems necessary or advisable to aid its review. If any such area is found to be qualified to be an economic development project area, the Department shall approve and certify such economic development project area and shall provide written notice of its approval and certification to the municipality and to the county clerk. In determining whether an economic development project area shall be approved and certified, the Department shall consider (1) whether, without public intervention, the State would suffer substantial economic dislocation, such as relocation of a commercial business or industrial or manufacturing facility to another state, territory or country, or would not otherwise benefit from private investment offering substantial employment opportunities and economic growth, and (2) the impact on the revenues of the municipality and the affected taxing districts of the use of tax increment allocation financing in connection with the economic development project.

(c) On or before the date which is 18 months following the date on which this Act becomes law, the Department shall submit to the General Assembly a report detailing the number of economic development project areas it has approved and certified, the number and type of jobs created or retained therein, the aggregate amount of private investment therein, the impact on the revenues of municipalities and affected taxing districts of the use of tax increment allocation financing therein, and such additional information as the Department may determine to be relevant. On or after the date which is 20 months following the date on which this Act becomes law the authority granted hereunder to municipalities to establish economic development project areas and to adopt tax increment allocation financing in connection therewith and to the Department to approve and certify economic development project areas shall expire unless the General Assembly shall have authorized municipalities and the Department to continue to exercise the powers granted to them hereunder.

(Source: P.A. 86-38.)

(20 ILCS 620/8) (from Ch. 67 1/2, par. 1008)

Sec. 8. Issuance of obligations for economic development project costs. Obligations secured by the special tax allocation fund provided for in Section 7 of this Act for an economic development project area may be issued to provide for economic development project costs. Those obligations, when so

issued, shall be retired in the manner provided in the ordinance authorizing the issuance of the obligations by the receipts of taxes levied as specified in Section 6 of this Act against the taxable property included in the economic development project area and by other revenue designated or pledged by the municipality. A municipality may in the ordinance pledge all or any part of the funds in and to be deposited in the special tax allocation fund created pursuant to Section 7 of this Act to the payment of the economic development project costs and obligations. Whenever a municipality pledges all of the funds to the credit of a special tax allocation fund to secure obligations issued or to be issued to pay economic development project costs, the municipality may specifically provide that funds remaining to the credit of such special tax allocation fund after the payment of such obligations shall be accounted for annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be distributed as hereinafter provided. Whenever a municipality pledges less than all of the monies to the credit of a special tax allocation fund to secure obligations issued or to be issued to pay economic development project costs, the municipality shall provide that monies to the credit of the special tax allocation fund and not subject to such pledge or otherwise encumbered or required for payment of contractual obligations for specific economic development project costs shall be calculated annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be distributed as hereinafter provided. All funds to the credit of a special tax allocation fund which are deemed to be "surplus" funds shall be distributed annually within 180 days of the close of the municipality's fiscal year by being paid by the municipal treasurer to the county collector. The county collector shall thereafter make distribution to the respective taxing districts in the same manner and proportion as the most recent distribution by the county collector to those taxing districts of real property taxes from real property in the economic development project area.

Without limiting the foregoing in this Section the municipality may, in addition to obligations secured by the special tax allocation fund, pledge for a period not greater than the term of the obligations towards payment of those obligations any part or any combination of the following: (i) net revenues of all or part of any economic development project; (ii) taxes levied and collected on any or all property in the municipality, including, specifically, taxes levied or imposed by the municipality in a special service area pursuant to "An Act to provide the manner of levying or imposing taxes for the provision of special services to areas within the boundaries of home rule units and non-home rule municipalities and counties", approved September 21, 1973, as now or hereafter amended; (iii) the full faith and credit of the municipality; (iv) a mortgage on part or all of the economic development project; or (v) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Such obligations may be issued in one or more series bearing interest at such rate or rates as the corporate authorities of the municipality shall determine by ordinance, which rate or rates may be variable or fixed, without regard to any limitations contained in any law now in effect or hereafter adopted. Such obligations shall bear such date or dates, mature at such time or times not exceeding ~~38 20~~ 38 23 years from their respective dates, but in no event exceeding 38 23 years from the date of establishment of the economic development project area, be in such denomination, be in such form, whether coupon, registered or book-entry, carry such registration, conversion and exchange privileges, be executed in such manner, be payable in such medium of payment at such place or places within or without the State of Illinois, contain such covenants, terms and conditions, be subject to redemption with or without premium, be subject to defeasance upon such terms, and have such rank or priority, as such ordinance shall provide. Obligations issued pursuant to this Act may be sold at public or private sale at such price as shall be determined by the corporate authorities of the municipalities. Such obligations may, but need not, be issued utilizing the provisions of any one or more of the omnibus bond Acts specified in Section 1.33 of "An Act to revise the law in relation to the construction of the statutes", approved March 5, 1874, as now or hereafter amended. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to this Act except as provided in this Section.

Whenever a municipality issues bonds for the purpose of financing economic development project costs, the municipality may provide by ordinance for the appointment of a trustee, which may be any trust company within the State, and for the establishment of the funds or accounts to be maintained by such trustee as the municipality shall deem necessary to provide for the security and payment of the bonds. If the municipality provides for the appointment of a trustee, the trustee shall be considered the assignee of any payments assigned by the municipality pursuant to the ordinance and this Section. Any amounts paid to the trustee as assignee shall be deposited in the funds or accounts established pursuant to the trust agreement, and shall be held by the trustee in trust for the benefit of the holders of the bonds, and the holders shall have a lien on and a security interest in those bonds or accounts so long as the bonds remain outstanding and unpaid. Upon retirement of the bonds, the trustee shall pay over any excess amounts held to the municipality for deposit in the special tax allocation fund.

In the event the municipality authorizes the issuance of obligations pursuant to the authority of this Act secured by the full faith and credit of the municipality, or pledges ad valorem taxes pursuant to clause (ii) of the second paragraph of this Section, which obligations are other than obligations which may be issued under home rule powers provided by Article VII, Section 6 of the Illinois Constitution or which ad valorem taxes are other than ad valorem taxes which may be pledged under home rule powers provided by Article VII, Section 6 of the Illinois Constitution or which are levied in a special service area pursuant to "An Act to provide the manner of levying or imposing taxes for the provision of special services to areas within the boundaries of home rule units and non-home rule municipalities and counties", approved September 21, 1973, as now or hereafter amended, the ordinance authorizing the issuance of those obligations or pledging those taxes shall be published within 10 days after the ordinance has been adopted, in one or more newspapers having a general circulation within the municipality. The publication of the ordinance shall be accompanied by a notice of (1) the specific number of voters required to sign a petition requesting the question of the issuance of the obligations or pledging such ad valorem taxes to be submitted to the electors; (2) the time within which the petition must be filed; and (3) the date of the prospective referendum. The municipal clerk shall provide a petition form to any individual requesting one.

If no petition is filed with the municipal clerk, as hereinafter provided in this Section, within 21 days after the publication of the ordinance, the ordinance shall be in effect. However, if within that 21 day period a petition is filed with the municipal clerk, signed by electors numbering not less than 15% of the number of electors voting for the mayor or president at the last general municipal election, asking that the question of issuing obligations using full faith and credit of the municipality as security for the cost of paying for economic development project costs, or of pledging such ad valorem taxes for the payment of those obligations, or both, be submitted to the electors of the municipality, the municipality shall not be authorized to issue obligations of the municipality using the full faith and credit of the municipality as security or pledging such ad valorem taxes for the payment of those obligations, or both, until the proposition has been submitted to and approved by a majority of the voters voting on the proposition at a regularly scheduled election. The municipality shall certify the proposition to the proper election authorities for submission in accordance with the general election law.

The ordinance authorizing the obligations may provide that the obligations shall contain a recital that they are issued pursuant to this Act, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

In the event the municipality authorizes issuance of obligations pursuant to this Act secured by the full faith and credit of the municipality, the ordinance authorizing the obligations may provide for the levy and collection of a direct annual tax upon all taxable property within the municipality sufficient to pay the principal thereof and interest thereon as it matures, which levy may be in addition to and exclusive of the maximum of all other taxes authorized to be levied by the municipality, which levy, however, shall be abated to the extent that monies from other sources are available for payment of the obligations and the municipality certifies the amount of those monies available to the county clerk.

A certified copy of the ordinance shall be filed with the county clerk of each county in which any portion of the municipality is situated, and shall constitute the authority for the extension and collection of the taxes to be deposited in the special tax allocation fund.

A municipality may also issue its obligations to refund, in whole or in part, obligations theretofore issued by the municipality under the authority of this Act, whether at or prior to maturity. However, the last maturity of the refunding obligations shall not be expressed to mature later than ~~38~~ 23 years from the date of the ordinance establishing the economic development project area.

In the event a municipality issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay for economic development project costs, the municipality may, if it has followed the procedures in conformance with this Act, retire those obligations from funds in the special tax allocation fund in amounts and in such manner as if those obligations had been issued pursuant to the provisions of this Act.

No obligations issued pursuant to this Act shall be regarded as indebtedness of the municipality issuing those obligations or any other taxing district for the purpose of any limitation imposed by law.

Obligations issued pursuant to this Act shall not be subject to the provisions of "An Act to authorize public corporations to issue bonds, other evidences of indebtedness and tax anticipation warrants subject to interest rate limitations set forth therein", approved May 26, 1970, as amended.

(Source: P.A. 86-38.)

(20 ILCS 620/9) (from Ch. 67 1/2, par. 1009)

Sec. 9. Powers of municipalities. In addition to powers which it may now have, any municipality has the power under this Act:

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(a) To make and enter into all contracts necessary or incidental to the implementation and furtherance of an economic development plan.

(b) Within an economic development project area, to acquire by purchase, donation, lease or eminent domain, and to own, convey, lease, mortgage or dispose of land and other real or personal property or rights or interests therein; and to grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the municipality determines is reasonably necessary to achieve the objectives of the economic development project. No conveyance, lease, mortgage, disposition of land or other property acquired by the municipality, or agreement relating to the development of property, shall be made or executed except pursuant to prior official action of the municipality. No conveyance, lease, mortgage or other disposition of land, and no agreement relating to the development of property, shall be made without making public disclosure of the terms and disposition of all bids and proposals submitted to the municipality in connection therewith.

(c) To clear any area within an economic development project area by demolition or removal of any existing buildings, structures, fixtures, utilities or improvements, and to clear and grade land.

(d) To install, repair, construct, reconstruct or relocate public streets, public utilities, and other public site improvements within or without an economic development project area which are essential to the preparation of an economic development project area for use in accordance with an economic development plan.

(e) To renovate, rehabilitate, reconstruct, relocate, repair or remodel any existing buildings, improvements, and fixtures within an economic development project area.

(f) To construct, acquire, and operate public improvements, including but not limited to, publicly-owned buildings, structures, works, utilities or fixtures within any economic development project area.

(g) To issue obligations as in this Act provided.

(h) To fix, charge and collect fees, rents and charges for the use of any building, facility or property or any portion thereof owned or leased by the municipality within an economic development project area.

(i) To accept grants, guarantees, donations of property or labor, or any other thing of value for use in connection with an economic development project.

(j) To pay or cause to be paid economic development project costs. Any payments to be made by the municipality to developers or other nongovernmental persons for economic development project costs incurred by such developer or other nongovernmental person shall be made only pursuant to the prior official action of the municipality evidencing an intent to pay or cause to be paid such economic development project costs. A municipality is not required to obtain any right, title or interest in any real or personal property in order to pay economic development project costs associated with such property. The municipality shall adopt such accounting procedures as may be necessary to determine that such economic development project costs are properly paid.

(k) To exercise any and all other powers necessary to effectuate the purposes of this Act.

(l) To create a commission of not less than 5 or more than 15 persons to be appointed by the mayor or president of the municipality with the consent of the majority of the corporate authorities of the municipality. Members of a commission shall be appointed for initial terms of 1, 2, 3, 4, and 5 years, respectively, in such numbers as to provide that the terms of not more than 1/3 of all such members shall expire in any one year. Their successors shall be appointed for a term of 5 years. The commission, subject to approval of the corporate authorities, may exercise the powers enumerated in this Section. The commission shall also have the power to hold the public hearings required by this Act and make recommendations to the corporate authorities concerning the approval of economic development plans, the establishment of economic development project areas, and the adoption of tax increment allocation financing for economic development project areas.

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

(20 ILCS 620/11) (from Ch. 67 1/2, par. 1011)

Sec. 11. Payment of project costs; revenues from municipal property. Revenues received by a municipality from any property, building or facility owned, leased or operated by the municipality or any agency or authority established by the municipality may be used to pay economic development project costs, or reduce outstanding obligations of the municipality incurred under this Act for economic development project costs. The municipality may place those revenues in the special tax allocation fund which shall be held by the municipal treasurer or other person designated by the municipality. Revenue received by the municipality from the sale or other disposition of real or personal property or rights or interests therein acquired by the municipality with the proceeds of obligations funded by tax increment allocation financing may be used to acquire and operate other municipal property within the economic development project area or shall be deposited by the municipality in the special tax allocation fund.



(Source: P.A. 86-38.)

Section 10. The Property Tax Code is amended by changing Section 20-15 as follows:  
(35 ILCS 200/20-15)

Sec. 20-15. Information on bill or separate statement. There shall be printed on each bill, or on a separate slip which shall be mailed with the bill:

(a) a statement itemizing the rate at which taxes have been extended for each of the taxing districts in the county in whose district the property is located, and in those counties utilizing electronic data processing equipment the dollar amount of tax due from the person assessed allocable to each of those taxing districts, including a separate statement of the dollar amount of tax due which is allocable to a tax levied under the Illinois Local Library Act or to any other tax levied by a municipality or township for public library purposes,

(b) a separate statement for each of the taxing districts of the dollar amount of tax due which is allocable to a tax levied under the Illinois Pension Code or to any other tax levied by a municipality or township for public pension or retirement purposes,

(c) the total tax rate,

(d) the total amount of tax due, ~~and~~

(e) the amount by which the total tax and the tax allocable to each taxing district differs from the taxpayer's last prior tax bill, -

(f) the name and identification number of the redevelopment project area where the property is located, if applicable, and

(g) a State Internet website address where taxpayers can access information about tax increment financing and redevelopment project areas.

The county treasurer shall ensure that only those taxing districts in which a parcel of property is located shall be listed on the bill for that property.

In all counties the statement shall also provide:

(1) the property index number or other suitable description,

(2) the assessment of the property,

(3) the equalization factors imposed by the county and by the Department, and

(4) the equalized assessment resulting from the application of the equalization factors to the basic assessment.

In all counties which do not classify property for purposes of taxation, for property on which a single family residence is situated the statement shall also include a statement to reflect the fair cash value determined for the property. In all counties which classify property for purposes of taxation in accordance with Section 4 of Article IX of the Illinois Constitution, for parcels of residential property in the lowest assessment classification the statement shall also include a statement to reflect the fair cash value determined for the property.

In all counties, the statement must include information that certain taxpayers may be eligible for tax exemptions, abatements, and other assistance programs and that, for more information, taxpayers should consult with the office of their township or county assessor and with the Illinois Department of Revenue.

In all counties, the statement shall include information that certain taxpayers may be eligible for the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act and that applications are available from the Illinois Department on Aging.

In counties which use the estimated or accelerated billing methods, these statements shall only be provided with the final installment of taxes due. The provisions of this Section create a mandatory statutory duty. They are not merely directory or discretionary. The failure or neglect of the collector to mail the bill, or the failure of the taxpayer to receive the bill, shall not affect the validity of any tax, or the liability for the payment of any tax.

(Source: P.A. 95-644, eff. 10-12-07.)

Section 15. The Illinois Municipal Code is amended by changing Sections 8-8-3, 8-8-3.5, 11-74.4-3, 11-74.4-3.5, 11-74.4-4, 11-74.4-5, 11-74.6-15, and 11-74.6-22 as follows:

(65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

Sec. 8-8-3. Audit requirements.

(a) The corporate authorities of each municipality coming under the provisions of this Division 8 shall cause an audit of the funds and accounts of the municipality to be made by an accountant or accountants employed by such municipality or by an accountant or accountants retained by the Comptroller, as hereinafter provided.

(b) The accounts and funds of each municipality having a population of 800 or more or having a

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bonded debt or owning or operating any type of public utility shall be audited annually. The audit herein required shall include all of the accounts and funds of the municipality. Such audit shall be begun as soon as possible after the close of the fiscal year, and shall be completed and the report submitted within 6 months after the close of such fiscal year, unless an extension of time shall be granted by the Comptroller in writing. The accountant or accountants making the audit shall submit not less than 2 copies of the audit report to the corporate authorities of the municipality being audited. Municipalities not operating utilities may cause audits of the accounts of municipalities to be made more often than herein provided, by an accountant or accountants. The audit report of such audit when filed with the Comptroller together with an audit report covering the remainder of the period for which an audit is required to be filed hereunder shall satisfy the requirements of this section.

(c) Municipalities of less than 800 population which do not own or operate public utilities and do not have bonded debt, shall file annually with the Comptroller a financial report containing information required by the Comptroller. Such annual financial report shall be on forms devised by the Comptroller in such manner as to not require professional accounting services for its preparation.

(d) In addition to any audit report required, all municipalities, except municipalities of less than 800 population which do not own or operate public utilities and do not have bonded debt, shall file annually with the Comptroller a supplemental report on forms devised and approved by the Comptroller.

(e) Notwithstanding any provision of law to the contrary, if a municipality (i) has a population of less than 200, (ii) has bonded debt in the amount of \$50,000 or less, and (iii) owns or operates a public utility, then the municipality shall cause an audit of the funds and accounts of the municipality to be made by an accountant employed by the municipality or retained by the Comptroller for fiscal year 2011 and every fourth fiscal year thereafter or until the municipality has a population of 200 or more, has bonded debt in excess of \$50,000, or no longer owns or operates a public utility. Nothing in this subsection shall be construed as limiting the municipality's duty to file an annual financial report with the Comptroller or to comply with the filing requirements concerning the county clerk.

(f) On and after January 1, 2012, the State Comptroller must post on the State Comptroller's official website the information submitted by a municipality pursuant to subsections (b) and (c) of this Section. The information must be posted no later than 45 days after the State Comptroller receives the information from the municipality. The State Comptroller must also post a list of municipalities that are not in compliance with the reporting requirements set forth in subsections (b) and (c) of this Section.

(g) The State Comptroller has the authority to grant extensions for delinquent audit reports. The Comptroller may charge a municipality a fee for a delinquent audit of \$5 per day for the first 15 days past due, \$10 per day for 16 through 30 days past due, \$15 per day for 31 through 45 days past due, and \$20 per day for the 46th day and every day thereafter. All fees collected pursuant to this subsection (g) shall be deposited into the Comptroller's Administrative Fund.

(Source: P.A. 96-1309, eff. 7-27-10.)

(65 ILCS 5/8-8-3.5)

Sec. 8-8-3.5. Tax Increment Financing Report. The reports filed under subsection (d) of Section 11-74.4-5 of the Tax Increment Allocation Redevelopment Act and the reports filed under subsection (d) of Section 11-74.6-22 of the Industrial Jobs Recovery Law in the Illinois Municipal Code must be separate from any other annual report filed with the Comptroller. The Comptroller must, in cooperation with reporting municipalities, create a format for the reporting of information described in paragraphs (1.5) and (5) and in subparagraph (G) of paragraph (7) of subsection (d) of Section 11-74.4-5 of the Tax Increment Allocation Redevelopment Act and the information described in paragraphs (1.5) and (5) and in subparagraph (G) of paragraph (7) of subsection (d) of Section 11-74.6-22 of the Industrial Jobs Recovery Law that facilitates consistent reporting among the reporting municipalities. The Comptroller may allow these reports to be filed electronically and may display the report, or portions of the report, electronically via the Internet. All reports filed under this Section must be made available for examination and copying by the public at all reasonable times. A Tax Increment Financing Report must be filed with the Comptroller within 180 days after the close of the municipal fiscal year or as soon thereafter as the audit for the redevelopment project area for that fiscal year becomes available. If the Tax Increment Finance administrator provides the Comptroller's office with sufficient evidence that the report is in the process of being completed by an auditor, the Comptroller may grant an extension. If the required report is not filed within the time extended by the Comptroller, the Comptroller may charge a municipality a fee of \$5 per day for the first 15 days past due, \$10 per day for 16 through 30 days past due, \$15 per day for 31 through 45 days past due, and \$20 per day for the 46th day and every day thereafter. All fees collected pursuant to this Section shall be deposited into the Comptroller's Administrative Fund.

(Source: P.A. 91-478, eff. 11-1-99; 91-900, eff. 7-6-00.)

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(65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

Sec. 11-74.4-3. Definitions. The following terms, wherever used or referred to in this Division 74.4 shall have the following respective meanings, unless in any case a different meaning clearly appears from the context.

(a) For any redevelopment project area that has been designated pursuant to this Section by an ordinance adopted prior to November 1, 1999 (the effective date of Public Act 91-478), "blighted area" shall have the meaning set forth in this Section prior to that date.

On and after November 1, 1999, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

(1) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area:

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

(B) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

(C) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

(D) Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(G) Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

(I) Excessive land coverage and overcrowding of structures and community facilities.

The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

(J) Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

(K) Environmental clean-up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(L) Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

(M) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

(2) If vacant, the sound growth of the redevelopment project area is impaired by a combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

(A) Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

(B) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

(C) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.

(D) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

(E) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(F) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

(3) If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it

pertains:

(A) The area consists of one or more unused quarries, mines, or strip mine ponds.

(B) The area consists of unused rail yards, rail tracks, or railroad rights-of-way.

(C) The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

(D) The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

(E) Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

(F) The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

(b) For any redevelopment project area that has been designated pursuant to this Section by an ordinance adopted prior to November 1, 1999 (the effective date of Public Act 91-478), "conservation area" shall have the meaning set forth in this Section prior to that date.

On and after November 1, 1999, "conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area:

(1) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

(2) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

(3) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

(4) Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

(5) Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(6) Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(7) Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(8) Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in

the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

(9) Excessive land coverage and overcrowding of structures and community facilities.

The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

(10) Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

(11) Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

(12) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(13) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

(c) "Industrial park" means an area in a blighted or conservation area suitable for use by any manufacturing, industrial, research or transportation enterprise, or facilities to include but not be limited to factories, mills, processing plants, assembly plants, packing plants, fabricating plants, industrial distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or railroad facilities.

(d) "Industrial park conservation area" means an area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a labor surplus municipality or within 1 1/2 miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

(e) "Labor surplus municipality" means a municipality in which, at any time during the 6 months before the municipality by ordinance designates an industrial park conservation area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. For the purpose of this subsection, if unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be the same as the unemployment rate in the principal county in which the municipality is located.

(f) "Municipality" shall mean a city, village, incorporated town, or a township that is located in the unincorporated portion of a county with 3 million or more inhabitants, if the county adopted an ordinance that approved the township's redevelopment plan.

(g) "Initial Sales Tax Amounts" means the amount of taxes paid under the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, the Service Occupation Tax Act, the Municipal Retailers'

Occupation Tax Act, and the Municipal Service Occupation Tax Act by retailers and servicemen on transactions at places located in a State Sales Tax Boundary during the calendar year 1985.

(g-1) "Revised Initial Sales Tax Amounts" means the amount of taxes paid under the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, the Service Occupation Tax Act, the Municipal Retailers' Occupation Tax Act, and the Municipal Service Occupation Tax Act by retailers and servicemen on transactions at places located within the State Sales Tax Boundary revised pursuant to Section 11-74.4-8a(9) of this Act.

(h) "Municipal Sales Tax Increment" means an amount equal to the increase in the aggregate amount of taxes paid to a municipality from the Local Government Tax Fund arising from sales by retailers and servicemen within the redevelopment project area or State Sales Tax Boundary, as the case may be, for as long as the redevelopment project area or State Sales Tax Boundary, as the case may be, exist over and above the aggregate amount of taxes as certified by the Illinois Department of Revenue and paid under the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act by retailers and servicemen, on transactions at places of business located in the redevelopment project area or State Sales Tax Boundary, as the case may be, during the base year which shall be the calendar year immediately prior to the year in which the municipality adopted tax increment allocation financing. For purposes of computing the aggregate amount of such taxes for base years occurring prior to 1985, the Department of Revenue shall determine the Initial Sales Tax Amounts for such taxes and deduct therefrom an amount equal to 4% of the aggregate amount of taxes per year for each year the base year is prior to 1985, but not to exceed a total deduction of 12%. The amount so determined shall be known as the "Adjusted Initial Sales Tax Amounts". For purposes of determining the Municipal Sales Tax Increment, the Department of Revenue shall for each period subtract from the amount paid to the municipality from the Local Government Tax Fund arising from sales by retailers and servicemen on transactions located in the redevelopment project area or the State Sales Tax Boundary, as the case may be, the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts for the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act. For the State Fiscal Year 1989, this calculation shall be made by utilizing the calendar year 1987 to determine the tax amounts received. For the State Fiscal Year 1990, this calculation shall be made by utilizing the period from January 1, 1988, until September 30, 1988, to determine the tax amounts received from retailers and servicemen pursuant to the Municipal Retailers' Occupation Tax and the Municipal Service Occupation Tax Act, which shall have deducted therefrom nine-twelfths of the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For the State Fiscal Year 1991, this calculation shall be made by utilizing the period from October 1, 1988, to June 30, 1989, to determine the tax amounts received from retailers and servicemen pursuant to the Municipal Retailers' Occupation Tax and the Municipal Service Occupation Tax Act which shall have deducted therefrom nine-twelfths of the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For every State Fiscal Year thereafter, the applicable period shall be the 12 months beginning July 1 and ending June 30 to determine the tax amounts received which shall have deducted therefrom the certified Initial Sales Tax Amounts, the Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts, as the case may be.

(i) "Net State Sales Tax Increment" means the sum of the following: (a) 80% of the first \$100,000 of State Sales Tax Increment annually generated within a State Sales Tax Boundary; (b) 60% of the amount in excess of \$100,000 but not exceeding \$500,000 of State Sales Tax Increment annually generated within a State Sales Tax Boundary; and (c) 40% of all amounts in excess of \$500,000 of State Sales Tax Increment annually generated within a State Sales Tax Boundary. If, however, a municipality established a tax increment financing district in a county with a population in excess of 3,000,000 before January 1, 1986, and the municipality entered into a contract or issued bonds after January 1, 1986, but before December 31, 1986, to finance redevelopment project costs within a State Sales Tax Boundary, then the Net State Sales Tax Increment means, for the fiscal years beginning July 1, 1990, and July 1, 1991, 100% of the State Sales Tax Increment annually generated within a State Sales Tax Boundary; and notwithstanding any other provision of this Act, for those fiscal years the Department of Revenue shall distribute to those municipalities 100% of their Net State Sales Tax Increment before any distribution to any other municipality and regardless of whether or not those other municipalities will receive 100% of their Net State Sales Tax Increment. For Fiscal Year 1999, and every year thereafter until the year 2007, for any municipality that has not entered into a contract or has not issued bonds prior to June 1, 1988 to finance redevelopment project costs within a State Sales Tax Boundary, the Net State Sales Tax Increment shall be calculated as follows: By multiplying the Net State Sales Tax Increment by 90% in the State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60%

in the State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No payment shall be made for State Fiscal Year 2008 and thereafter.

Municipalities that issued bonds in connection with a redevelopment project in a redevelopment project area within the State Sales Tax Boundary prior to July 29, 1991, or that entered into contracts in connection with a redevelopment project in a redevelopment project area before June 1, 1988, shall continue to receive their proportional share of the Illinois Tax Increment Fund distribution until the date on which the redevelopment project is completed or terminated. If, however, a municipality that issued bonds in connection with a redevelopment project in a redevelopment project area within the State Sales Tax Boundary prior to July 29, 1991 retires the bonds prior to June 30, 2007 or a municipality that entered into contracts in connection with a redevelopment project in a redevelopment project area before June 1, 1988 completes the contracts prior to June 30, 2007, then so long as the redevelopment project is not completed or is not terminated, the Net State Sales Tax Increment shall be calculated, beginning on the date on which the bonds are retired or the contracts are completed, as follows: By multiplying the Net State Sales Tax Increment by 60% in the State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No payment shall be made for State Fiscal Year 2008 and thereafter. Refunding of any bonds issued prior to July 29, 1991, shall not alter the Net State Sales Tax Increment.

(j) "State Utility Tax Increment Amount" means an amount equal to the aggregate increase in State electric and gas tax charges imposed on owners and tenants, other than residential customers, of properties located within the redevelopment project area under Section 9-222 of the Public Utilities Act, over and above the aggregate of such charges as certified by the Department of Revenue and paid by owners and tenants, other than residential customers, of properties within the redevelopment project area during the base year, which shall be the calendar year immediately prior to the year of the adoption of the ordinance authorizing tax increment allocation financing.

(k) "Net State Utility Tax Increment" means the sum of the following: (a) 80% of the first \$100,000 of State Utility Tax Increment annually generated by a redevelopment project area; (b) 60% of the amount in excess of \$100,000 but not exceeding \$500,000 of the State Utility Tax Increment annually generated by a redevelopment project area; and (c) 40% of all amounts in excess of \$500,000 of State Utility Tax Increment annually generated by a redevelopment project area. For the State Fiscal Year 1999, and every year thereafter until the year 2007, for any municipality that has not entered into a contract or has not issued bonds prior to June 1, 1988 to finance redevelopment project costs within a redevelopment project area, the Net State Utility Tax Increment shall be calculated as follows: By multiplying the Net State Utility Tax Increment by 90% in the State Fiscal Year 1999; 80% in the State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60% in the State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40% in the State Fiscal Year 2004; 30% in the State Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in the State Fiscal Year 2007. No payment shall be made for the State Fiscal Year 2008 and thereafter.

Municipalities that issue bonds in connection with the redevelopment project during the period from June 1, 1988 until 3 years after the effective date of this Amendatory Act of 1988 shall receive the Net State Utility Tax Increment, subject to appropriation, for 15 State Fiscal Years after the issuance of such bonds. For the 16th through the 20th State Fiscal Years after issuance of the bonds, the Net State Utility Tax Increment shall be calculated as follows: By multiplying the Net State Utility Tax Increment by 90% in year 16; 80% in year 17; 70% in year 18; 60% in year 19; and 50% in year 20. Refunding of any bonds issued prior to June 1, 1988, shall not alter the revised Net State Utility Tax Increment payments set forth above.

(l) "Obligations" mean bonds, loans, debentures, notes, special certificates or other evidence of indebtedness issued by the municipality to carry out a redevelopment project or to refund outstanding obligations.

(m) "Payment in lieu of taxes" means those estimated tax revenues from real property in a redevelopment project area derived from real property that has been acquired by a municipality which according to the redevelopment project or plan is to be used for a private use which taxing districts would have received had a municipality not acquired the real property and adopted tax increment allocation financing and which would result from levies made after the time of the adoption of tax increment allocation financing to the time the current equalized value of real property in the redevelopment project area exceeds the total initial equalized value of real property in said area.

(n) "Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those



conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area. On and after November 1, 1999 (the effective date of Public Act 91-478), no redevelopment plan may be approved or amended that includes the development of vacant land (i) with a golf course and related clubhouse and other facilities or (ii) designated by federal, State, county, or municipal government as public land for outdoor recreational activities or for nature preserves and used for that purpose within 5 years prior to the adoption of the redevelopment plan. For the purpose of this subsection, "recreational activities" is limited to mean camping and hunting. On and after January 1, 2012, no redevelopment plan may be approved that allocates more than 25% of the estimated redevelopment project costs to residential developments, other than residential development projects that include affordable housing for low-income and very low-income households, as those terms are defined by the Illinois Affordable Housing Act, and no redevelopment plan shall be amended to exceed that 25% limitation. Each redevelopment plan shall set forth in writing the program to be undertaken to accomplish the objectives and shall include but not be limited to:

- (A) an itemized list of estimated redevelopment project costs;
- (B) evidence indicating that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise;
- (C) an assessment of any financial impact of the redevelopment project area on or any increased demand for services from any taxing district affected by the plan and any program to address such financial impact or increased demand;
- (D) the sources of funds to pay costs;
- (E) the nature and term of the obligations to be issued;
- (F) the most recent equalized assessed valuation of the redevelopment project area;
- (G) an estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the redevelopment project area;
- (H) a commitment to fair employment practices and an affirmative action plan;
- (I) if it concerns an industrial park conservation area, the plan shall also include a general description of any proposed developer, user and tenant of any property, a description of the type, structure and general character of the facilities to be developed, a description of the type, class and number of new employees to be employed in the operation of the facilities to be developed; and
- (J) if property is to be annexed to the municipality, the plan shall include the terms of the annexation agreement.

The provisions of items (B) and (C) of this subsection (n) shall not apply to a municipality that before March 14, 1994 (the effective date of Public Act 88-537) had fixed, either by its corporate authorities or by a commission designated under subsection (k) of Section 11-74.4-4, a time and place for a public hearing as required by subsection (a) of Section 11-74.4-5. No redevelopment plan shall be adopted unless a municipality complies with all of the following requirements:

- (1) The municipality finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan.
- (2) The municipality finds that the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality.
- (3) The redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs. Those dates may not be later than the dates set forth under Section 11-74.4-3.5.

A municipality may by municipal ordinance amend an existing redevelopment plan to conform to this paragraph (3) as amended by Public Act 91-478, which municipal ordinance may be adopted without further hearing or notice and without complying with the procedures provided in this Act pertaining to an amendment to or the initial approval of a redevelopment plan and project and designation of a redevelopment project area.

(3.5) The municipality finds, in the case of an industrial park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the redevelopment project area.

(4) If any incremental revenues are being utilized under Section 8(a)(1) or 8(a)(2) of this Act in redevelopment project areas approved by ordinance after January 1, 1986, the municipality finds: (a) that the redevelopment project area would not reasonably be developed without the use of such incremental revenues, and (b) that such incremental revenues will be exclusively utilized for the development of the redevelopment project area.

(5) If the redevelopment plan will not result in displacement of residents from 10 or more inhabited residential units, and the municipality certifies in the plan that such displacement will not result from the plan, a housing impact study need not be performed. If, however, the redevelopment plan would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and no certification is made, then the municipality shall prepare, as part of the separate feasibility report required by subsection (a) of Section 11-74.4-5, a housing impact study.

Part I of the housing impact study shall include (i) data as to whether the residential units are single family or multi-family units, (ii) the number and type of rooms within the units, if that information is available, (iii) whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 is passed, and (iv) data as to the racial and ethnic composition of the residents in the inhabited residential units. The data requirement as to the racial and ethnic composition of the residents in the inhabited residential units shall be deemed to be fully satisfied by data from the most recent federal census.

Part II of the housing impact study shall identify the inhabited residential units in the proposed redevelopment project area that are to be or may be removed. If inhabited residential units are to be removed, then the housing impact study shall identify (i) the number and location of those units that will or may be removed, (ii) the municipality's plans for relocation assistance for those residents in the proposed redevelopment project area whose residences are to be removed, (iii) the availability of replacement housing for those residents whose residences are to be removed, and shall identify the type, location, and cost of the housing, and (iv) the type and extent of relocation assistance to be provided.

(6) On and after November 1, 1999, the housing impact study required by paragraph (5) shall be incorporated in the redevelopment plan for the redevelopment project area.

(7) On and after November 1, 1999, no redevelopment plan shall be adopted, nor an existing plan amended, nor shall residential housing that is occupied by households of low-income and very low-income persons in currently existing redevelopment project areas be removed after November 1, 1999 unless the redevelopment plan provides, with respect to inhabited housing units that are to be removed for households of low-income and very low-income persons, affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. For purposes of this paragraph (7), "low-income households", "very low-income households", and "affordable housing" have the meanings set forth in the Illinois Affordable Housing Act. The municipality shall make a good faith effort to ensure that this affordable housing is located in or near the redevelopment project area within the municipality.

(8) On and after November 1, 1999, if, after the adoption of the redevelopment plan for the redevelopment project area, any municipality desires to amend its redevelopment plan to remove more inhabited residential units than specified in its original redevelopment plan, that change shall be made in accordance with the procedures in subsection (c) of Section 11-74.4-5.

(9) For redevelopment project areas designated prior to November 1, 1999, the redevelopment plan may be amended without further joint review board meeting or hearing, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested party registry, to authorize the municipality to expend tax increment revenues for redevelopment project costs defined by paragraphs (5) and (7.5), subparagraphs (E) and (F) of paragraph (11), and paragraph (11.5) of subsection (q) of Section 11-74.4-3, so long as the changes do not increase the total estimated redevelopment project costs set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted.

(o) "Redevelopment project" means any public and private development project in furtherance of the objectives of a redevelopment plan. On and after November 1, 1999 (the effective date of Public Act 91-478), no redevelopment plan may be approved or amended that includes the development of vacant land (i) with a golf course and related clubhouse and other facilities or (ii) designated by federal, State, county, or municipal government as public land for outdoor recreational activities or for nature preserves

and used for that purpose within 5 years prior to the adoption of the redevelopment plan. For the purpose of this subsection, "recreational activities" is limited to mean camping and hunting.

(p) "Redevelopment project area" means an area designated by the municipality, which is not less in the aggregate than 1 1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.

(p-1) Notwithstanding any provision of this Act to the contrary, on and after August 25, 2009 (the effective date of Public Act 96-680), a redevelopment project area may include areas within a one-half mile radius of an existing or proposed Regional Transportation Authority Suburban Transit Access Route (STAR Line) station without a finding that the area is classified as an industrial park conservation area, a blighted area, a conservation area, or a combination thereof, but only if the municipality receives unanimous consent from the joint review board created to review the proposed redevelopment project area.

(q) "Redevelopment project costs", except for redevelopment project areas created pursuant to subsection (p-1), means and includes the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation, the following:

(1) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

(1.5) After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;

(1.6) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;

(2) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

(3) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;

(4) Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported

by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

(5) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;

(6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(7) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.

(7.5) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

(A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts with a district average 1995-96 Per Capita Tuition

Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts with a district average 1995-96 Per Capita

Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts with a district average 1995-96 Per Capita

Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts, no more than 40% of the total amount of property

tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(C) For any school district in a municipality with a population in excess of 1,000,000, the following restrictions shall apply to the reimbursement of increased costs under this paragraph (7.5):

(i) no increased costs shall be reimbursed unless the school district certifies that each of the schools affected by the assisted housing project is at or over its student capacity;

(ii) the amount reimbursable shall be reduced by the value of any land donated to the school district by the municipality or developer, and by the value of any physical improvements made to the schools by the municipality or developer; and

(iii) the amount reimbursed may not affect amounts otherwise obligated by the terms of any bonds, notes, or other funding instruments, or the terms of any redevelopment agreement.

Any school district seeking payment under this paragraph (7.5) shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.5). By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

(7.7) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005 (the effective date of Public Act 93-961), a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph (7.7) applies only if (i) the library district is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph (7.7) shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita as stated in the most recent Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph (7.7) shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Tax Allocation Fund.

A library district is not eligible for any payment under this paragraph (7.7) unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

Any library district seeking payment under this paragraph (7.7) shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to

the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.7). By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

(8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n);

(9) Payment in lieu of taxes;

(10) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

(11) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

(A) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;

(B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;

(C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

(D) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act; and

(E) the cost limits set forth in subparagraphs (B) and (D) of paragraph (11) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D) of paragraph (11).

(F) Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under this Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing.

The eligible costs provided under this subparagraph (F) of paragraph (11) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F) of paragraph (11). The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of

paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

(11.5) If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county, or regional median income are determined from time to time by the United States Department of Housing and Urban Development.

(12) Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

(13) After November 1, 1999 (the effective date of Public Act 91-478), none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

(14) No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008 (the effective date of Public Act 95-934), unless no prudent and feasible alternative exists. "Historic resource" for the purpose of this item (14) means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This item (14) does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by this Act.

(q-1) For redevelopment project areas created pursuant to subsection (p-1), redevelopment project costs are limited to those costs in paragraph (q) that are related to the existing or proposed Regional Transportation Authority Suburban Transit Access Route (STAR Line) station.

(r) "State Sales Tax Boundary" means the redevelopment project area or the amended redevelopment project area boundaries which are determined pursuant to subsection (9) of Section 11-74.4-8a of this Act. The Department of Revenue shall certify pursuant to subsection (9) of Section 11-74.4-8a the appropriate boundaries eligible for the determination of State Sales Tax Increment.

(s) "State Sales Tax Increment" means an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen, other than retailers and servicemen subject to the Public Utilities Act, on transactions at places of business located within a State Sales Tax Boundary pursuant to the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, except such portion of such increase that is paid into the State and Local Sales Tax Reform Fund, the Local Government Distributive Fund, the Local Government Tax Fund and the County and

Mass Transit District Fund, for as long as State participation exists, over and above the Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts for such taxes as certified by the Department of Revenue and paid under those Acts by retailers and servicemen on transactions at places of business located within the State Sales Tax Boundary during the base year which shall be the calendar year immediately prior to the year in which the municipality adopted tax increment allocation financing, less 3.0% of such amounts generated under the Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax Act and the Service Occupation Tax Act, which sum shall be appropriated to the Department of Revenue to cover its costs of administering and enforcing this Section. For purposes of computing the aggregate amount of such taxes for base years occurring prior to 1985, the Department of Revenue shall compute the Initial Sales Tax Amount for such taxes and deduct therefrom an amount equal to 4% of the aggregate amount of taxes per year for each year the base year is prior to 1985, but not to exceed a total deduction of 12%. The amount so determined shall be known as the "Adjusted Initial Sales Tax Amount". For purposes of determining the State Sales Tax Increment the Department of Revenue shall for each period subtract from the tax amounts received from retailers and servicemen on transactions located in the State Sales Tax Boundary, the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or Revised Initial Sales Tax Amounts for the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act and the Service Occupation Tax Act. For the State Fiscal Year 1989 this calculation shall be made by utilizing the calendar year 1987 to determine the tax amounts received. For the State Fiscal Year 1990, this calculation shall be made by utilizing the period from January 1, 1988, until September 30, 1988, to determine the tax amounts received from retailers and servicemen, which shall have deducted therefrom nine-twelfths of the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For the State Fiscal Year 1991, this calculation shall be made by utilizing the period from October 1, 1988, until June 30, 1989, to determine the tax amounts received from retailers and servicemen, which shall have deducted therefrom nine-twelfths of the certified Initial State Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts as appropriate. For every State Fiscal Year thereafter, the applicable period shall be the 12 months beginning July 1 and ending on June 30, to determine the tax amounts received which shall have deducted therefrom the certified Initial Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the Revised Initial Sales Tax Amounts. Municipalities intending to receive a distribution of State Sales Tax Increment must report a list of retailers to the Department of Revenue by October 31, 1988 and by July 31, of each year thereafter.

(t) "Taxing districts" means counties, townships, cities and incorporated towns and villages, school, road, park, sanitary, mosquito abatement, forest preserve, public health, fire protection, river conservancy, tuberculosis sanitarium and any other municipal corporations or districts with the power to levy taxes.

(u) "Taxing districts' capital costs" means those costs of taxing districts for capital improvements that are found by the municipal corporate authorities to be necessary and directly result from the redevelopment project.

(v) As used in subsection (a) of Section 11-74.4-3 of this Act, "vacant land" means any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided; provided that if the parcel was part of a larger tract that has been divided into 3 or more smaller tracts that were accepted for recording during the period from 1950 to 1990, then the parcel shall be deemed to have been subdivided, and all proceedings and actions of the municipality taken in that connection with respect to any previously approved or designated redevelopment project area or amended redevelopment project area are hereby validated and hereby declared to be legally sufficient for all purposes of this Act. For purposes of this Section and only for land subject to the subdivision requirements of the Plat Act, land is subdivided when the original plat of the proposed Redevelopment Project Area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Plat Act and a preliminary plat, if any, for any subsequent phases of the proposed Redevelopment Project Area or relevant portion thereof has been properly approved and filed in accordance with the applicable ordinance of the municipality.

(w) "Annual Total Increment" means the sum of each municipality's annual Net Sales Tax Increment and each municipality's annual Net Utility Tax Increment. The ratio of the Annual Total Increment of each municipality to the Annual Total Increment for all municipalities, as most recently calculated by the Department, shall determine the proportional shares of the Illinois Tax Increment Fund to be distributed to each municipality.



(x) "LEED certified" means any certification level of construction elements by a qualified Leadership in Energy and Environmental Design Accredited Professional as determined by the U.S. Green Building Council.

(y) "Green Globes certified" means any certification level of construction elements by a qualified Green Globes Professional as determined by the Green Building Initiative.

(Source: P.A. 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331, eff. 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07; 95-653, eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff. 10-19-07; 95-709, eff. 1-29-08; 95-876, eff. 8-21-08; 95-932, eff. 8-26-08; 95-934, eff. 8-26-08; 95-964, eff. 9-23-08; 95-977, eff. 9-22-08; 95-1028, eff. 8-25-09 (see Section 5 of P.A. 96-717 for the effective date of changes made by P.A. 95-1028); 96-328, eff. 8-11-09; 96-630, eff. 1-1-10; 96-680, eff. 8-25-09; 96-1000, eff. 7-2-10.) (65 ILCS 5/11-74.4-3.5)

Sec. 11-74.4-3.5. Completion dates for redevelopment projects.

(a) Unless otherwise stated in this Section, the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer, as provided in subsection (b) of Section 11-74.4-8 of this Act, is to be made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving the redevelopment project area was adopted if the ordinance was adopted on or after January 15, 1981.

(a-5) On and after January 1, 2012, the estimated date of completion of a redevelopment project and retirement of obligations issued to finance redevelopment project costs, including, but not limited to, refunding bonds under Section 11-74.4-7, shall be no later than December 31 of the year in which the payment to the municipal treasurer, as provided in subsection (b) of Section 11-74.4-8, is to be made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving the redevelopment project area was adopted unless all taxing districts serving on the joint review board send documentation supporting a later estimated date of completion to the State Comptroller and the extension of the later estimated date of completion date is authorized by a subsequent amendment to this Code. The State Comptroller must post this documentation on the State Comptroller's official website. This information must be posted no later than 45 days after the State Comptroller receives the information from the taxing districts.

(b) The estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the 32nd calendar year after the year in which the ordinance approving the redevelopment project area was adopted, if the ordinance was adopted on September 9, 1999 by the Village of Downs.

The estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the 33rd calendar year after the year in which the ordinance approving the redevelopment project area was adopted, if the ordinance was adopted on May 20, 1985 by the Village of Wheeling.

The estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the 28th calendar year after the year in which the ordinance approving the redevelopment project area was adopted, if the ordinance was adopted on October 12, 1989 by the City of Lawrenceville.

(c) The estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the 35th calendar year after the year in which the ordinance approving the redevelopment project area was adopted:

- (1) if the ordinance was adopted before January 15, 1981;
- (2) if the ordinance was adopted in December 1983, April 1984, July 1985, or December 1989;
- (3) if the ordinance was adopted in December 1987 and the redevelopment project is located within one mile of Midway Airport;

- (4) if the ordinance was adopted before January 1, 1987 by a municipality in Mason County;
- (5) if the municipality is subject to the Local Government Financial Planning and Supervision Act or the Financially Distressed City Law;
- (6) if the ordinance was adopted in December 1984 by the Village of Rosemont;
- (7) if the ordinance was adopted on December 31, 1986 by a municipality located in Clinton County for which at least \$250,000 of tax increment bonds were authorized on June 17, 1997, or if the ordinance was adopted on December 31, 1986 by a municipality with a population in 1990 of less than 3,600 that is located in a county with a population in 1990 of less than 34,000 and for which at least \$250,000 of tax increment bonds were authorized on June 17, 1997;
- (8) if the ordinance was adopted on October 5, 1982 by the City of Kankakee, or if the ordinance was adopted on December 29, 1986 by East St. Louis;
- (9) if the ordinance was adopted on November 12, 1991 by the Village of Sauget;
- (10) if the ordinance was adopted on February 11, 1985 by the City of Rock Island;
- (11) if the ordinance was adopted before December 18, 1986 by the City of Moline;
- (12) if the ordinance was adopted in September 1988 by Sauk Village;
- (13) if the ordinance was adopted in October 1993 by Sauk Village;
- (14) if the ordinance was adopted on December 29, 1986 by the City of Galva;
- (15) if the ordinance was adopted in March 1991 by the City of Centerville;
- (16) if the ordinance was adopted on January 23, 1991 by the City of East St. Louis;
- (17) if the ordinance was adopted on December 22, 1986 by the City of Aledo;
- (18) if the ordinance was adopted on February 5, 1990 by the City of Clinton;
- (19) if the ordinance was adopted on September 6, 1994 by the City of Freeport;
- (20) if the ordinance was adopted on December 22, 1986 by the City of Tuscola;
- (21) if the ordinance was adopted on December 23, 1986 by the City of Sparta;
- (22) if the ordinance was adopted on December 23, 1986 by the City of Beardstown;
- (23) if the ordinance was adopted on April 27, 1981, October 21, 1985, or December 30, 1986 by the City of Belleville;
- (24) if the ordinance was adopted on December 29, 1986 by the City of Collinsville;
- (25) if the ordinance was adopted on September 14, 1994 by the City of Alton;
- (26) if the ordinance was adopted on November 11, 1996 by the City of Lexington;
- (27) if the ordinance was adopted on November 5, 1984 by the City of LeRoy;
- (28) if the ordinance was adopted on April 3, 1991 or June 3, 1992 by the City of Markham;
- (29) if the ordinance was adopted on November 11, 1986 by the City of Pekin;
- (30) if the ordinance was adopted on December 15, 1981 by the City of Champaign;
- (31) if the ordinance was adopted on December 15, 1986 by the City of Urbana;
- (32) if the ordinance was adopted on December 15, 1986 by the Village of Heyworth;
- (33) if the ordinance was adopted on February 24, 1992 by the Village of Heyworth;
- (34) if the ordinance was adopted on March 16, 1995 by the Village of Heyworth;
- (35) if the ordinance was adopted on December 23, 1986 by the Town of Cicero;
- (36) if the ordinance was adopted on December 30, 1986 by the City of Effingham;
- (37) if the ordinance was adopted on May 9, 1991 by the Village of Tilton;
- (38) if the ordinance was adopted on October 20, 1986 by the City of Elmhurst;
- (39) if the ordinance was adopted on January 19, 1988 by the City of Waukegan;
- (40) if the ordinance was adopted on September 21, 1998 by the City of Waukegan;
- (41) if the ordinance was adopted on December 31, 1986 by the City of Sullivan;
- (42) if the ordinance was adopted on December 23, 1991 by the City of Sullivan;
- (43) if the ordinance was adopted on December 31, 1986 by the City of Oglesby;
- (44) if the ordinance was adopted on July 28, 1987 by the City of Marion;
- (45) if the ordinance was adopted on April 23, 1990 by the City of Marion;
- (46) if the ordinance was adopted on August 20, 1985 by the Village of Mount Prospect;
- (47) if the ordinance was adopted on February 2, 1998 by the Village of Woodhull;
- (48) if the ordinance was adopted on April 20, 1993 by the Village of Princeville;
- (49) if the ordinance was adopted on July 1, 1986 by the City of Granite City;
- (50) if the ordinance was adopted on February 2, 1989 by the Village of Lombard;
- (51) if the ordinance was adopted on December 29, 1986 by the Village of Gardner;
- (52) if the ordinance was adopted on July 14, 1999 by the Village of Paw Paw;
- (53) if the ordinance was adopted on November 17, 1986 by the Village of Franklin Park;

- (54) if the ordinance was adopted on November 20, 1989 by the Village of South Holland;
- (55) if the ordinance was adopted on July 14, 1992 by the Village of Riverdale;
- (56) if the ordinance was adopted on December 29, 1986 by the City of Galesburg;
- (57) if the ordinance was adopted on April 1, 1985 by the City of Galesburg;
- (58) if the ordinance was adopted on May 21, 1990 by the City of West Chicago;
- (59) if the ordinance was adopted on December 16, 1986 by the City of Oak Forest;
- (60) if the ordinance was adopted in 1999 by the City of Villa Grove;
- (61) if the ordinance was adopted on January 13, 1987 by the Village of Mt. Zion;
- (62) if the ordinance was adopted on December 30, 1986 by the Village of Manteno;
- (63) if the ordinance was adopted on April 3, 1989 by the City of Chicago Heights;
- (64) if the ordinance was adopted on January 6, 1999 by the Village of Rosemont;
- (65) if the ordinance was adopted on December 19, 2000 by the Village of Stone Park;
- (66) if the ordinance was adopted on December 22, 1986 by the City of DeKalb;
- (67) if the ordinance was adopted on December 2, 1986 by the City of Aurora;
- (68) if the ordinance was adopted on December 31, 1986 by the Village of Milan;
- (69) if the ordinance was adopted on September 8, 1994 by the City of West Frankfort;
- (70) if the ordinance was adopted on December 23, 1986 by the Village of Libertyville;
- (71) if the ordinance was adopted on December 22, 1986 by the Village of Hoffman Estates;
- (72) if the ordinance was adopted on September 17, 1986 by the Village of Sherman;
- (73) if the ordinance was adopted on December 16, 1986 by the City of Macomb;
- (74) if the ordinance was adopted on June 11, 2002 by the City of East Peoria to create the West Washington Street TIF;
- (75) if the ordinance was adopted on June 11, 2002 by the City of East Peoria to create the Camp Street TIF;
- (76) if the ordinance was adopted on August 7, 2000 by the City of Des Plaines;
- (77) if the ordinance was adopted on December 22, 1986 by the City of Washington to create the Washington Square TIF #2;
- (78) if the ordinance was adopted on December 29, 1986 by the City of Morris;
- (79) if the ordinance was adopted on July 6, 1998 by the Village of Steeleville;
- (80) if the ordinance was adopted on December 29, 1986 by the City of Pontiac to create TIF I (the Main St TIF);
- (81) if the ordinance was adopted on December 29, 1986 by the City of Pontiac to create TIF II (the Interstate TIF);
- (82) if the ordinance was adopted on November 6, 2002 by the City of Chicago to create the Madden/Wells TIF District;
- (83) if the ordinance was adopted on November 4, 1998 by the City of Chicago to create the Roosevelt/Racine TIF District;
- (84) if the ordinance was adopted on June 10, 1998 by the City of Chicago to create the Stony Island Commercial/Burnside Industrial Corridors TIF District;
- (85) if the ordinance was adopted on November 29, 1989 by the City of Chicago to create the Englewood Mall TIF District;
- (86) if the ordinance was adopted on December 27, 1986 by the City of Mendota;
- (87) if the ordinance was adopted on December 31, 1986 by the Village of Cahokia;
- (88) if the ordinance was adopted on September 20, 1999 by the City of Belleville;
- (89) if the ordinance was adopted on December 30, 1986 by the Village of Bellevue to create the Bellevue TIF District I;
- (90) if the ordinance was adopted on December 13, 1993 by the Village of Crete;
- (91) if the ordinance was adopted on February 12, 2001 by the Village of Crete;
- (92) if the ordinance was adopted on April 23, 2001 by the Village of Crete;
- (93) if the ordinance was adopted on December 16, 1986 by the City of Champaign;
- (94) if the ordinance was adopted on December 20, 1986 by the City of Charleston; ~~or~~
- (95) if the ordinance was adopted on October 14, 1993 and amended on August 2, 2010 by the City of Venice; -
- ~~(96)~~ (94) if the ordinance was adopted on June 6, 1989 by the Village of Romeoville; or -
- (97) if the ordinance was adopted on October 27, 1998 by the City of Moline.

(d) For redevelopment project areas for which bonds were issued before July 29, 1991, or for which contracts were entered into before June 1, 1988, in connection with a redevelopment project in the area within the State Sales Tax Boundary, the estimated dates of completion of the redevelopment project and

retirement of obligations to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may be extended by municipal ordinance to December 31, 2013. The termination procedures of subsection (b) of Section 11-74.4-8 are not required for these redevelopment project areas in 2009 but are required in 2013. The extension allowed by Public Act 87-1272 shall not apply to real property tax increment allocation financing under Section 11-74.4-8.

(e) Those dates, for purposes of real property tax increment allocation financing pursuant to Section 11-74.4-8 only, shall be not more than 35 years for redevelopment project areas that were adopted on or after December 16, 1986 and for which at least \$8 million worth of municipal bonds were authorized on or after December 19, 1989 but before January 1, 1990; provided that the municipality elects to extend the life of the redevelopment project area to 35 years by the adoption of an ordinance after at least 14 but not more than 30 days' written notice to the taxing bodies, that would otherwise constitute the joint review board for the redevelopment project area, before the adoption of the ordinance.

(f) Those dates, for purposes of real property tax increment allocation financing pursuant to Section 11-74.4-8 only, shall be not more than 35 years for redevelopment project areas that were established on or after December 1, 1981 but before January 1, 1982 and for which at least \$1,500,000 worth of tax increment revenue bonds were authorized on or after September 30, 1990 but before July 1, 1991; provided that the municipality elects to extend the life of the redevelopment project area to 35 years by the adoption of an ordinance after at least 14 but not more than 30 days' written notice to the taxing bodies, that would otherwise constitute the joint review board for the redevelopment project area, before the adoption of the ordinance.

(g) In consolidating the material relating to completion dates from Sections 11-74.4-3 and 11-74.4-7 into this Section, it is not the intent of the General Assembly to make any substantive change in the law, except for the extension of the completion dates for the City of Aurora, the Village of Milan, the City of West Frankfort, the Village of Libertyville, and the Village of Hoffman Estates set forth under items (67), (68), (69), (70), and (71) of subsection (c) of this Section.

(Source: P.A. 95-932, eff. 8-26-08; 95-964, eff. 9-23-08; incorporates P.A. 95-777, eff. 9-22-08, and 95-1028, eff. 8-25-09 (see Section 5 of P.A. 96-717 for the effective date of changes made by P.A. 95-1028); 96-127, eff. 8-4-09; 96-182, eff. 8-10-09; 96-208, eff. 8-10-09; 96-209, eff. 1-1-10; 96-213, eff. 8-10-09; 96-264, eff. 8-11-09; 96-328, eff. 8-11-09; 96-439, eff. 8-14-09; 96-454, eff. 8-14-09; 96-722, eff. 8-25-09; 96-773, eff. 8-28-09; 96-830, eff. 12-4-09; 96-837, eff. 12-16-09; 96-1000, eff. 7-2-10; 96-1359, eff. 7-28-10; 96-1494, eff. 12-30-10; 96-1514, eff. 2-4-11; 96-1552, eff. 3-10-11; revised 4-5-11.)

(65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

Sec. 11-74.4-4. Municipal powers and duties; redevelopment project areas. The changes made by this amendatory Act of the 91st General Assembly do not apply to a municipality that, (i) before the effective date of this amendatory Act of the 91st General Assembly, has adopted an ordinance or resolution fixing a time and place for a public hearing under Section 11-74.4-5 or (ii) before July 1, 1999, has adopted an ordinance or resolution providing for a feasibility study under Section 11-74.4-4.1, but has not yet adopted an ordinance approving redevelopment plans and redevelopment projects or designating redevelopment project areas under this Section, until after that municipality adopts an ordinance approving redevelopment plans and redevelopment projects or designating redevelopment project areas under this Section; thereafter the changes made by this amendatory Act of the 91st General Assembly apply to the same extent that they apply to redevelopment plans and redevelopment projects that were approved and redevelopment projects that were designated before the effective date of this amendatory Act of the 91st General Assembly.

A municipality may:

(a) By ordinance introduced in the governing body of the municipality within 14 to 90 days from the completion of the hearing specified in Section 11-74.4-5 approve redevelopment plans and redevelopment projects, and designate redevelopment project areas pursuant to notice and hearing required by this Act. No redevelopment project area shall be designated unless a plan and project are approved prior to the designation of such area and such area shall include only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements. Upon adoption of the ordinances, the municipality shall forthwith transmit to the Department of Commerce and Economic Opportunity, the State Comptroller, and the county clerk of the county or counties within which the redevelopment project area is located a certified copy of the ordinances, a legal description of the redevelopment project area, a map of the redevelopment project area, identification of the year that the county clerk shall use for determining the total initial equalized assessed value of the redevelopment project area consistent with subsection (a) of Section 11-74.4-9, and a list of the parcel or tax identification number of each parcel of property included in the redevelopment

project area. On and after January 1, 2012, the State Comptroller must post this documentation on the State Comptroller's official website. This information must be posted no later than 45 days after the State Comptroller receives it from the municipality. Notwithstanding any other provision of law, in a municipality with a population exceeding 25,000 inhabitants, no redevelopment project area may be designated on or after January 1, 2012 if, as of the anticipated effective date of the designation, the equalized assessed value of all property in the redevelopment project area plus the total current equalized assessed value of all property located in the municipality and subject to tax increment financing under this Division exceeds 35% of the total equalized assessed value of all property located in the municipality.

(b) Make and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of its redevelopment plan and project. Contract provisions concerning loan repayment obligations in contracts entered into on or after the effective date of this amendatory Act of the 93rd General Assembly shall terminate no later than the last to occur of the estimated dates of completion of the redevelopment project and retirement of the obligations issued to finance redevelopment project costs as required by item (3) of subsection (n) of Section 11-74.4-3. Payments received under contracts entered into by the municipality prior to the effective date of this amendatory Act of the 93rd General Assembly that are received after the redevelopment project area has been terminated by municipal ordinance shall be deposited into a special fund of the municipality to be used for other community redevelopment needs within the redevelopment project area.

(c) Within a redevelopment project area, acquire by purchase, donation, lease or eminent domain; own, convey, lease, mortgage or dispose of land and other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the municipality determines is reasonably necessary to achieve the objectives of the redevelopment plan and project. No conveyance, lease, mortgage, disposition of land or other property owned by a municipality, or agreement relating to the development of such municipal property shall be made except upon the adoption of an ordinance by the corporate authorities of the municipality. Furthermore, no conveyance, lease, mortgage, or other disposition of land owned by a municipality or agreement relating to the development of such municipal property shall be made without making public disclosure of the terms of the disposition and all bids and proposals made in response to the municipality's request. The procedures for obtaining such bids and proposals shall provide reasonable opportunity for any person to submit alternative proposals or bids.

(d) Within a redevelopment project area, clear any area by demolition or removal of any existing buildings and structures.

(e) Within a redevelopment project area, renovate or rehabilitate or construct any structure or building, as permitted under this Act.

(f) Install, repair, construct, reconstruct or relocate streets, utilities and site improvements essential to the preparation of the redevelopment area for use in accordance with a redevelopment plan.

(g) Within a redevelopment project area, fix, charge and collect fees, rents and charges for the use of any building or property owned or leased by it or any part thereof, or facility therein.

(h) Accept grants, guarantees and donations of property, labor, or other things of value from a public or private source for use within a project redevelopment area.

(i) Acquire and construct public facilities within a redevelopment project area, as permitted under this Act.

(j) Incur project redevelopment costs and reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement; provided, however, that on and after the effective date of this amendatory Act of the 91st General Assembly, no municipality shall incur redevelopment project costs (except for planning costs and any other eligible costs authorized by municipal ordinance or resolution that are subsequently included in the redevelopment plan for the area and are incurred by the municipality after the ordinance or resolution is adopted) that are not consistent with the program for accomplishing the objectives of the redevelopment plan as included in that plan and approved by the municipality until the municipality has amended the redevelopment plan as provided elsewhere in this Act.

(k) Create a commission of not less than 5 or more than 15 persons to be appointed by the mayor or president of the municipality with the consent of the majority of the governing board of the municipality. Members of a commission appointed after the effective date of this amendatory Act of 1987 shall be appointed for initial terms of 1, 2, 3, 4 and 5 years, respectively, in such numbers as to provide that the terms of not more than 1/3 of all such members shall expire in any one year. Their successors shall be appointed for a term of 5 years. The commission, subject to approval of the corporate authorities may

exercise the powers enumerated in this Section. The commission shall also have the power to hold the public hearings required by this division and make recommendations to the corporate authorities concerning the adoption of redevelopment plans, redevelopment projects and designation of redevelopment project areas.

(l) Make payment in lieu of taxes or a portion thereof to taxing districts. If payments in lieu of taxes or a portion thereof are made to taxing districts, those payments shall be made to all districts within a project redevelopment area on a basis which is proportional to the current collections of revenue which each taxing district receives from real property in the redevelopment project area.

(m) Exercise any and all other powers necessary to effectuate the purposes of this Act.

(n) If any member of the corporate authority, a member of a commission established pursuant to Section 11-74.4-4(k) of this Act, or an employee or consultant of the municipality involved in the planning and preparation of a redevelopment plan, or project for a redevelopment project area or proposed redevelopment project area, as defined in Sections 11-74.4-3(i) through (k) of this Act, owns or controls an interest, direct or indirect, in any property included in any redevelopment area, or proposed redevelopment area, he or she shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the dates and terms and conditions of any disposition of any such interest, which disclosures shall be acknowledged by the corporate authorities and entered upon the minute books of the corporate authorities. If an individual holds such an interest then that individual shall refrain from any further official involvement in regard to such redevelopment plan, project or area, from voting on any matter pertaining to such redevelopment plan, project or area, or communicating with other members concerning corporate authorities, commission or employees concerning any matter pertaining to said redevelopment plan, project or area. Furthermore, no such member or employee shall acquire of any interest direct, or indirect, in any property in a redevelopment area or proposed redevelopment area after either (a) such individual obtains knowledge of such plan, project or area or (b) first public notice of such plan, project or area pursuant to Section 11-74.4-6 of this Division, whichever occurs first. For the purposes of this subsection, a property interest acquired in a single parcel of property by a member of the corporate authority, which property is used exclusively as the member's primary residence, shall not be deemed to constitute an interest in any property included in a redevelopment area or proposed redevelopment area that was established before December 31, 1989, but the member must disclose the acquisition to the municipal clerk under the provisions of this subsection. A single property interest acquired within one year after the effective date of this amendatory Act of the 94th General Assembly or 2 years after the effective date of this amendatory Act of the 95th General Assembly by a member of the corporate authority does not constitute an interest in any property included in any redevelopment area or proposed redevelopment area, regardless of when the redevelopment area was established, if (i) the property is used exclusively as the member's primary residence, (ii) the member discloses the acquisition to the municipal clerk under the provisions of this subsection, (iii) the acquisition is for fair market value, (iv) the member acquires the property as a result of the property being publicly advertised for sale, and (v) the member refrains from voting on, and communicating with other members concerning, any matter when the benefits to the redevelopment project or area would be significantly greater than the benefits to the municipality as a whole. For the purposes of this subsection, a month-to-month leasehold interest in a single parcel of property by a member of the corporate authority shall not be deemed to constitute an interest in any property included in any redevelopment area or proposed redevelopment area, but the member must disclose the interest to the municipal clerk under the provisions of this subsection.

(o) Create a Tax Increment Economic Development Advisory Committee to be appointed by the Mayor or President of the municipality with the consent of the majority of the governing board of the municipality, the members of which Committee shall be appointed for initial terms of 1, 2, 3, 4 and 5 years respectively, in such numbers as to provide that the terms of not more than 1/3 of all such members shall expire in any one year. Their successors shall be appointed for a term of 5 years. The Committee shall have none of the powers enumerated in this Section. The Committee shall serve in an advisory capacity only. The Committee may advise the governing Board of the municipality and other municipal officials regarding development issues and opportunities within the redevelopment project area or the area within the State Sales Tax Boundary. The Committee may also promote and publicize development opportunities in the redevelopment project area or the area within the State Sales Tax Boundary.

(p) Municipalities may jointly undertake and perform redevelopment plans and projects and utilize the provisions of the Act wherever they have contiguous redevelopment project areas or they determine to adopt tax increment financing with respect to a redevelopment project area which includes contiguous real property within the boundaries of the municipalities, and in doing so, they may, by agreement between municipalities, issue obligations, separately or jointly, and expend revenues received under the

Act for eligible expenses anywhere within contiguous redevelopment project areas or as otherwise permitted in the Act.

(q) Utilize revenues, other than State sales tax increment revenues, received under this Act from one redevelopment project area for eligible costs in another redevelopment project area that is:

- (i) contiguous to the redevelopment project area from which the revenues are received;
- (ii) separated only by a public right of way from the redevelopment project area from which the revenues are received; or

(iii) separated only by forest preserve property from the redevelopment project area from which the revenues are received if the closest boundaries of the redevelopment project areas that are separated by the forest preserve property are less than one mile apart.

Utilize tax increment revenues for eligible costs that are received from a redevelopment project area created under the Industrial Jobs Recovery Law that is either contiguous to, or is separated only by a public right of way from, the redevelopment project area created under this Act which initially receives these revenues. Utilize revenues, other than State sales tax increment revenues, by transferring or loaning such revenues to a redevelopment project area created under the Industrial Jobs Recovery Law that is either contiguous to, or separated only by a public right of way from the redevelopment project area that initially produced and received those revenues; and, if the redevelopment project area (i) was established before the effective date of this amendatory Act of the 91st General Assembly and (ii) is located within a municipality with a population of more than 100,000, utilize revenues or proceeds of obligations authorized by Section 11-74.4-7 of this Act, other than use or occupation tax revenues, to pay for any redevelopment project costs as defined by subsection (q) of Section 11-74.4-3 to the extent that the redevelopment project costs involve public property that is either contiguous to, or separated only by a public right of way from, a redevelopment project area whether or not redevelopment project costs or the source of payment for the costs are specifically set forth in the redevelopment plan for the redevelopment project area.

On and after January 1, 2012, revenues used pursuant to this subsection shall be used only for the mutual benefit of the redevelopment project area that the revenues were received from and the redevelopment project area that the revenues were sent to. A redevelopment project area that uses revenues pursuant to this subsection may not transfer revenues to another redevelopment project area before repaying the redevelopment project area that the revenues were received from.

(r) If no redevelopment project has been initiated in a redevelopment project area within 7 years after the area was designated by ordinance under subsection (a), the municipality shall adopt an ordinance repealing the area's designation as a redevelopment project area; provided, however, that if an area received its designation more than 3 years before the effective date of this amendatory Act of 1994 and no redevelopment project has been initiated within 4 years after the effective date of this amendatory Act of 1994, the municipality shall adopt an ordinance repealing its designation as a redevelopment project area. Initiation of a redevelopment project shall be evidenced by either a signed redevelopment agreement or expenditures on eligible redevelopment project costs associated with a redevelopment project.

Notwithstanding any other provision of this Section to the contrary, with respect to a redevelopment project area designated by an ordinance that was adopted on July 29, 1998 by the City of Chicago, the City of Chicago shall adopt an ordinance repealing the area's designation as a redevelopment project area if no redevelopment project has been initiated in the redevelopment project area within 15 years after the designation of the area. The City of Chicago may retroactively repeal any ordinance adopted by the City of Chicago, pursuant to this subsection (r), that repealed the designation of a redevelopment project area designated by an ordinance that was adopted by the City of Chicago on July 29, 1998. The City of Chicago has 90 days after the effective date of this amendatory Act to repeal the ordinance. The changes to this Section made by this amendatory Act of the 96th General Assembly apply retroactively to July 27, 2005.

(s) Notwithstanding any provision of this Section to the contrary, the owner or party responsible for the payment of real estate taxes upon property located within a redevelopment project area shall retain the right to contest or object in good faith to the proposed property tax assessment upon that property in any given year during the term of the redevelopment project area agreement.

(Source: P.A. 95-1054, eff. 1-1-10; 96-1555, eff. 3-18-11.)

(65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5)

Sec. 11-74.4-5. Public hearing; joint review board.

(a) The changes made by this amendatory Act of the 91st General Assembly do not apply to a municipality that, (i) before the effective date of this amendatory Act of the 91st General Assembly, has adopted an ordinance or resolution fixing a time and place for a public hearing under this Section or (ii)

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before July 1, 1999, has adopted an ordinance or resolution providing for a feasibility study under Section 11-74.4-4.1, but has not yet adopted an ordinance approving redevelopment plans and redevelopment projects or designating redevelopment project areas under Section 11-74.4-4, until after that municipality adopts an ordinance approving redevelopment plans and redevelopment projects or designating redevelopment project areas under Section 11-74.4-4; thereafter the changes made by this amendatory Act of the 91st General Assembly apply to the same extent that they apply to redevelopment plans and redevelopment projects that were approved and redevelopment projects that were designated before the effective date of this amendatory Act of the 91st General Assembly.

Prior to the adoption of an ordinance proposing the designation of a redevelopment project area, or approving a redevelopment plan or redevelopment project, the municipality by its corporate authorities, or as it may determine by any commission designated under subsection (k) of Section 11-74.4-4 shall adopt an ordinance or resolution fixing a time and place for public hearing. At least 10 days prior to the adoption of the ordinance or resolution establishing the time and place for the public hearing, the municipality shall make available for public inspection a redevelopment plan or a separate report that provides in reasonable detail the basis for the eligibility of the redevelopment project area. The report along with the name of a person to contact for further information shall be sent within a reasonable time after the adoption of such ordinance or resolution to the affected taxing districts by certified mail. On and after the effective date of this amendatory Act of the 91st General Assembly, the municipality shall print in a newspaper of general circulation within the municipality a notice that interested persons may register with the municipality in order to receive information on the proposed designation of a redevelopment project area or the approval of a redevelopment plan. The notice shall state the place of registration and the operating hours of that place. The municipality shall have adopted reasonable rules to implement this registration process under Section 11-74.4-4.2. The municipality shall provide notice of the availability of the redevelopment plan and eligibility report, including how to obtain this information, by mail within a reasonable time after the adoption of the ordinance or resolution, to all residential addresses that, after a good faith effort, the municipality determines are located outside the proposed redevelopment project area and within 750 feet of the boundaries of the proposed redevelopment project area. This requirement is subject to the limitation that in a municipality with a population of over 100,000, if the total number of residential addresses outside the proposed redevelopment project area and within 750 feet of the boundaries of the proposed redevelopment project area exceeds 750, the municipality shall be required to provide the notice to only the 750 residential addresses that, after a good faith effort, the municipality determines are outside the proposed redevelopment project area and closest to the boundaries of the proposed redevelopment project area. Notwithstanding the foregoing, notice given after August 7, 2001 (the effective date of Public Act 92-263) and before the effective date of this amendatory Act of the 92nd General Assembly to residential addresses within 750 feet of the boundaries of a proposed redevelopment project area shall be deemed to have been sufficiently given in compliance with this Act if given only to residents outside the boundaries of the proposed redevelopment project area. The notice shall also be provided by the municipality, regardless of its population, to those organizations and residents that have registered with the municipality for that information in accordance with the registration guidelines established by the municipality under Section 11-74.4-4.2.

At the public hearing any interested person or affected taxing district may file with the municipal clerk written objections to and may be heard orally in respect to any issues embodied in the notice. The municipality shall hear all protests and objections at the hearing, granting each witness a reasonable amount of time for testimony, and the hearing may be adjourned to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing. At the public hearing or at any time prior to the adoption by the municipality of an ordinance approving a redevelopment plan, the municipality may make changes in the redevelopment plan. Changes which (1) add additional parcels of property to the proposed redevelopment project area, other than parcels to be removed from a redevelopment project area for the purpose of inclusion in another redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of or extend the life of the redevelopment project, or (4) increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than 10, shall be made only after the municipality gives notice, convenes a joint review board, and conducts a public hearing pursuant to the procedures set forth in this Section and in Section 11-74.4-6 of this Act. Changes which do not (1) add additional parcels of property to the proposed redevelopment project area, other than parcels to be removed from a redevelopment project area for the purpose of inclusion in another redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment



plan, (3) substantially change the nature of or extend the life of the redevelopment project, or (4) increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than 10, may be made without further hearing, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested parties registry, provided for under Section 11-74.4-4.2, and by publication in a newspaper of general circulation within the affected taxing district. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes. Hearings with regard to a redevelopment project area, project or plan may be held simultaneously.

(b) Prior to holding a public hearing to approve or amend a redevelopment plan or to designate or add additional parcels of property to a redevelopment project area, the municipality shall convene a joint review board. The board shall consist of a representative selected by each community college district, local elementary school district and high school district or each local community unit school district, park district, library district, township, fire protection district, and county that will have the authority to directly levy taxes on the property within the proposed redevelopment project area at the time that the proposed redevelopment project area is approved, a representative selected by the municipality and a public member. The public member shall first be selected and then the board's chairperson shall be selected by a majority of the board members present and voting.

For redevelopment project areas with redevelopment plans or proposed redevelopment plans that would result in the displacement of residents from 10 or more inhabited residential units or that include 75 or more inhabited residential units, the public member shall be a person who resides in the redevelopment project area. If, as determined by the housing impact study provided for in paragraph (5) of subsection (n) of Section 11-74.4-3, or if no housing impact study is required then based on other reasonable data, the majority of residential units are occupied by very low, low, or moderate income households, as defined in Section 3 of the Illinois Affordable Housing Act, the public member shall be a person who resides in very low, low, or moderate income housing within the redevelopment project area. Municipalities with fewer than 15,000 residents shall not be required to select a person who lives in very low, low, or moderate income housing within the redevelopment project area, provided that the redevelopment plan or project will not result in displacement of residents from 10 or more inhabited units, and the municipality so certifies in the plan. If no person satisfying these requirements is available or if no qualified person will serve as the public member, then the joint review board is relieved of this paragraph's selection requirements for the public member.

Within 90 days of the effective date of this amendatory Act of the 91st General Assembly, each municipality that designated a redevelopment project area for which it was not required to convene a joint review board under this Section shall convene a joint review board to perform the duties specified under paragraph (e) of this Section.

All board members shall be appointed and the first board meeting shall be held at least 14 days but not more than 28 days after the mailing of notice by the municipality to the taxing districts as required by Section 11-74.4-6(c). Notwithstanding the preceding sentence, a municipality that adopted either a public hearing resolution or a feasibility resolution between July 1, 1999 and July 1, 2000 that called for the meeting of the joint review board within 14 days of notice of public hearing to affected taxing districts is deemed to be in compliance with the notice, meeting, and public hearing provisions of the Act. Such notice shall also advise the taxing bodies represented on the joint review board of the time and place of the first meeting of the board. Additional meetings of the board shall be held upon the call of any member. The municipality seeking designation of the redevelopment project area shall provide administrative support to the board.

The board shall review (i) the public record, planning documents and proposed ordinances approving the redevelopment plan and project and (ii) proposed amendments to the redevelopment plan or additions of parcels of property to the redevelopment project area to be adopted by the municipality. As part of its deliberations, the board may hold additional hearings on the proposal. A board's initial recommendation shall be an advisory, non-binding recommendation. The recommendation shall be adopted by a majority of those members present and voting. The recommendations shall be submitted to the municipality within 30 days after convening of the board. Failure of the board to submit its report on a timely basis shall not be cause to delay the public hearing or any other step in the process of designating or amending the redevelopment project area but shall be deemed to constitute approval by the joint review board of the matters before it.

The board shall base its recommendation to approve or disapprove the redevelopment plan and the designation of the redevelopment project area or the amendment of the redevelopment plan or addition of parcels of property to the redevelopment project area on the basis of the redevelopment project area

and redevelopment plan satisfying the plan requirements, the eligibility criteria defined in Section 11-74.4-3, and the objectives of this Act.

The board shall issue a written report describing why the redevelopment plan and project area or the amendment thereof meets or fails to meet one or more of the objectives of this Act and both the plan requirements and the eligibility criteria defined in Section 11-74.4-3. In the event the Board does not file a report it shall be presumed that these taxing bodies find the redevelopment project area and redevelopment plan satisfy the objectives of this Act and the plan requirements and eligibility criteria.

If the board recommends rejection of the matters before it, the municipality will have 30 days within which to resubmit the plan or amendment. During this period, the municipality will meet and confer with the board and attempt to resolve those issues set forth in the board's written report that led to the rejection of the plan or amendment.

Notwithstanding the resubmission set forth above, the municipality may commence the scheduled public hearing and either adjourn the public hearing or continue the public hearing until a date certain. Prior to continuing any public hearing to a date certain, the municipality shall announce during the public hearing the time, date, and location for the reconvening of the public hearing. Any changes to the redevelopment plan necessary to satisfy the issues set forth in the joint review board report shall be the subject of a public hearing before the hearing is adjourned if the changes would (1) substantially affect the general land uses proposed in the redevelopment plan, (2) substantially change the nature of or extend the life of the redevelopment project, or (3) increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than 10. Changes to the redevelopment plan necessary to satisfy the issues set forth in the joint review board report shall not require any further notice or convening of a joint review board meeting, except that any changes to the redevelopment plan that would add additional parcels of property to the proposed redevelopment project area shall be subject to the notice, public hearing, and joint review board meeting requirements established for such changes by subsection (a) of Section 11-74.4-5.

Before January 1, 2012, in the event that the municipality and the board are unable to resolve these differences, or in the event that the resubmitted plan or amendment is rejected by the board, the municipality may proceed with the plan or amendment, but only upon a three-fifths vote of the corporate authority responsible for approval of the plan or amendment, excluding positions of members that are vacant and those members that are ineligible to vote because of conflicts of interest.

On and after January 1, 2012, in the event that a resubmitted plan or amendment is rejected by a three-fifths vote of the representatives on the joint review board, with each member having an equal vote, the municipality may not proceed with the plan or amendment. Each taxing district voting to reject a plan or amendment shall send documentation explaining its opposition to the State Comptroller. The State Comptroller must post this documentation on the State Comptroller's official website. This information must be posted no later than 45 days after the State Comptroller receives the information from the taxing districts.

(c) After a municipality has by ordinance approved a redevelopment plan and designated a redevelopment project area, the plan may be amended and additional properties may be added to the redevelopment project area only as herein provided. Amendments which (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of the redevelopment project, (4) increase the total estimated redevelopment project costs set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted, (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan, or (6) increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than 10, shall be made only after the municipality gives notice, convenes a joint review board, and conducts a public hearing pursuant to the procedures set forth in this Section and in Section 11-74.4-6 of this Act. Changes which do not (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of the redevelopment project, (4) increase the total estimated redevelopment project cost set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted, (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan, or (6) increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than 10, may be made without further public hearing and related notices and procedures including the convening of a joint review board as set forth in Section

11-74.4-6 of this Act, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested parties registry, provided for under Section 11-74.4-4.2, and by publication in a newspaper of general circulation within the affected taxing district. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes.

(d) After the effective date of this amendatory Act of the 91st General Assembly, a municipality shall submit in an electronic format the following information for each redevelopment project area (i) to the State Comptroller under Section 8-8-3.5 of the Illinois Municipal Code and (ii) to all taxing districts overlapping the redevelopment project area no later than 180 days after the close of each municipal fiscal year or as soon thereafter as the audited financial statements become available and, in any case, shall be submitted before the annual meeting of the Joint Review Board to each of the taxing districts that overlap the redevelopment project area:

(1) Any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary.

(1.5) A list of the redevelopment project areas administered by the municipality and, if applicable, the date each redevelopment project area was designated or terminated by the municipality.

(2) Audited financial statements of the special tax allocation fund once a cumulative total of \$100,000 has been deposited in the fund.

(3) Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of this Act during the preceding fiscal year.

(4) An opinion of legal counsel that the municipality is in compliance with this Act.

(5) An analysis of the special tax allocation fund which sets forth:

(A) the balance in the special tax allocation fund at the beginning of the fiscal year;

(B) all amounts deposited in the special tax allocation fund by source, including any amounts received from another redevelopment project area;

(C) an itemized list of all expenditures from the special tax allocation fund by category of permissible redevelopment project cost, including any amounts transferred to another redevelopment project area; and

(D) the balance in the special tax allocation fund at the end of the fiscal year including a breakdown of that balance by source and a breakdown of that balance identifying any portion of the balance that is required, pledged, earmarked, or otherwise designated for payment of or securing of obligations and anticipated redevelopment project costs. Any portion of such ending balance that has not been identified or is not identified as being required, pledged, earmarked, or otherwise designated for payment of or securing of obligations or anticipated redevelopment projects costs shall be designated as surplus as set forth in Section 11-74.4-7 hereof. Beginning on January 1, 2012, all accumulated tax incremental revenues that have not been designated for use for a specific development project or other specified anticipated use shall be designated as surplus. Beginning on January 1, 2012, all accumulated tax incremental revenues that have been designated for use for a specific development project or other specified use but that have not been used for that project or use shall be designated as surplus after 10 years.

(6) A description of all property purchased by the municipality within the redevelopment project area including:

(A) Street address.

(B) Approximate size or description of property.

(C) Purchase price.

(D) Seller of property.

(7) A statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including:

(A) Any project implemented in the preceding fiscal year.

(B) A description of the redevelopment activities undertaken.

(C) A description of any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary.

(D) Additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan.

(E) Information regarding contracts that the municipality's tax increment advisors or consultants have entered into with entities or persons that have received, or are receiving,

payments financed by tax increment revenues produced by the same redevelopment project area.

(F) Any reports submitted to the municipality by the joint review board.

(G) A review of public and, to the extent possible, private investment actually undertaken to date after the effective date of this amendatory Act of the 91st General Assembly and estimated to be undertaken during the following year. This review shall, on a project-by-project basis, set forth the estimated amounts of public and private investment incurred after the effective date of this amendatory Act of the 91st General Assembly and provide the ratio of private investment to public investment to the date of the report and as estimated to the completion of the redevelopment project.

(8) With regard to any obligations issued by the municipality:

(A) copies of any official statements; and

(B) an analysis prepared by financial advisor or underwriter setting forth: (i) nature and term of obligation; and (ii) projected debt service including required reserves and debt coverage.

(9) For special tax allocation funds that have experienced cumulative deposits of incremental tax revenues of \$100,000 or more, a certified audit report reviewing compliance with this Act performed by an independent public accountant certified and licensed by the authority of the State of Illinois. The financial portion of the audit must be conducted in accordance with Standards for Audits of Governmental Organizations, Programs, Activities, and Functions adopted by the Comptroller General of the United States (1981), as amended, or the standards specified by Section 8-8-5 of the Illinois Municipal Auditing Law of the Illinois Municipal Code. The audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3. For redevelopment plans or projects that would result in the displacement of residents from 10 or more inhabited residential units or that contain 75 or more inhabited residential units, notice of the availability of the information, including how to obtain the report, required in this subsection shall also be sent by mail to all residents or organizations that operate in the municipality that register with the municipality for that information according to registration procedures adopted under Section 11-74.4-4.2. All municipalities are subject to this provision.

(10) A list of all intergovernmental agreements in effect during the fiscal year to which the municipality is a party and an accounting of any moneys transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements.

(11) A detailed list of jobs created or retained during the fiscal year, both temporary and permanent, along with a description of whether the jobs are in the public or private sector, to the extent that the information is required to be reported to the municipality pursuant to a redevelopment agreement or other written agreement.

(d-1) Prior to the effective date of this amendatory Act of the 91st General Assembly, municipalities with populations of over 1,000,000 shall, after adoption of a redevelopment plan or project, make available upon request to any taxing district in which the redevelopment project area is located the following information:

(1) Any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary; and

(2) In connection with any redevelopment project area for which the municipality has outstanding obligations issued to provide for redevelopment project costs pursuant to Section 11-74.4-7, audited financial statements of the special tax allocation fund.

(e) The joint review board shall meet annually 180 days after the close of the municipal fiscal year or as soon as the redevelopment project audit for that fiscal year becomes available to review the effectiveness and status of the redevelopment project area up to that date.

(f) (Blank).

(g) In the event that a municipality has held a public hearing under this Section prior to March 14, 1994 (the effective date of Public Act 88-537), the requirements imposed by Public Act 88-537 relating to the method of fixing the time and place for public hearing, the materials and information required to be made available for public inspection, and the information required to be sent after adoption of an ordinance or resolution fixing a time and place for public hearing shall not be applicable.

(h) On and after the effective date of this amendatory Act of the 96th General Assembly, the State Comptroller must post on the State Comptroller's official website the information submitted by a municipality pursuant to subsection (d) of this Section. The information must be posted no later than 45 days after the State Comptroller receives the information from the municipality. The State Comptroller must also post a list of the municipalities not in compliance with the reporting requirements set forth in

subsection (d) of this Section.

(i) No later than 10 years after the corporate authorities of a municipality adopt an ordinance to establish a redevelopment project area, the municipality must compile a status report concerning the redevelopment project area. The status report must detail without limitation the following: (i) the amount of revenue generated within the redevelopment project area, (ii) any expenditures made by the municipality for the redevelopment project area including without limitation expenditures from the special tax allocation fund, (iii) the status of planned activities, goals, and objectives set forth in the redevelopment plan including details on new or planned construction within the redevelopment project area, (iv) the amount of private and public investment within the redevelopment project area, and (v) any other relevant evaluation or performance data. Within 30 days after the municipality compiles the status report, the municipality must hold at least one public hearing concerning the report. The municipality must provide 20 days' public notice of the hearing.

(j) Beginning in fiscal year 2011 and in each fiscal year thereafter, a municipality must detail in its annual budget (i) the revenues generated from redevelopment project areas by source and (ii) the expenditures made by the municipality for redevelopment project areas.

(k) The State Comptroller may charge a municipality an annual fee for the Comptroller's costs related to the requirements of this Act. The aggregate total of fees charged to any municipality in any year under this subsection shall not exceed \$5,000 for a municipality with a population in excess of 2,000,000 inhabitants, \$1,000 for a municipality with a population in excess of 100,000 inhabitants but not more than 2,000,000 inhabitants, \$500 for a municipality with a population in excess of 50,000 inhabitants but not more than 100,000 inhabitants, and \$250 for a municipality with a population of not more than 50,000 inhabitants. All fees collected under this subsection shall be deposited into the Comptroller's Administrative Fund.

(Source: P.A. 96-1335, eff. 7-27-10.)

(65 ILCS 5/11-74.6-15)

Sec. 11-74.6-15. Municipal Powers and Duties. A municipality may:

(a) By ordinance introduced in the governing body of the municipality within 14 to 90 days from the final adjournment of the hearing specified in Section 11-74.6-22, approve redevelopment plans and redevelopment projects, and designate redevelopment planning areas and redevelopment project areas pursuant to notice and hearing required by this Act. No redevelopment planning area or redevelopment project area shall be designated unless a plan and project are approved before the designation of the area and the area shall include only those parcels of real property and improvements on those parcels substantially benefited by the proposed redevelopment project improvements. Upon adoption of the ordinances, the municipality shall forthwith transmit to the Department of Commerce and Economic Opportunity, the State Comptroller, and the county clerk of the county or counties within which the redevelopment project area is located a certified copy of the ordinances, a legal description of the redevelopment project area, a map of the redevelopment project area, identification of the year that the county clerk shall use for determining the total initial equalized assessed value of the redevelopment project area consistent with subsection (a) of Section 11-74.6-40, and a list of the parcel or tax identification number of each parcel of property included in the redevelopment project area. On or after January 1, 2012, the State Comptroller must post this documentation on the State Comptroller's official website. This information must be posted no later than 45 days after the State Comptroller receives it from the municipality. Notwithstanding any other provision of law, in a municipality with a population exceeding 25,000 inhabitants, no redevelopment project area may be designated on or after January 1, 2012 if, as of the effective date of the designation, the equalized assessed value of all property in the redevelopment project area plus the total current equalized assessed value of all property located in the municipality and subject to tax increment financing under this Division exceeds 35% of the total equalized assessed value of all property located in the municipality.

(b) Make and enter into all contracts necessary or incidental to the implementation and furtherance of its redevelopment plan and project.

(c) Within a redevelopment project area, acquire by purchase, donation, lease or eminent domain; own, convey, lease, mortgage or dispose of land and other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect to that property, all in the manner and at a price that the municipality determines is reasonably necessary to achieve the objectives of the redevelopment plan and project. No conveyance, lease, mortgage, disposition of land or other property owned by a municipality, or agreement relating to the development of the municipal property shall be made or executed except pursuant to prior official action of the corporate authorities of the municipality. No conveyance, lease, mortgage, or other disposition of land owned by a municipality, and no agreement relating to the development of the municipal property, shall be made without making

public disclosure of the terms and the disposition of all bids and proposals submitted to the municipality in connection therewith. The procedures for obtaining the bids and proposals shall provide reasonable opportunity for any person to submit alternative proposals or bids.

(d) Within a redevelopment project area, clear any area by demolition or removal of any existing buildings, structures, fixtures, utilities or improvements, and to clear and grade land.

(e) Within a redevelopment project area, renovate or rehabilitate or construct any structure or building, as permitted under this Law.

(f) Within or without a redevelopment project area, install, repair, construct, reconstruct or relocate streets, utilities and site improvements essential to the preparation of the redevelopment area for use in accordance with a redevelopment plan.

(g) Within a redevelopment project area, fix, charge and collect fees, rents and charges for the use of all or any part of any building or property owned or leased by it.

(h) Issue obligations as provided in this Act.

(i) Accept grants, guarantees and donations of property, labor, or other things of value from a public or private source for use within a project redevelopment area.

(j) Acquire and construct public facilities within a redevelopment project area, as permitted under this Law.

(k) Incur, pay or cause to be paid redevelopment project costs; provided, however, that on and after the effective date of this amendatory Act of the 91st General Assembly, no municipality shall incur redevelopment project costs (except for planning and other eligible costs authorized by municipal ordinance or resolution that are subsequently included in the redevelopment plan for the area and are incurred after the ordinance or resolution is adopted) that are not consistent with the program for accomplishing the objectives of the redevelopment plan as included in that plan and approved by the municipality until the municipality has amended the redevelopment plan as provided elsewhere in this Law. Any payments to be made by the municipality to redevelopers or other nongovernmental persons for redevelopment project costs incurred by such redeveloper or other nongovernmental person shall be made only pursuant to the prior official action of the municipality evidencing an intent to pay or cause to be paid such redevelopment project costs. A municipality is not required to obtain any right, title or interest in any real or personal property in order to pay redevelopment project costs associated with such property. The municipality shall adopt such accounting procedures as may be necessary to determine that such redevelopment project costs are properly paid.

(l) Create a commission of not less than 5 or more than 15 persons to be appointed by the mayor or president of the municipality with the consent of the majority of the governing board of the municipality. Members of a commission appointed after the effective date of this Law shall be appointed for initial terms of 1, 2, 3, 4 and 5 years, respectively, in numbers so that the terms of not more than 1/3 of all members expire in any one year. Their successors shall be appointed for a term of 5 years. The commission, subject to approval of the corporate authorities of the municipality, may exercise the powers enumerated in this Section. The commission shall also have the power to hold the public hearings required by this Act and make recommendations to the corporate authorities concerning the adoption of redevelopment plans, redevelopment projects and designation of redevelopment project areas.

(m) Make payment in lieu of all or a portion of real property taxes due to taxing districts. If payments in lieu of all or a portion of taxes are made to taxing districts, those payments shall be made to all districts within a redevelopment project area on a basis that is proportional to the current collection of revenue which each taxing district receives from real property in the redevelopment project area.

(n) Exercise any and all other powers necessary to effectuate the purposes of this Act.

(o) In conjunction with other municipalities, undertake and perform redevelopment plans and projects and utilize the provisions of the Act wherever they have contiguous redevelopment project areas or they determine to adopt tax increment allocation financing with respect to a redevelopment project area that includes contiguous real property within the boundaries of the municipalities, and, by agreement between participating municipalities, to issue obligations, separately or jointly, and expend revenues received under this Act for eligible expenses anywhere within contiguous redevelopment project areas or as otherwise permitted in the Act.

(p) Create an Industrial Jobs Recovery Advisory Committee of not more than 15 members to be appointed by the mayor or president of the municipality with the consent of the majority of the governing board of the municipality. The members of that Committee shall be appointed for initial terms of 1, 2, and 3 years respectively, in numbers so that the terms of not more than 1/3 of all members expire in any one year. Their successors shall be appointed for a term of 3 years. The Committee shall have none of the powers enumerated in this Section. The Committee shall serve in an advisory capacity only.

The Committee may advise the governing board of the municipality and other municipal officials regarding development issues and opportunities within the redevelopment project area. The Committee may also promote and publicize development opportunities in the redevelopment project area.

(q) If a redevelopment project has not been initiated in a redevelopment project area within 5 years after the area was designated by ordinance under subsection (a), the municipality shall adopt an ordinance repealing the area's designation as a redevelopment project area. Initiation of a redevelopment project shall be evidenced by either a signed redevelopment agreement or expenditures on eligible redevelopment project costs associated with a redevelopment project.

(r) Within a redevelopment planning area, transfer or loan tax increment revenues from one redevelopment project area to another redevelopment project area for expenditure on eligible costs in the receiving area.

(s) Use tax increment revenue produced in a redevelopment project area created under this Law by transferring or loaning such revenues to a redevelopment project area created under the Tax Increment Allocation Redevelopment Act that is either contiguous to, or separated only by a public right of way from, the redevelopment project area that initially produced and received those revenues. On and after January 1, 2012, revenues used pursuant to this subsection shall be used only for the mutual benefit of the redevelopment project area that the revenues were received from and the redevelopment project area to which the revenues were sent. A redevelopment project area that uses revenues pursuant to this subsection for reimbursement of private developer costs may not transfer revenues to another redevelopment project area before repaying the redevelopment project area from which the revenues were received. Notwithstanding the above, in a municipality with a population of less than 25,000 inhabitants, public costs as defined in paragraph (4) of subsection (a) of Section 11-74.4-3 shall not be subject to this transfer prohibition.

(Source: P.A. 90-258, eff. 7-30-97; 91-474, eff. 11-1-99.)

(65 ILCS 5/11-74.6-22)

Sec. 11-74.6-22. Adoption of ordinance; requirements; changes.

(a) Before adoption of an ordinance proposing the designation of a redevelopment planning area or a redevelopment project area, or both, or approving a redevelopment plan or redevelopment project, the municipality or commission designated pursuant to subsection (l) of Section 11-74.6-15 shall fix by ordinance or resolution a time and place for public hearing. Prior to the adoption of the ordinance or resolution establishing the time and place for the public hearing, the municipality shall make available for public inspection a redevelopment plan or a report that provides in sufficient detail, the basis for the eligibility of the redevelopment project area. The report along with the name of a person to contact for further information shall be sent to the affected taxing district by certified mail within a reasonable time following the adoption of the ordinance or resolution establishing the time and place for the public hearing.

At the public hearing any interested person or affected taxing district may file with the municipal clerk written objections to the ordinance and may be heard orally on any issues that are the subject of the hearing. The municipality shall hear and determine all alternate proposals or bids for any proposed conveyance, lease, mortgage or other disposition of land and all protests and objections at the hearing and the hearing may be adjourned to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the later hearing. At the public hearing or at any time prior to the adoption by the municipality of an ordinance approving a redevelopment plan, the municipality may make changes in the redevelopment plan. Changes which (1) add additional parcels of property to the proposed redevelopment project area, other than parcels to be removed from a redevelopment project area for the purpose of inclusion in another redevelopment project area. (2) substantially affect the general land uses proposed in the redevelopment plan, or (3) substantially change the nature of or extend the life of the redevelopment project shall be made only after the municipality gives notice, convenes a joint review board, and conducts a public hearing pursuant to the procedures set forth in this Section and in Section 11-74.6-25. Changes which do not (1) add additional parcels of property to the proposed redevelopment project area, other than parcels to be removed from a redevelopment project area for the purpose of inclusion in another redevelopment project area. (2) substantially affect the general land uses proposed in the redevelopment plan, or (3) substantially change the nature of or extend the life of the redevelopment project may be made without further hearing, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and by publication in a newspaper of general circulation within the affected taxing district. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes.

(b) Before adoption of an ordinance proposing the designation of a redevelopment planning area or a

redevelopment project area, or both, or amending the boundaries of an existing redevelopment project area or redevelopment planning area, or both, the municipality shall convene a joint review board to consider the proposal. The board shall consist of a representative selected by each taxing district that has authority to levy real property taxes on the property within the proposed redevelopment project area and that has at least 5% of its total equalized assessed value located within the proposed redevelopment project area, a representative selected by the municipality and a public member. The public member and the board's chairperson shall be selected by a majority of other board members.

All board members shall be appointed and the first board meeting held within 14 days following the notice by the municipality to all the taxing districts as required by subsection (c) of Section 11-74.6-25. The notice shall also advise the taxing bodies represented on the joint review board of the time and place of the first meeting of the board. Additional meetings of the board shall be held upon the call of any 2 members. The municipality seeking designation of the redevelopment project area may provide administrative support to the board.

The board shall review the public record, planning documents and proposed ordinances approving the redevelopment plan and project to be adopted by the municipality. As part of its deliberations, the board may hold additional hearings on the proposal. A board's recommendation, if any, shall be a written recommendation adopted by a majority vote of the board and submitted to the municipality within 30 days after the board convenes. A board's recommendation shall be binding upon the municipality. Failure of the board to submit its recommendation on a timely basis shall not be cause to delay the public hearing or the process of establishing or amending the redevelopment project area. The board's recommendation on the proposal shall be based upon the area satisfying the applicable eligibility criteria defined in Section 11-74.6-10 and whether there is a basis for the municipal findings set forth in the redevelopment plan as required by this Act. If the board does not file a recommendation it shall be presumed that the board has found that the redevelopment project area satisfies the eligibility criteria.

(c) After a municipality has by ordinance approved a redevelopment plan and designated a redevelopment planning area or a redevelopment project area, or both, the plan may be amended and additional properties may be added to the redevelopment project area only as herein provided. Amendments which (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of the redevelopment project, (4) increase the total estimated redevelopment project costs set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted, or (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan shall be made only after the municipality gives notice, convenes a joint review board, and conducts a public hearing pursuant to the procedures set forth in this Section and in Section 11-74.6-25. Changes which do not (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of the redevelopment project, (4) increase the total estimated redevelopment project cost set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted, or (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan may be made without further hearing, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and by publication in a newspaper of general circulation within the affected taxing district. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes.

(d) After the effective date of this amendatory Act of the 91st General Assembly, a municipality shall submit in an electronic format the following information for each redevelopment project area (i) to the State Comptroller under Section 8-8-3.5 of the Illinois Municipal Code and (ii) to all taxing districts overlapping the redevelopment project area no later than 180 days after the close of each municipal fiscal year or as soon thereafter as the audited financial statements become available and, in any case, shall be submitted before the annual meeting of the joint review board to each of the taxing districts that overlap the redevelopment project area:

(1) Any amendments to the redevelopment plan, or the redevelopment project area.

(1.5) A list of the redevelopment project areas administered by the municipality and, if applicable, the date each redevelopment project area was designated or terminated by the municipality.

(2) Audited financial statements of the special tax allocation fund once a cumulative total of \$100,000 of tax increment revenues has been deposited in the fund.

(3) Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of this Act during the preceding fiscal year.



(4) An opinion of legal counsel that the municipality is in compliance with this Act.

(5) An analysis of the special tax allocation fund which sets forth:

(A) the balance in the special tax allocation fund at the beginning of the fiscal year;

(B) all amounts deposited in the special tax allocation fund by source, including any amounts received from another redevelopment project area;

(C) an itemized list of all expenditures from the special tax allocation fund by category of permissible redevelopment project cost, including any amounts transferred to another redevelopment project area; and

(D) the balance in the special tax allocation fund at the end of the fiscal year including a breakdown of that balance by source and a breakdown of that balance identifying any portion of the balance that is required, pledged, earmarked, or otherwise designated for payment of or securing of obligations and anticipated redevelopment project costs. Any portion of such ending balance that has not been identified or is not identified as being required, pledged, earmarked, or otherwise designated for payment of or securing of obligations or anticipated redevelopment project costs shall be designated as surplus as set forth in Section 11-74.6-30 hereof. Beginning on January 1, 2012, all accumulated tax incremental revenues that have not been designated for use for a specific development project or other specified anticipated use shall be designated as surplus. Beginning on January 1, 2012, all accumulated tax incremental revenues that have been designated for use for a specific development project or other specified use but that have not been used for that project or use shall be designated as surplus after 10 years.

(6) A description of all property purchased by the municipality within the redevelopment project area including:

(A) Street address.

(B) Approximate size or description of property.

(C) Purchase price.

(D) Seller of property.

(7) A statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including:

(A) Any project implemented in the preceding fiscal year.

(B) A description of the redevelopment activities undertaken.

(C) A description of any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area.

(D) Additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan.

(E) Information regarding contracts that the municipality's tax increment advisors or consultants have entered into with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the same redevelopment project area.

(F) Any reports submitted to the municipality by the joint review board.

(G) A review of public and, to the extent possible, private investment actually undertaken to date after the effective date of this amendatory Act of the 91st General Assembly and estimated to be undertaken during the following year. This review shall, on a project-by-project basis, set forth the estimated amounts of public and private investment incurred after the effective date of this amendatory Act of the 91st General Assembly and provide the ratio of private investment to public investment to the date of the report and as estimated to the completion of the redevelopment project.

(8) With regard to any obligations issued by the municipality:

(A) copies of any official statements; and

(B) an analysis prepared by financial advisor or underwriter setting forth: (i) nature and term of obligation; and (ii) projected debt service including required reserves and debt coverage.

(9) For special tax allocation funds that have received cumulative deposits of incremental tax revenues of \$100,000 or more, a certified audit report reviewing compliance with this Act performed by an independent public accountant certified and licensed by the authority of the State of Illinois. The financial portion of the audit must be conducted in accordance with Standards for Audits of Governmental Organizations, Programs, Activities, and Functions adopted by the Comptroller General of the United States (1981), as amended, or the standards specified by Section 8-8-5 of the Illinois Municipal Auditing Law of the Illinois Municipal Code. The audit report shall contain a letter from the independent certified public accountant indicating compliance or

noncompliance with the requirements of subsection (o) of Section 11-74.6-10.

(10) A list of all intergovernmental agreements relating to the redevelopment project area in effect during the fiscal year to which the municipality is a party and an accounting of any moneys transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements.

(11) A detailed list of jobs created or retained during the fiscal year, both temporary and permanent, along with a description of whether the jobs are in the public or private sector, to the extent that the information is required to be reported to the municipality pursuant to a redevelopment agreement or other written agreement.

(e) The joint review board shall meet annually 180 days after the close of the municipal fiscal year or as soon as the redevelopment project audit for that fiscal year becomes available to review the effectiveness and status of the redevelopment project area up to that date.

(f) On and after January 1, 2012, the State Comptroller must post on the State Comptroller's official website the information submitted by a municipality pursuant to subsection (d) of this Section. The information must be posted no later than 45 days after the State Comptroller receives the information from the municipality. The State Comptroller must also post a list of the municipalities not in compliance with the reporting requirements set forth in subsection (d) of this Section.

(g) The State Comptroller may charge a municipality an annual fee for the Comptroller's costs related to the requirements of this Act. The aggregate total of fees charged to any municipality in any year under this subsection shall not exceed \$5,000 for a municipality with a population in excess of 2,000,000 inhabitants, \$1,000 for a municipality with a population in excess of 100,000 inhabitants but not more than 2,000,000 inhabitants, \$500 for a municipality with a population in excess of 50,000 inhabitants but not more than 100,000 inhabitants, and \$250 for a municipality with a population of not more than 50,000 inhabitants. All fees collected under this subsection shall be deposited into the Comptroller's Administrative Fund.

(Source: P.A. 91-474, eff. 11-1-99; 91-900, eff. 7-6-00.)

Section 20. 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.

[May 31, 2011]

(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 (i) the product of the applicable equalized assessed valuation for the district multiplied by 3.00% plus (ii) any surplus received by the school district in the previous year from a special tax allocation fund, as provided by the Tax Increment Allocation Redevelopment Act or the Industrial Jobs Recovery Law, 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 (i) the product of the applicable equalized assessed valuation for the district multiplied by 2.30% plus (ii) any surplus received by the school district in the previous year from a special tax allocation fund, as provided by the Tax Increment Allocation Redevelopment Act or the Industrial Jobs Recovery Law, 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 (i) the applicable equalized assessed valuation of the district multiplied by 1.05% plus (ii) any surplus received by the school district in the previous year from a special tax allocation fund, as provided by the Tax Increment Allocation Redevelopment Act or the Industrial Jobs Recovery Law, 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 (i) 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% plus (ii) any surplus received by the school district in the previous year from a special tax allocation fund, as provided by the Tax Increment Allocation Redevelopment Act or the Industrial Jobs Recovery Law and divided by the district's Average Daily Attendance figure, plus (i) 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% plus (ii) any surplus received by the school district in the previous year from a special tax allocation fund, as provided by the Tax Increment Allocation Redevelopment Act or the Industrial Jobs Recovery Law 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.

(3.5) For the 2010-2011 school year and each school year thereafter, if a school district's boundaries span multiple counties, then the Department of Revenue shall send to the State Board of Education, for the purpose of calculating general State aid, the limiting rate and individual rates by purpose for the county that contains the majority of the school district's Equalized Assessed Valuation.

(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.

[May 31, 2011]



(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.

(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 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; 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1480, eff. 11-18-10; revised 11-24-10.)

Section 99. Effective date. This Act takes effect January 1, 2012."

#### **AMENDMENT NO. 4 TO SENATE BILL 540**

AMENDMENT NO. 4. Amend Senate Bill 540, AS AMENDED, with reference to page and line numbers of House Amendment No. 3, on page 117, by replacing lines 10 through 18 with the following:

"On and after January 1, 2012, revenues used pursuant to this subsection shall be used only for the mutual benefit of the redevelopment project area that the revenues were received from and the redevelopment project area to which the revenues were sent. A redevelopment project area that uses revenues pursuant to this subsection for reimbursement of private developer costs may not transfer revenues to another redevelopment project area before repaying the redevelopment project area from which the revenues were received. Notwithstanding the above, in a municipality with a population of less than 25,000 inhabitants, public costs as defined in paragraph (4) of subsection (a) of Section 11-74.4-3 shall not be subject to this transfer prohibition."

#### **AMENDMENT NO. 5 TO SENATE BILL 540**

[May 31, 2011]

AMENDMENT NO. 5. Amend Senate Bill 540, AS AMENDED, with reference to page and line numbers of House Amendment No. 3, on page 117, by replacing lines 10 through 18 with the following:

"On and after January 1, 2012, revenues used pursuant to this subsection shall be used only for the mutual benefit of the redevelopment project area that the revenues were received from and the redevelopment project area to which the revenues were sent. A redevelopment project area that uses revenues pursuant to this subsection for reimbursement of private developer costs may not transfer revenues to another redevelopment project area before repaying the redevelopment project area from which the revenues were received. Notwithstanding the above, in a municipality with a population of less than 25,000 inhabitants, public works or improvements as defined in paragraph (4) of subsection (q) of Section 11-74.4-3 shall not be subject to this transfer prohibition."; and

on page 146, by replacing lines 25 and 26 with the following:

"population of less than 25,000 inhabitants, public works or improvements as defined in paragraph (4) of subsection (q) of Section 11-74.4-3".

Under the rules, the foregoing **Senate Bill No. 540**, with House Amendments numbered 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. 675

A bill for AN ACT concerning regulation.

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

House Amendment No. 1 to SENATE BILL NO. 675

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 675**

AMENDMENT NO. 1. Amend Senate Bill 675 as follows:

on page 1, line 5, by deleting "1a-1,"; and

by deleting line 6 on page 1 through line 16 on page 6; and

on page 25, line 4, by deleting "14,"; and

by deleting line 23 on page 29 through line 8 on page 35.

Under the rules, the foregoing **Senate Bill No. 675**, 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. 745

A bill for AN ACT concerning gaming.

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. 745

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 745**

[May 31, 2011]

AMENDMENT NO. 1. Amend Senate Bill 745 on page 2, by replacing lines 5 through 11, with the following:

"alcohol is prohibited. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a municipality within a county with a population between 8,500 and 9,000 based on the 2000 U.S. Census and (ii) the municipality or county prohibits or limits the sale of alcohol by ordinance in a way that prohibits the establishment from selling alcohol."

Under the rules, the foregoing **Senate Bill No. 745**, 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. 1228

A bill for AN ACT concerning criminal law.

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

House Amendment No. 1 to SENATE BILL NO. 1228

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1228**

AMENDMENT NO. 1. Amend Senate Bill 1228 by replacing everything after the enacting clause with the following:

"Section 5. The Criminal Code of 1961 is amended by adding the headings of Subdivisions 1, 5, 10, 15, and 20 of Article 16 and Sections 16-0.1, 16-25, 16-26, 16-27, 16-28, 16-30, 16-31, 16-32, 16-33, 16-34, 16-35, 16-36, 16-37, 16-40, 16-45, 24-3.8, 24-3.9, and 26-1.1 and by changing Sections 2-15, 3-6, 12-3.05, 16-1, 16-2, 16-3, 16-5, 16-6, 16-7, 16-14, 16-17, 16-18, 17-0.5, and 17-2 as follows:

(720 ILCS 5/2-15) (from Ch. 38, par. 2-15)

Sec. 2-15. "Person".

"Person" means an individual, natural person, public or private corporation, government, partnership, ~~or~~ unincorporated association, or other entity.

(Source: Laws 1961, p. 1983.)

(720 ILCS 5/3-6) (from Ch. 38, par. 3-6)

(Text of Section after amendment by P.A. 96-1551)

Sec. 3-6. Extended limitations. The period within which a prosecution must be commenced under the provisions of Section 3-5 or other applicable statute is extended under the following conditions:

(a) A prosecution for theft involving a breach of a fiduciary obligation to the aggrieved person may be commenced as follows:

(1) If the aggrieved person is a minor or a person under legal disability, then during the minority or legal disability or within one year after the termination thereof.

(2) In any other instance, within one year after the discovery of the offense by an aggrieved person, or by a person who has legal capacity to represent an aggrieved person or has a legal duty to report the offense, and is not himself or herself a party to the offense; or in the absence of such discovery, within one year after the proper prosecuting officer becomes aware of the offense. However, in no such case is the period of limitation so extended more than 3 years beyond the expiration of the period otherwise applicable.

(b) A prosecution for any offense based upon misconduct in office by a public officer or employee may be commenced within one year after discovery of the offense by a person having a legal duty to report such offense, or in the absence of such discovery, within one year after the proper prosecuting officer becomes aware of the offense. However, in no such case is the period of limitation so extended more than 3 years beyond the expiration of the period otherwise applicable.

(c) (Blank).

(d) A prosecution for child pornography, aggravated child pornography, indecent solicitation of a child, soliciting for a juvenile prostitute, juvenile pimping, exploitation of a child, or promoting juvenile

[May 31, 2011]

prostitution except for keeping a place of juvenile prostitution may be commenced within one year of the victim attaining the age of 18 years. However, in no such case shall the time period for prosecution expire sooner than 3 years after the commission of the offense. When the victim is under 18 years of age, a prosecution for criminal sexual abuse may be commenced within one year of the victim attaining the age of 18 years. However, in no such case shall the time period for prosecution expire sooner than 3 years after the commission of the offense.

(e) Except as otherwise provided in subdivision (j), a prosecution for any offense involving sexual conduct or sexual penetration, as defined in Section 11-0.1 of this Code, where the defendant was within a professional or fiduciary relationship or a purported professional or fiduciary relationship with the victim at the time of the commission of the offense may be commenced within one year after the discovery of the offense by the victim.

(f) A prosecution for any offense set forth in Section 44 of the "Environmental Protection Act", approved June 29, 1970, as amended, may be commenced within 5 years after the discovery of such an offense by a person or agency having the legal duty to report the offense or in the absence of such discovery, within 5 years after the proper prosecuting officer becomes aware of the offense.

(f-5) A prosecution for any offense set forth in Section ~~16-30 16G-15 or 16G-20~~ of this Code may be commenced within 5 years after the discovery of the offense by the victim of that offense.

(g) (Blank).

(h) (Blank).

(i) Except as otherwise provided in subdivision (j), a prosecution for criminal sexual assault, aggravated criminal sexual assault, or aggravated criminal sexual abuse may be commenced within 10 years of the commission of the offense if the victim reported the offense to law enforcement authorities within 3 years after the commission of the offense.

Nothing in this subdivision (i) shall be construed to shorten a period within which a prosecution must be commenced under any other provision of this Section.

(j) When the victim is under 18 years of age at the time of the offense, a prosecution for criminal sexual assault, aggravated criminal sexual assault, predatory criminal sexual assault of a child, aggravated criminal sexual abuse, or felony criminal sexual abuse, or a prosecution for failure of a person who is required to report an alleged or suspected commission of any of these offenses under the Abused and Neglected Child Reporting Act may be commenced within 20 years after the child victim attains 18 years of age. When the victim is under 18 years of age at the time of the offense, a prosecution for misdemeanor criminal sexual abuse may be commenced within 10 years after the child victim attains 18 years of age.

Nothing in this subdivision (j) shall be construed to shorten a period within which a prosecution must be commenced under any other provision of this Section.

(k) A prosecution for theft involving real property exceeding \$100,000 in value under Section 16-1, identity theft under subsection (a) of Section ~~16-30 16G-15~~, aggravated identity theft under subsection (b) of Section ~~16-30 16G-20~~, or any offense set forth in Article 16H or Section 17-10.6 may be commenced within 7 years of the last act committed in furtherance of the crime.

(Source: P.A. 95-548, eff. 8-30-07; 96-233, eff. 1-1-10; 96-1551, Article 2, Section 1035, eff. 7-1-11; 96-1551, Article 10, Section 10-140, eff. 7-1-11; revised 4-14-11.)

(720 ILCS 5/12-3.05) (was 720 ILCS 5/12-4)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 12-3.05. Aggravated battery.

(a) Offense based on injury. A person commits aggravated battery when, in committing a battery, other than by the discharge of a firearm, he or she knowingly does any of the following:

(1) Causes great bodily harm or permanent disability or disfigurement.

(2) Causes severe and permanent disability, great bodily harm, or disfigurement by means of a caustic or flammable substance, a poisonous gas, a deadly biological or chemical contaminant or agent, a radioactive substance, or a bomb or explosive compound.

(3) Causes great bodily harm or permanent disability or disfigurement to an individual whom the person knows to be a peace officer, community policing volunteer, fireman, private security officer, correctional institution employee, or Department of Human Services employee supervising or controlling sexually dangerous persons or sexually violent persons:

(i) performing his or her official duties;

(ii) battered to prevent performance of his or her official duties; or

(iii) battered in retaliation for performing his or her official duties.

(4) Causes great bodily harm or permanent disability or disfigurement to an individual 60 years of age or older.



- (5) Strangles another individual.
- (b) Offense based on injury to a child or mentally retarded person. A person who is at least 18 years of age commits aggravated battery when, in committing a battery, he or she knowingly and without legal justification by any means:
- (1) causes great bodily harm or permanent disability or disfigurement to any child under the age of 13 years, or to any severely or profoundly mentally retarded person; or
  - (2) causes bodily harm or disability or disfigurement to any child under the age of 13 years or to any severely or profoundly mentally retarded person.
- (c) Offense based on location of conduct. A person commits aggravated battery when, in committing a battery, other than by the discharge of a firearm, he or she is or the person battered is on or about a public way, public property, a public place of accommodation or amusement, a sports venue, or a domestic violence shelter.
- (d) Offense based on status of victim. A person commits aggravated battery when, in committing a battery, other than by discharge of a firearm, he or she knows the individual battered to be any of the following:
- (1) A person 60 years of age or older.
  - (2) A person who is pregnant or physically handicapped.
  - (3) A teacher or school employee upon school grounds or grounds adjacent to a school or in any part of a building used for school purposes.
  - (4) A peace officer, community policing volunteer, fireman, private security officer, correctional institution employee, or Department of Human Services employee supervising or controlling sexually dangerous persons or sexually violent persons:
    - (i) performing his or her official duties;
    - (ii) battered to prevent performance of his or her official duties; or
    - (iii) battered in retaliation for performing his or her official duties.
  - (5) A judge, emergency management worker, emergency medical technician, or utility worker:
    - (i) performing his or her official duties;
    - (ii) battered to prevent performance of his or her official duties; or
    - (iii) battered in retaliation for performing his or her official duties.
  - (6) An officer or employee of the State of Illinois, a unit of local government, or a school district, while performing his or her official duties.
  - (7) A transit employee performing his or her official duties, or a transit passenger.
  - (8) A taxi driver on duty.
  - (9) A merchant who detains the person for an alleged commission of retail theft under Section ~~16-26~~ ~~46A-5~~ of this Code and the person without legal justification by any means causes bodily harm to the merchant.
- (e) Offense based on use of a firearm. A person commits aggravated battery when, in committing a battery, he or she knowingly does any of the following:
- (1) Discharges a firearm, other than a machine gun or a firearm equipped with a silencer, and causes any injury to another person.
  - (2) Discharges a firearm, other than a machine gun or a firearm equipped with a silencer, and causes any injury to a person he or she knows to be a peace officer, community policing volunteer, person summoned by a police officer, fireman, private security officer, correctional institution employee, or emergency management worker:
    - (i) performing his or her official duties;
    - (ii) battered to prevent performance of his or her official duties; or
    - (iii) battered in retaliation for performing his or her official duties.
  - (3) Discharges a firearm, other than a machine gun or a firearm equipped with a silencer, and causes any injury to a person he or she knows to be an emergency medical technician employed by a municipality or other governmental unit:
    - (i) performing his or her official duties;
    - (ii) battered to prevent performance of his or her official duties; or
    - (iii) battered in retaliation for performing his or her official duties.
  - (4) Discharges a firearm and causes any injury to a person he or she knows to be a teacher, a student in a school, or a school employee, and the teacher, student, or employee is upon school grounds or grounds adjacent to a school or in any part of a building used for school purposes.
  - (5) Discharges a machine gun or a firearm equipped with a silencer, and causes any injury to another person.

(6) Discharges a machine gun or a firearm equipped with a silencer, and causes any injury to a person he or she knows to be a peace officer, community policing volunteer, person summoned by a police officer, fireman, private security officer, correctional institution employee or emergency management worker:

- (i) performing his or her official duties;
- (ii) battered to prevent performance of his or her official duties; or
- (iii) battered in retaliation for performing his or her official duties.

(7) Discharges a machine gun or a firearm equipped with a silencer, and causes any injury to a person he or she knows to be an emergency medical technician employed by a municipality or other governmental unit:

- (i) performing his or her official duties;
- (ii) battered to prevent performance of his or her official duties; or
- (iii) battered in retaliation for performing his or her official duties.

(8) Discharges a machine gun or a firearm equipped with a silencer, and causes any injury to a person he or she knows to be a teacher, or a student in a school, or a school employee, and the teacher, student, or employee is upon school grounds or grounds adjacent to a school or in any part of a building used for school purposes.

(f) Offense based on use of a weapon or device. A person commits aggravated battery when, in committing a battery, he or she does any of the following:

- (1) Uses a deadly weapon other than by discharge of a firearm, or uses an air rifle as defined in the Air Rifle Act.
- (2) Wears a hood, robe, or mask to conceal his or her identity.
- (3) Knowingly and without lawful justification shines or flashes a laser gunsight or other laser device attached to a firearm, or used in concert with a firearm, so that the laser beam strikes upon or against the person of another.

(g) Offense based on certain conduct. A person commits aggravated battery when, other than by discharge of a firearm, he or she does any of the following:

(1) Violates Section 401 of the Illinois Controlled Substances Act by unlawfully delivering a controlled substance to another and any user experiences great bodily harm or permanent disability as a result of the injection, inhalation, or ingestion of any amount of the controlled substance.

(2) Knowingly administers to an individual or causes him or her to take, without his or her consent or by threat or deception, and for other than medical purposes, any intoxicating, poisonous, stupefying, narcotic, anesthetic, or controlled substance, or gives to another person any food containing any substance or object intended to cause physical injury if eaten.

(3) Knowingly causes or attempts to cause a correctional institution employee or Department of Human Services employee to come into contact with blood, seminal fluid, urine, or feces by throwing, tossing, or expelling the fluid or material, and the person is an inmate of a penal institution or is a sexually dangerous person or sexually violent person in the custody of the Department of Human Services.

(h) Sentence. Unless otherwise provided, aggravated battery is a Class 3 felony.

Aggravated battery as defined in subdivision (a)(4), (d)(4), or (g)(3) is a Class 2 felony.

Aggravated battery as defined in subdivision (a)(3) or (g)(1) is a Class 1 felony.

Aggravated battery under subdivision (a)(5) is a Class 1 felony if:

(A) the person used or attempted to use a dangerous instrument while committing the offense; or

(B) the person caused great bodily harm or permanent disability or disfigurement to the other person while committing the offense; or

(C) the person has been previously convicted of a violation of subdivision (a)(5) under the laws of this State or laws similar to subdivision (a)(5) of any other state.

Aggravated battery as defined in subdivision (e)(1) is a Class X felony.

Aggravated battery as defined in subdivision (a)(2) is a Class X felony for which a person shall be sentenced to a term of imprisonment of a minimum of 6 years and a maximum of 45 years.

Aggravated battery as defined in subdivision (e)(5) is a Class X felony for which a person shall be sentenced to a term of imprisonment of a minimum of 12 years and a maximum of 45 years.

Aggravated battery as defined in subdivision (e)(2), (e)(3), or (e)(4) is a Class X felony for which a person shall be sentenced to a term of imprisonment of a minimum of 15 years and a maximum of 60 years.

Aggravated battery as defined in subdivision (e)(6), (e)(7), or (e)(8) is a Class X felony

for which a person shall be sentenced to a term of imprisonment of a minimum of 20 years and a maximum of 60 years.

Aggravated battery as defined in subdivision (b)(1) is a Class X felony, except that:

(1) if the person committed the offense while armed with a firearm, 15 years shall be added to the term of imprisonment imposed by the court;

(2) if, during the commission of the offense, the person personally discharged a firearm, 20 years shall be added to the term of imprisonment imposed by the court;

(3) if, during the commission of the offense, the person personally discharged a firearm that proximately caused great bodily harm, permanent disability, permanent disfigurement, or death to another person, 25 years or up to a term of natural life shall be added to the term of imprisonment imposed by the court.

(i) Definitions. For the purposes of this Section:

"Building or other structure used to provide shelter" has the meaning ascribed to "shelter" in Section 1 of the Domestic Violence Shelters Act.

"Domestic violence" has the meaning ascribed to it in Section 103 of the Illinois Domestic Violence Act of 1986.

"Domestic violence shelter" means any building or other structure used to provide shelter or other services to victims or to the dependent children of victims of domestic violence pursuant to the Illinois Domestic Violence Act of 1986 or the Domestic Violence Shelters Act, or any place within 500 feet of such a building or other structure in the case of a person who is going to or from such a building or other structure.

"Firearm" has the meaning provided under Section 1.1 of the Firearm Owners Identification Card Act, and does not include an air rifle as defined by Section 1 of the Air Rifle Act.

"Machine gun" has the meaning ascribed to it in Section 24-1 of this Code.

"Merchant" has the meaning ascribed to it in Section ~~16-0.1~~ ~~16A-2.4~~ of this Code.

"Strangle" means intentionally impeding the normal breathing or circulation of the blood of an individual by applying pressure on the throat or neck of that individual or by blocking the nose or mouth of that individual.

(Source: P.A. 95-236, eff. 1-1-08; 95-256, eff. 1-1-08; 95-331, eff. 8-21-07; 95-429, eff. 1-1-08; 95-748, eff. 1-1-09; 95-876, eff. 8-21-08; 96-201, eff. 8-10-09; 96-363, eff. 8-13-09; 96-1000, eff. 7-2-10; 96-1551, eff. 7-1-11.)

(720 ILCS 5/Art. 16, Subdiv. 1 heading new)

#### SUBDIVISION 1. DEFINITIONS

(720 ILCS 5/16-0.1 new)

Sec. 16-0.1. Definitions. In this Article, unless the context clearly requires otherwise, the following terms are defined as indicated:

"Access" means to use, instruct, communicate with, store data in, retrieve or intercept data from, or otherwise utilize any services of a computer.

"Coin-operated machine" includes any automatic vending machine or any part thereof, parking meter, coin telephone, coin-operated transit turnstile, transit fare box, coin laundry machine, coin dry cleaning machine, amusement machine, music machine, vending machine dispensing goods or services, or money changer.

"Communication device" means any type of instrument, device, machine, or equipment which is capable of transmitting, acquiring, decrypting, or receiving any telephonic, electronic, data, Internet access, audio, video, microwave, or radio transmissions, signals, communications, or services, including the receipt, acquisition, transmission, or decryption of all such communications, transmissions, signals, or services provided by or through any cable television, fiber optic, telephone, satellite, microwave, radio, Internet-based, data transmission, or wireless distribution network, system or facility; or any part, accessory, or component thereof, including any computer circuit, security module, smart card, software, computer chip, electronic mechanism or other component, accessory or part of any communication device which is capable of facilitating the transmission, decryption, acquisition or reception of all such communications, transmissions, signals, or services.

"Communication service" means any service lawfully provided for a charge or compensation to facilitate the lawful origination, transmission, emission, or reception of signs, signals, data, writings, images, and sounds or intelligence of any nature by telephone, including cellular telephones or a wire, wireless, radio, electromagnetic, photo-electronic or photo-optical system; and also any service lawfully provided by any radio, telephone, cable television, fiber optic, satellite, microwave, Internet-based or wireless distribution network, system, facility or technology, including, but not limited to, any and all

electronic, data, video, audio, Internet access, telephonic, microwave and radio communications, transmissions, signals and services, and any such communications, transmissions, signals and services lawfully provided directly or indirectly by or through any of those networks, systems, facilities or technologies.

"Communication service provider" means: (1) any person or entity providing any communication service, whether directly or indirectly, as a reseller, including, but not limited to, a cellular, paging or other wireless communications company or other person or entity which, for a fee, supplies the facility, cell site, mobile telephone switching office or other equipment or communication service; (2) any person or entity owning or operating any cable television, fiber optic, satellite, telephone, wireless, microwave, radio, data transmission or Internet-based distribution network, system or facility; and (3) any person or entity providing any communication service directly or indirectly by or through any such distribution system, network or facility.

"Computer" means a device that accepts, processes, stores, retrieves or outputs data, and includes but is not limited to auxiliary storage and telecommunications devices connected to computers.

"Continuing course of conduct" means a series of acts, and the accompanying mental state necessary for the crime in question, irrespective of whether the series of acts are continuous or intermittent.

"Delivery container" means any bakery basket of wire or plastic used to transport or store bread or bakery products, any dairy case of wire or plastic used to transport or store dairy products, and any dolly or cart of 2 or 4 wheels used to transport or store any bakery or dairy product.

"Document-making implement" means any implement, impression, template, computer file, computer disc, electronic device, computer hardware, computer software, instrument, or device that is used to make a real or fictitious or fraudulent personal identification document.

"Financial transaction device" means any of the following:

(1) An electronic funds transfer card.

(2) A credit card.

(3) A debit card.

(4) A point-of-sale card.

(5) Any instrument, device, card, plate, code, account number, personal identification number, or a record or copy of a code, account number, or personal identification number or other means of access to a credit account or deposit account, or a driver's license or State identification card used to access a proprietary account, other than access originated solely by a paper instrument, that can be used alone or in conjunction with another access device, for any of the following purposes:

(A) Obtaining money, cash refund or credit account, credit, goods, services, or any other thing of value.

(B) Certifying or guaranteeing to a person or business the availability to the device holder of funds on deposit to honor a draft or check payable to the order of that person or business.

(C) Providing the device holder access to a deposit account for the purpose of making deposits, withdrawing funds, transferring funds between deposit accounts, obtaining information pertaining to a deposit account, or making an electronic funds transfer.

"Full retail value" means the merchant's stated or advertised price of the merchandise. "Full retail value" includes the aggregate value of property obtained from retail thefts committed by the same person as part of a continuing course of conduct from one or more mercantile establishments in a single transaction or in separate transactions over a period of one year.

"Internet" means an interactive computer service or system or an information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, and includes, but is not limited to, an information service, system, or access software provider that provides access to a network system commonly known as the Internet, or any comparable system or service and also includes, but is not limited to, a World Wide Web page, newsgroup, message board, mailing list, or chat area on any interactive computer service or system or other online service.

"Library card" means a card or plate issued by a library facility for purposes of identifying the person to whom the library card was issued as authorized to borrow library material, subject to all limitations and conditions imposed on the borrowing by the library facility issuing such card.

"Library facility" includes any public library or museum, or any library or museum of an educational, historical or eleemosynary institution, organization or society.

"Library material" includes any book, plate, picture, photograph, engraving, painting, sculpture, statue, artifact, drawing, map, newspaper, pamphlet, broadside, magazine, manuscript, document, letter, microfilm, sound recording, audiovisual material, magnetic or other tape, electronic data processing record or other documentary, written or printed material regardless of physical form or characteristics, or any part thereof, belonging to, or on loan to or otherwise in the custody of a library facility.

"Manufacture or assembly of an unlawful access device" means to make, produce or assemble an unlawful access device or to modify, alter, program or re-program any instrument, device, machine, equipment or software so that it is capable of defeating or circumventing any technology, device or software used by the provider, owner or licensee of a communication service or of any data, audio or video programs or transmissions to protect any such communication, data, audio or video services, programs or transmissions from unauthorized access, acquisition, disclosure, receipt, decryption, communication, transmission or re-transmission.

"Manufacture or assembly of an unlawful communication device" means to make, produce or assemble an unlawful communication or wireless device or to modify, alter, program or reprogram a communication or wireless device to be capable of acquiring, disrupting, receiving, transmitting, decrypting, or facilitating the acquisition, disruption, receipt, transmission or decryption of, a communication service without the express consent or express authorization of the communication service provider, or to knowingly assist others in those activities.

"Master sound recording" means the original physical object on which a given set of sounds were first recorded and which the original object from which all subsequent sound recordings embodying the same set of sounds are directly or indirectly derived.

"Merchandise" means any item of tangible personal property, including motor fuel.

"Merchant" means an owner or operator of any retail mercantile establishment or any agent, employee, lessee, consignee, officer, director, franchisee, or independent contractor of the owner or operator. "Merchant" also means a person who receives from an authorized user of a payment card, or someone the person believes to be an authorized user, a payment card or information from a payment card, or what the person believes to be a payment card or information from a payment card, as the instrument for obtaining, purchasing or receiving goods, services, money, or anything else of value from the person.

"Motor fuel" means a liquid, regardless of its properties, used to propel a vehicle, including gasoline and diesel.

"Online" means the use of any electronic or wireless device to access the Internet.

"Payment card" means a credit card, charge card, debit card, or any other card that is issued to an authorized card user and that allows the user to obtain, purchase, or receive goods, services, money, or anything else of value from a merchant.

"Person with a disability" means a person who suffers from a physical or mental impairment resulting from disease, injury, functional disorder or congenital condition that impairs the individual's mental or physical ability to independently manage his or her property or financial resources, or both.

"Personal identification document" means a birth certificate, a drivers license, a State identification card, a public, government, or private employment identification card, a social security card, a firearm owner's identification card, a credit card, a debit card, or a passport issued to or on behalf of a person other than the offender, or any document made or issued, or falsely purported to have been made or issued, by or under the authority of the United States Government, the State of Illinois, or any other state political subdivision of any state, or any other governmental or quasi-governmental organization that is of a type intended for the purpose of identification of an individual, or any such document made or altered in a manner that it falsely purports to have been made on behalf of or issued to another person or by the authority of one who did not give that authority.

"Personal identifying information" means any of the following information:

- (1) A person's name.
- (2) A person's address.
- (3) A person's date of birth.
- (4) A person's telephone number.
- (5) A person's drivers license number or State of Illinois identification card as assigned by the Secretary of State of the State of Illinois or a similar agency of another state.
- (6) A person's social security number.
- (7) A person's public, private, or government employer, place of employment, or employment identification number.
- (8) The maiden name of a person's mother.
- (9) The number assigned to a person's depository account, savings account, or brokerage account.
- (10) The number assigned to a person's credit or debit card, commonly known as a "Visa Card", "Master Card", "American Express Card", "Discover Card", or other similar cards whether issued by a financial institution, corporation, or business entity.
- (11) Personal identification numbers.
- (12) Electronic identification numbers.

(13) Digital signals.

(14) User names, passwords, and any other word, number, character or combination of the same usable in whole or part to access information relating to a specific individual, or to the actions taken, communications made or received, or other activities or transactions of a specific individual.

(15) Any other numbers or information which can be used to access a person's financial resources, or to identify a specific individual, or the actions taken, communications made or received, or other activities or transactions of a specific individual.

"Premises of a retail mercantile establishment" includes, but is not limited to, the retail mercantile establishment; any common use areas in shopping centers; and all parking areas set aside by a merchant or on behalf of a merchant for the parking of vehicles for the convenience of the patrons of such retail mercantile establishment.

"Public water, gas, or power supply, or other public services" mean any service subject to regulation by the Illinois Commerce Commission; any service furnished by a public utility that is owned and operated by any political subdivision, public institution of higher education or municipal corporation of this State; any service furnished by any public utility that is owned by such political subdivision, public institution of higher education, or municipal corporation and operated by any of its lessees or operating agents; any service furnished by an electric cooperative as defined in Section 3.4 of the Electric Supplier Act; or wireless service or other service regulated by the Federal Communications Commission.

"Publish" means to communicate or disseminate information to any one or more persons, either orally, in person, or by telephone, radio or television or in writing of any kind, including, without limitation, a letter or memorandum, circular or handbill, newspaper or magazine article or book.

"Reencoder" means an electronic device that places encoded information from the magnetic strip or stripe of a payment card onto the magnetic strip or stripe of a different payment card.

"Retail mercantile establishment" means any place where merchandise is displayed, held, stored or offered for sale to the public.

"Scanning device" means a scanner, reader, or any other electronic device that is used to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on the magnetic strip or stripe of a payment card.

"Shopping cart" means those push carts of the type or types which are commonly provided by grocery stores, drug stores or other retail mercantile establishments for the use of the public in transporting commodities in stores and markets and, incidentally, from the stores to a place outside the store.

"Sound or audio visual recording" means any sound or audio visual phonograph record, disc, pre-recorded tape, film, wire, magnetic tape or other object, device or medium, now known or hereafter invented, by which sounds or images may be reproduced with or without the use of any additional machine, equipment or device.

"Theft detection device remover" means any tool or device specifically designed and intended to be used to remove any theft detection device from any merchandise.

"Under-ring" means to cause the cash register or other sales recording device to reflect less than the full retail value of the merchandise.

"Unidentified sound or audio visual recording" means a sound or audio visual recording without the actual name and full and correct street address of the manufacturer, and the name of the actual performers or groups prominently and legibly printed on the outside cover or jacket and on the label of such sound or audio visual recording.

"Unlawful access device" means any type of instrument, device, machine, equipment, technology, or software which is primarily possessed, used, designed, assembled, manufactured, sold, distributed or offered, promoted or advertised for the purpose of defeating or circumventing any technology, device or software, or any component or part thereof, used by the provider, owner or licensee of any communication service or of any data, audio or video programs or transmissions to protect any such communication, audio or video services, programs or transmissions from unauthorized access, acquisition, receipt, decryption, disclosure, communication, transmission or re-transmission.

"Unlawful communication device" means any electronic serial number, mobile identification number, personal identification number or any communication or wireless device that is capable of acquiring or facilitating the acquisition of a communication service without the express consent or express authorization of the communication service provider, or that has been altered, modified, programmed or reprogrammed, alone or in conjunction with another communication or wireless device or other equipment, to so acquire or facilitate the unauthorized acquisition of a communication service. "Unlawful communication device" also means:

(1) any phone altered to obtain service without the express consent or express authorization of the communication service provider, tumbler phone, counterfeit or clone phone, tumbler microchip,

counterfeit or clone microchip, scanning receiver of wireless communication service or other instrument capable of disguising its identity or location or of gaining unauthorized access to a communications or wireless system operated by a communication service provider; and

(2) any communication or wireless device which is capable of, or has been altered, designed, modified, programmed or reprogrammed, alone or in conjunction with another communication or wireless device or devices, so as to be capable of, facilitating the disruption, acquisition, receipt, transmission or decryption of a communication service without the express consent or express authorization of the communication service provider, including, but not limited to, any device, technology, product, service, equipment, computer software or component or part thereof, primarily distributed, sold, designed, assembled, manufactured, modified, programmed, reprogrammed or used for the purpose of providing the unauthorized receipt of, transmission of, disruption of, decryption of, access to or acquisition of any communication service provided by any communication service provider.

"Vehicle" means a motor vehicle, motorcycle, or farm implement that is self-propelled and that uses motor fuel for propulsion.

"Wireless device" includes any type of instrument, device, machine, or equipment that is capable of transmitting or receiving telephonic, electronic or radio communications, or any part of such instrument, device, machine, or equipment, or any computer circuit, computer chip, electronic mechanism, or other component that is capable of facilitating the transmission or reception of telephonic, electronic, or radio communications.

(720 ILCS 5/Art. 16, Subdiv. 5 heading new)

SUBDIVISION 5. GENERAL THEFT

(720 ILCS 5/16-1) (from Ch. 38, par. 16-1)

(Text of Section after amendment by P.A. 96-1532)

Sec. 16-1. Theft.

(a) A person commits theft when he or she knowingly:

(1) Obtains or exerts unauthorized control over property of the owner; or

(2) Obtains by deception control over property of the owner; or

(3) Obtains by threat control over property of the owner; or

(4) Obtains control over stolen property knowing the property to have been stolen or under such circumstances as would reasonably induce him or her to believe that the property was stolen; or

(5) Obtains or exerts control over property in the custody of any law enforcement agency which any law enforcement officer or any individual acting in behalf of a law enforcement agency explicitly represents to the person as being stolen or represents to the person such circumstances as would reasonably induce the person to believe that the property was stolen, and

(A) Intends to deprive the owner permanently of the use or benefit of the property;

or

(B) Knowingly uses, conceals or abandons the property in such manner as to deprive the owner permanently of such use or benefit; or

(C) Uses, conceals, or abandons the property knowing such use, concealment or abandonment probably will deprive the owner permanently of such use or benefit.

(b) Sentence.

(1) Theft of property not from the person and not exceeding \$500 in value is a Class A misdemeanor.

(1.1) Theft of property not from the person and not exceeding \$500 in value is a Class 4 felony if the theft was committed in a school or place of worship or if the theft was of governmental property.

(2) A person who has been convicted of theft of property not from the person and not exceeding \$500 in value who has been previously convicted of any type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, home invasion, forgery, a violation of Section 4-103, 4-103.1, 4-103.2, or 4-103.3 of the Illinois Vehicle Code relating to the possession of a stolen or converted motor vehicle, or a violation of Section 17-36 of the Criminal Code of 1961 or Section 8 of the Illinois Credit Card and Debit Card Act is guilty of a Class 4 felony.

~~When a person has any such prior conviction, the information or indictment charging that person shall state such prior conviction so as to give notice of the State's intention to treat the charge as a felony. The fact of such prior conviction is not an element of the offense and may not be disclosed to the jury during trial unless otherwise permitted by issues properly raised during such trial.~~

(3) (Blank).

(4) Theft of property from the person not exceeding \$500 in value, or theft of property exceeding \$500 and not exceeding \$10,000 in value, is a Class 3 felony.

(4.1) Theft of property from the person not exceeding \$500 in value, or theft of property exceeding \$500 and not exceeding \$10,000 in value, is a Class 2 felony if the theft was committed in a school or place of worship or if the theft was of governmental property.

(5) Theft of property exceeding \$10,000 and not exceeding \$100,000 in value is a Class 2 felony.

(5.1) Theft of property exceeding \$10,000 and not exceeding \$100,000 in value is a Class 1 felony if the theft was committed in a school or place of worship or if the theft was of governmental property.

(6) Theft of property exceeding \$100,000 and not exceeding \$500,000 in value is a Class 1 felony.

(6.1) Theft of property exceeding \$100,000 in value is a Class X felony if the theft was committed in a school or place of worship or if the theft was of governmental property.

(6.2) Theft of property exceeding \$500,000 and not exceeding \$1,000,000 in value is a Class 1 non-probationable felony.

(6.3) Theft of property exceeding \$1,000,000 in value is a Class X felony.

(7) Theft by deception, as described by paragraph (2) of subsection (a) of this Section, in which the offender obtained money or property valued at \$5,000 or more from a victim 60 years of age or older is a Class 2 felony.

(8) Theft by deception, as described by paragraph (2) of subsection (a) of this Section, in which the offender falsely poses as a landlord or agent or employee of the landlord and obtains a rent payment or a security deposit from a tenant is a Class 3 felony if the rent payment or security deposit obtained does not exceed \$500.

(9) Theft by deception, as described by paragraph (2) of subsection (a) of this Section, in which the offender falsely poses as a landlord or agent or employee of the landlord and obtains a rent payment or a security deposit from a tenant is a Class 2 felony if the rent payment or security deposit obtained exceeds \$500 and does not exceed \$10,000.

(10) Theft by deception, as described by paragraph (2) of subsection (a) of this Section, in which the offender falsely poses as a landlord or agent or employee of the landlord and obtains a rent payment or a security deposit from a tenant is a Class 1 felony if the rent payment or security deposit obtained exceeds \$10,000 and does not exceed \$100,000.

(11) Theft by deception, as described by paragraph (2) of subsection (a) of this Section, in which the offender falsely poses as a landlord or agent or employee of the landlord and obtains a rent payment or a security deposit from a tenant is a Class X felony if the rent payment or security deposit obtained exceeds \$100,000.

(c) When a charge of theft of property exceeding a specified value is brought, the value of the property involved is an element of the offense to be resolved by the trier of fact as either exceeding or not exceeding the specified value.

(d) Theft by lessee; permissive inference. The trier of fact may infer evidence that a person intends to deprive the owner permanently of the use or benefit of the property (1) if a lessee of the personal property of another fails to return it to the owner within 10 days after written demand from the owner for its return or (2) if a lessee of the personal property of another fails to return it to the owner within 24 hours after written demand from the owner for its return and the lessee had presented identification to the owner that contained a materially fictitious name, address, or telephone number. A notice in writing, given after the expiration of the leasing agreement, addressed and mailed, by registered mail, to the lessee at the address given by him and shown on the leasing agreement shall constitute proper demand.

(e) Permissive inference; evidence of intent that a person obtains by deception control over property. The trier of fact may infer that a person "knowingly obtains by deception control over property of the owner" when he or she fails to return, within 45 days after written demand from the owner, the downpayment and any additional payments accepted under a promise, oral or in writing, to perform services for the owner for consideration of \$3,000 or more, and the promisor knowingly without good cause failed to substantially perform pursuant to the agreement after taking a downpayment of 10% or more of the agreed upon consideration. This provision shall not apply where the owner initiated the suspension of performance under the agreement, or where the promisor responds to the notice within the 45-day notice period. A notice in writing, addressed and mailed, by registered mail, to the promisor at the last known address of the promisor, shall constitute proper demand.

(f) Offender's interest in the property.

(1) It is no defense to a charge of theft of property that the offender has an interest therein, when the



owner also has an interest to which the offender is not entitled.

(2) Where the property involved is that of the offender's spouse, no prosecution for theft may be maintained unless the parties were not living together as man and wife and were living in separate abodes at the time of the alleged theft.

(Source: P.A. 96-496, eff. 1-1-10; 96-534, eff. 8-14-09; 96-1000, eff. 7-2-10; 96-1301, eff. 1-1-11; 96-1532, eff. 1-1-12; 96-1551, eff. 7-1-11; revised 4-22-11.)

(720 ILCS 5/16-2) (from Ch. 38, par. 16-2)

Sec. 16-2. Theft of lost or mislaid property.

A person commits theft of who obtains control over lost or mislaid property commits theft when he or she obtains control over the property and:

(a) Knows or learns the identity of the owner or knows, or is aware of, or learns of a reasonable method of identifying the owner, and

(b) Fails to take reasonable measures to restore the property to the owner, and

(c) Intends to deprive the owner permanently of the use or benefit of the property.

(d) Sentence.

Theft of lost or mislaid property where:

(1) the value does not exceed \$500 is a Class B misdemeanor;

(2) the value exceeds \$500 but does not exceed \$10,000 is a Class A misdemeanor; and

(3) the value exceeds \$10,000 is a Class 4 felony is a petty offense.

(Source: P.A. 78-255.)

(720 ILCS 5/16-3) (from Ch. 38, par. 16-3)

Sec. 16-3. Theft of labor or services or use of property.

(a) A person commits theft when he or she knowingly obtains the temporary use of property, labor or services of another which are available only for hire, by means of threat or deception or knowing that such use is without the consent of the person providing the property, labor or services. For the purposes of this subsection, library material is available for hire.

(b) A person commits theft when after renting or leasing a motor vehicle, obtaining a motor vehicle through a "driveaway" service mode of transportation or renting or leasing any other type of personal property exceeding \$500 in value, under an agreement in writing which provides for the return of the vehicle or other personal property to a particular place at a particular time, he or she without good cause knowingly willfully fails to return the vehicle or other personal property to that place within the time specified, and is thereafter served or sent a written demand mailed to the last known address, made by certified mail return receipt requested, to return such vehicle or other personal property within 3 days from the mailing of the written demand, and who without good cause knowingly willfully fails to return the vehicle or any other personal property to any place of business of the lessor within such period.

(c) A person commits theft when he or she borrows from a library facility library material which has an aggregate value of \$50 or more pursuant to an agreement with or procedure established by the library facility for the return of such library material, and knowingly without good cause fails to return the library material so borrowed in accordance with such agreement or procedure, and further knowingly without good cause fails to return such library material within 30 days after receiving written notice by certified mail from the library facility demanding the return of such library material.

(d) ~~(e)~~ Sentence.

A person convicted of theft under subsection (a) ~~of this Section~~ is guilty of a Class A misdemeanor, except that the theft of library material where the aggregate value exceeds \$300 is a Class 3 felony. A person convicted of theft under subsection (b) of this Section is guilty of a Class 4 felony. A person convicted of theft under subsection (c) is guilty of a petty offense for which the offender may be fined an amount not to exceed \$500 and shall be ordered to reimburse the library for postage costs, attorney's fees, and actual replacement costs of the materials not returned, except that theft under subsection (c) where the aggregate value exceeds \$300 is a Class 3 felony.

For the purpose of sentencing on theft of library material, separate transactions totalling more than \$300 within a 90 day period shall constitute a single offense.

(Source: P.A. 84-800.)

(720 ILCS 5/16-5) (from Ch. 38, par. 16-5)

Sec. 16-5. Theft from coin-operated machine machines.

(a) A person commits theft from a coin-operated machine when he or she knowingly and without authority ~~and with intent to commit a theft from such machine~~ opens, breaks into, tampers with, triggers, or damages a coin-operated machine either:

(1) to operate or use the machine; or

(2) with the intent to commit a theft from the machine.

~~(b) As used in this Section, the term "coin-operated machine" shall include any automatic vending machine or any part thereof, parking meter, coin telephone, coin laundry machine, coin dry cleaning machine, amusement machine, music machine, vending machine dispensing goods or services, or money changer.~~

~~(b) (e) Sentence.~~

~~(1) A violation of subdivision (a)(1) is a Class B misdemeanor.~~

~~(2) A violation of subdivision (a)(2) is A person convicted of theft from a coin-operated machine shall be guilty of a Class A misdemeanor.~~

~~(3) A person who has been convicted of theft from a coin-operated machine in violation of subdivision (a)(2) and who has been~~

~~previously convicted of any type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, or home invasion is guilty of a Class 4 felony. When a person has any such prior conviction, the information or indictment charging that person shall state such prior conviction so as to give notice of the State's intention to treat the charge as a felony. The fact of such prior conviction is not an element of the offense and may not be disclosed to the jury during trial unless otherwise permitted by issues properly raised during such trial.~~

~~(Source: P.A. 90-655, eff. 7-30-98.)~~

~~(720 ILCS 5/16-6) (from Ch. 38, par. 16-6)~~

~~Sec. 16-6. Theft-related devices Coin-operated machines; possession of a key or device.~~

~~(a) (1) A person commits unlawful possession of a key or device for a coin-operated machine when he or she who possesses a key, a tool, an instrument, an explosive, a device, a substance, or a drawing, print, or mold of a key, a tool, an instrument, an explosive, a device, or a substance designed to open, break into, tamper with, or damage a coin-operated machine as defined in paragraph (b) of Section 16-5 of this Act, with intent to commit a theft from the machine, is guilty of a Class A misdemeanor.~~

~~(2) A person commits unlawful use of a key or device for a coin-operated machine when he or she using any of the devices or substances listed in this subsection (a) with the intent to commit a theft from a coin-operated machine uses a key, drawing, print, mold of a key, device, or substance and who causes damage or loss to the coin-operated machine of more than \$300 is guilty of a Class 4 felony.~~

~~(b)(1) A person commits unlawful use of a theft detection shielding device when he or she knowingly manufactures, sells, offers for sale or distributes any theft detection shielding device.~~

~~(2) A person commits unlawful possession of a theft detection shielding device when he or she knowingly possesses a theft detection shielding device with the intent to commit theft or retail theft.~~

~~(3) A person commits unlawful possession of a theft detection device remover when he or she knowingly possesses a theft detection device remover with the intent to use such tool to remove any theft detection device from any merchandise without the permission of the merchant or person owning or holding the merchandise.~~

~~(c) A person commits use of a scanning device or reencoder to defraud when the person knowingly uses:~~

~~(1) a scanning device to access, read, obtain, memorize, or store, temporarily or permanently, information encoded on the magnetic strip or stripe of a payment card without the permission of the authorized user of the payment card and with the intent to defraud the authorized user, the issuer of the authorized user's payment card, or a merchant; or~~

~~(2) a reencoder to place information encoded on the magnetic strip or stripe of a payment card onto the magnetic strip or stripe of a different card without the permission of the authorized user of the card from which the information is being reencoded and with the intent to defraud the authorized user, the issuer of the authorized user's payment card, or a merchant.~~

~~(d) Sentence. A violation of subdivision (a)(1), (b)(1), (b)(2), or (b)(3) is a Class A misdemeanor. A second or subsequent violation of subdivision (b)(1), (b)(2), or (b)(3) is a Class 4 felony. A violation of subdivision (a)(2), (c)(1), or (c)(2) is a Class 4 felony. A second or subsequent violation of subdivision (c)(1) or (c)(2) is a Class 3 felony.~~

~~(e) (b) The owner of a coin-operated machine may maintain a civil cause of action against a person engaged in the activities covered in subdivision (a)(1) and (a)(2) this Section and may recover treble actual damages, reasonable attorney's fees, and costs.~~

~~(f) (e) As used in this Section, "substance" means a corrosive or acidic liquid or solid but does not include items purchased through a coin-operated machine at the location or acquired as condiments at the location of the coin-operated machine.~~

~~(g) For the purposes of this Section, "theft detection shielding device" means any laminated or coated bag or device peculiar to and marketed for shielding and intended to shield merchandise from detection by an electronic or magnetic theft alarm sensor.~~

(Source: P.A. 89-32, eff. 1-1-96.)

(720 ILCS 5/16-7) (from Ch. 38, par. 16-7)

Sec. 16-7. Unlawful use of recorded sounds or images.

(a) A person commits unlawful use of recorded sounds or images when he or she knowingly or recklessly:

(1) ~~Intentionally, knowingly or recklessly~~ transfers or causes to be transferred without the consent of the owner, any sounds

or images recorded on any sound or audio visual recording with the ~~intent purpose~~ of selling or causing to be sold, or using or causing to be used for profit the article to which such sounds or recordings of sound are transferred ; -

(2) ~~Intentionally, knowingly or recklessly~~ sells, offers for sale, advertises for sale, uses or causes to be used for profit

any such article described in ~~subdivision (a)(1) subsection 16-7(a)(1)~~ without consent of the owner ; -

(3) ~~Intentionally, knowingly or recklessly~~ offers or makes available for a fee, rental or any other form of compensation,

directly or indirectly, any equipment or machinery for the purpose of use by another to reproduce or transfer, without the consent of the owner, any sounds or images recorded on any sound or audio visual recording to another sound or audio visual recording or for the purpose of use by another to manufacture any sound or audio visual recording in violation of ~~subsection (b); or Section 16-8.~~

(4) ~~Intentionally, knowingly or recklessly~~ transfers or causes to be transferred without the consent of the owner, any live

performance with the ~~intent purpose~~ of selling or causing to be sold, or using or causing to be used for profit the sound or audio visual recording to which the performance is transferred.

~~(b) A person commits unlawful use of unidentified sound or audio visual recordings when he or she knowingly, recklessly, or negligently for profit manufactures, sells, distributes, vends, circulates, performs, leases, possesses, or otherwise deals in and with unidentified sound or audio visual recordings or causes the manufacture, sale, distribution, vending, circulation, performance, lease, or other dealing in and with unidentified sound or audio visual recordings.~~

~~(c) For the purposes of this Section, "owner" means the person who owns the master sound recording on which sound is recorded and from which the transferred recorded sounds are directly or indirectly derived, or the person who owns the rights to record or authorize the recording of a live performance.~~

~~For the purposes of this Section, "manufacturer" means the person who actually makes or causes to be made a sound or audio visual recording. "Manufacturer" does not include a person who manufactures the medium upon which sounds or visual images can be recorded or stored, or who manufactures the cartridge or casing itself.~~

~~(b) As used in this Section and Section 16-8:~~

~~(1) "Person" means any individual, partnership, corporation, association or other entity.~~

~~(2) "Owner" means the person who owns the master sound recording on which sound is recorded and from which the transferred recorded sounds are directly or indirectly derived, or the person who owns the rights to record or authorize the recording of a live performance.~~

~~(3) "Sound or audio visual recording" means any sound or audio visual phonograph record, disc, pre-recorded tape, film, wire, magnetic tape or other object, device or medium, now known or hereafter invented, by which sounds or images may be reproduced with or without the use of any additional machine, equipment or device.~~

~~(4) "Master sound recording" means the original physical object on which a given set of sounds were first recorded and which the original object from which all subsequent sound recordings embodying the same set of sounds are directly or indirectly derived.~~

~~(5) "Unidentified sound or audio visual recording" means a sound or audio visual recording without the actual name and full and correct street address of the manufacturer, and the name of the actual performers or groups prominently and legibly printed on the outside cover or jacket and on the label of such sound or audio visual recording.~~

~~(6) "Manufacturer" means the person who actually makes or causes to be made a sound or audio visual recording. The term manufacturer does not include a person who manufactures the medium upon which sounds or visual images can be recorded or stored, or who manufactures the cartridge or casing itself.~~

~~(d) Sentence. (e) Unlawful use of recorded sounds or images or unidentified sound or audio visual recordings is a Class 4 felony; however:~~

~~(1) If the offense involves more than 100 but not exceeding 1000 unidentified sound recordings or more than 7 but not exceeding 65 unidentified audio visual recordings during any 180~~

day period the authorized fine is up to \$100,000; and

(2) If the offense involves more than 1,000 unidentified sound recordings or more than 65 unidentified audio visual recordings during any 180 day period the authorized fine is up to \$250,000.

(e) Upon conviction of any violation of subsection (b), the offender shall be sentenced to make restitution to any owner or lawful producer of a master sound or audio visual recording, or to the trade association representing such owner or lawful producer, that has suffered injury resulting from the crime. The order of restitution shall be based on the aggregate wholesale value of lawfully manufactured and authorized sound or audio visual recordings corresponding to the non-conforming recorded devices involved in the offense, and shall include investigative costs relating to the offense.

~~(f) Subsection (a) of this (d) This~~ Section shall neither enlarge nor diminish the rights of parties in private litigation.

~~(g) Subsection (a) of this (e) This~~ Section does not apply to any person engaged in the business of radio or television broadcasting who transfers, or causes to be transferred, any sounds (other than from the sound track of a motion picture) solely for the purpose of broadcast transmission.

~~(f) If any provision or item of this Section or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Section which can be given effect without the invalid provisions, items or applications and to this end the provisions of this Section are hereby declared severable.~~

~~(h) (g) Each and every individual manufacture, distribution or sale or transfer for a consideration of such recorded devices in contravention of subsection (a) of this Section constitutes a separate violation of this Section. Each individual manufacture, sale, distribution, vending, circulation, performance, lease, possession, or other dealing in and with an unidentified sound or audio visual recording under subsection (b) of this Section constitutes a separate violation of this Section.~~

~~(i) (h) Any sound or audio visual recordings containing transferred sounds or a performance whose transfer was not authorized by the owner of the master sound recording or performance, or any unidentified sound or audio visual recording used, in violation of this Section, or in the attempt to commit such violation as defined in Section 8-4, or in a conspiracy to commit such violation as defined in Section 8-2, or in a solicitation to commit such offense as defined in Section 8-1, may be confiscated and destroyed upon conclusion of the case or cases to which they are relevant, except that the court~~ ~~Court~~ may enter an order preserving them as evidence for use in other cases or pending the final determination of an appeal.

~~(j) (i) It is an affirmative defense to any charge of unlawful use of recorded sounds or images that the recorded sounds or images so used are public domain material. For purposes of this Section, recorded sounds are deemed to be in the public domain if the recorded sounds were copyrighted pursuant to the copyright laws of the United States, as the same may be amended from time to time, and the term of the copyright and any extensions or renewals thereof has expired.~~

(Source: P.A. 95-485, eff. 1-1-08.)

(720 ILCS 5/16-14) (from Ch. 38, par. 16-14)

Sec. 16-14. Theft of utility services.

~~(a) A person commits theft of the offense of unlawful interference with public utility services when he or she knowingly, without authority, diverts or interferes with the consent of the owner of the services, impairs or interrupts any public water, gas, or power supply, telecommunications service, wireless service, or other public services, or diverts, or causes to be diverted in whole or in part, any public water, gas, or power supply, telecommunications service, wireless service, or other public services, or installs or removes any device with the intent to divert or interfere with any public water, gas, power supply, or other public services without the authority of the owner or entity furnishing or transmitting such product or for the purpose of such diversion, or knowingly delays restoration of such public services, as a result of the person's theft of wire used for such services.~~

~~(b) The terms "public water, gas, or power supply, or other public services" mean any service subject to regulation by the Illinois Commerce Commission; any service furnished by a public utility that is owned and operated by any political subdivision, public institution of higher education or municipal corporation of this State; any service furnished by any public utility that is owned by such political subdivision, public institution of higher education, or municipal corporation and operated by any of its lessees or operating agents; any service furnished by an electric cooperative as defined in Section 3.4 of the Electric Supplier Act; or wireless service or other service regulated by the Federal Communications Commission.~~

~~(c) Any instrument, apparatus, or device used in obtaining utility services without paying the full charge therefor or any meter that has been altered, tampered with, or bypassed so as to cause a lack of~~

~~measurement or inaccurate measurement of utility services on premises controlled by the customer or by the person using or receiving the direct benefit of utility service at that location shall raise a rebuttable presumption of the commission of the offense described in subparagraph (a) by such person.~~

~~(b) Sentence. (d) (1) Except as provided in paragraph (3), a violation of this Section is a person convicted of unlawful interference with public utility services is guilty of a Class A misdemeanor unless the offense was committed for remuneration, in which case it is a Class 4 felony.~~

~~(2) Except as provided in paragraph (3), a second or subsequent violation of this Section is After a first conviction of unlawful interference with public utility services any subsequent conviction shall be a Class 4 felony.~~

~~(3) If the offense causes disruption of the public utility services or the delay in the restoration of the public utility services occurs to 10 or more customers or affects an area of more than one square mile, a violation of this Section unlawful interference with public utility services is a Class 2 felony.~~

~~(c) This Section does not apply to the theft of telecommunication services.~~

(Source: P.A. 95-323, eff. 1-1-08.)

(720 ILCS 5/16-17)

Sec. 16-17. Theft of advertising services.

~~(a) In this Section, "unauthorized advertisement" means any form of representation or communication, including any handbill, newsletter, pamphlet, or notice that contains any letters, words, or pictorial representation that is attached to or inserted in a newspaper or periodical without a contractual agreement between the publisher and an advertiser.~~

~~(a) A (b) Any person commits theft of advertising services when he or she who knowingly attaches or inserts an unauthorized advertisement in a newspaper or periodical, and who redistributes it to the public or who has the intent to redistribute it to the public, is guilty of the offense of theft of advertising services.~~

~~(c) Sentence. Theft of advertising services is a Class A misdemeanor.~~

~~(b) (d) This Section applies to any newspaper or periodical that is offered for retail sale or is distributed without charge.~~

~~(c) (e) This Section does not apply if the publisher or authorized distributor of the newspaper or periodical consents to the attachment or insertion of the advertisement.~~

~~(d) In this Section, "unauthorized advertisement" means any form of representation or communication, including any handbill, newsletter, pamphlet, or notice that contains any letters, words, or pictorial representation that is attached to or inserted in a newspaper or periodical without a contractual agreement between the publisher and an advertiser.~~

~~(e) Sentence. Theft of advertising services is a Class A misdemeanor.~~

(Source: P.A. 92-428, eff. 8-17-01.)

(720 ILCS 5/16-18)

Sec. 16-18. Tampering with communication services; theft of communication services Unlawful communication and access devices; definitions.

(a) Injury to wires or obtaining service with intent to defraud. A person commits injury to wires or obtaining service with intent to defraud when he or she knowingly:

(1) displaces, removes, injures or destroys any telegraph or telephone line, wire, cable, pole or conduit, belonging to another, or the material or property appurtenant thereto; or

(2) cuts, breaks, taps, or makes any connection with any telegraph or telephone line, wire, cable or instrument belonging to another; or

(3) reads, takes or copies any message, communication or report intended for another passing over any such telegraph line, wire or cable in this State; or

(4) prevents, obstructs or delays by any means or contrivance whatsoever, the sending, transmission, conveyance or delivery in this State of any message, communication or report by or through any telegraph or telephone line, wire or cable; or

(5) uses any apparatus to unlawfully do or cause to be done any of the acts described in subdivisions (a)(1) through (a)(4) of this Section; or

(6) obtains, or attempts to obtain, any telecommunications service with the intent to deprive any person of the lawful charge, in whole or in part, for any telecommunications service:

(A) by charging such service to an existing telephone number without the authority of the subscriber thereto; or

(B) by charging such service to a nonexistent, false, fictitious, or counterfeit telephone number or to a suspended, terminated, expired, cancelled, or revoked telephone number; or

(C) by use of a code, prearranged scheme, or other similar stratagem or device whereby said person, in effect, sends or receives information; or

(D) by publishing the number or code of an existing, canceled, revoked or nonexistent telephone number, credit number or other credit device or method of numbering or coding which is employed in the issuance of telephone numbers, credit numbers or other credit devices which may be used to avoid the payment of any lawful telephone toll charge; or

(E) by any other trick, stratagem, impersonation, false pretense, false representation, false statement, contrivance, device, or means.

(b) Theft of communication services. A person commits theft of communication services when he or she knowingly:

(1) obtains or uses a communication service without the authorization of, or compensation paid to, the communication service provider;

(2) possesses, uses, manufactures, assembles, distributes, leases, transfers, or sells, or offers, promotes or advertises for sale, lease, use, or distribution, an unlawful communication device;

(A) for the commission of a theft of a communication service or to receive, disrupt, transmit, decrypt, or acquire, or facilitate the receipt, disruption, transmission, decryption or acquisition, of any communication service without the express consent or express authorization of the communication service provider; or

(B) to conceal or to assist another to conceal from any communication service provider or from any lawful authority the existence or place of origin or destination of any communication;

(3) modifies, alters, programs or reprograms a communication device for the purposes described in subdivision (2)(A) or (2)(B);

(4) possesses, uses, manufactures, assembles, leases, distributes, sells, or transfers, or offers, promotes or advertises for sale, use or distribution, any unlawful access device; or

(5) possesses, uses, prepares, distributes, gives or otherwise transfers to another or offers, promotes, or advertises for sale, use or distribution, any;

(A) plans or instructions for making or assembling an unlawful communication or access device, with the intent to use or employ the unlawful communication or access device, or to allow the same to be used or employed, for a purpose prohibited by this subsection (b), or knowing or having reason to know that the plans or instructions are intended to be used for manufacturing or assembling the unlawful communication or access device for a purpose prohibited by this subsection (b); or

(B) material, including hardware, cables, tools, data, computer software or other information or equipment, knowing that the purchaser or a third person intends to use the material in the manufacture or assembly of an unlawful communication or access device for a purpose prohibited by this subsection (b).

(c) Sentence.

(1) A violation of subsection (a) is a Class A misdemeanor; provided, however, that any of the following is a Class 4 felony:

(A) a second or subsequent conviction for a violation of subsection (a); or

(B) an offense committed for remuneration; or

(C) an offense involving damage or destruction of property in an amount in excess of \$300 or defrauding of services in excess of \$500.

(2) A violation of subsection (b) is a Class A misdemeanor, except that:

(A) A violation of subsection (b) is a Class 4 felony if:

(i) the violation of subsection (b) involves at least 10, but not more than 50, unlawful communication or access devices; or

(ii) the defendant engages in conduct identified in subdivision (b)(3) of this Section with the intention of substantially disrupting and impairing the ability of a communication service provider to deliver communication services to its lawful customers or subscribers; or

(iii) the defendant at the time of the commission of the offense is a pre-trial detainee at a penal institution or is serving a sentence at a penal institution; or

(iv) the defendant at the time of the commission of the offense is a pre-trial detainee at a penal institution or is serving a sentence at a penal institution and uses any means of electronic communication as defined in the Harassing and Obscene Communications Act for fraud, theft, theft by deception, identity theft, or any other unlawful purpose; or

(v) the aggregate value of the service obtained is \$300 or more; or

(vi) the violation is for a wired communication service or device and the defendant has been convicted previously for an offense under subsection (b) or for any other type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, home invasion, or fraud, including violations of the Cable Communications Policy Act of 1984 in this or any federal or other state jurisdiction.

(B) A violation of subsection (b) is a Class 3 felony if:

(i) the violation of subsection (b) involves more than 50 unlawful communication or access devices; or

(ii) the defendant at the time of the commission of the offense is a pre-trial detainee at a penal institution or is serving a sentence at a penal institution and has been convicted previously of an offense under subsection (b) committed by the defendant while serving as a pre-trial detainee in a penal institution or while serving a sentence at a penal institution; or

(iii) the defendant at the time of the commission of the offense is a pre-trial detainee at a penal institution or is serving a sentence at a penal institution and has been convicted previously of an offense under subsection (b) committed by the defendant while serving as a pre-trial detainee in a penal institution or while serving a sentence at a penal institution and uses any means of electronic communication as defined in the Harassing and Obscene Communications Act for fraud, theft, theft by deception, identity theft, or any other unlawful purpose; or

(iv) the violation is for a wired communication service or device and the defendant has been convicted previously on 2 or more occasions for offenses under subsection (b) or for any other type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, home invasion, or fraud, including violations of the Cable Communications Policy Act of 1984 in this or any federal or other state jurisdiction.

(C) A violation of subsection (b) is a Class 2 felony if the violation is for a wireless communication service or device and the defendant has been convicted previously for an offense under subsection (b) or for any other type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, home invasion, or fraud, including violations of the Cable Communications Policy Act of 1984 in this or any federal or other state jurisdiction.

(3) Restitution. The court shall, in addition to any other sentence authorized by law, sentence a person convicted of violating subsection (b) to make restitution in the manner provided in Article 5 of Chapter V of the Unified Code of Corrections.

(d) Grading of offense based on prior convictions. For purposes of grading an offense based upon a prior conviction for an offense under subsection (b) or for any other type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, home invasion, or fraud, including violations of the Cable Communications Policy Act of 1984 in this or any federal or other state jurisdiction under subdivisions (c)(2)(a)(i) and (c)(2)(b)(i) of this Section, a prior conviction shall consist of convictions upon separate indictments or criminal complaints for offenses under subsection (b) or for any other type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, home invasion, or fraud, including violations of the Cable Communications Policy Act of 1984 in this or any federal or other state jurisdiction.

(e) Separate offenses. For purposes of all criminal penalties or fines established for violations of subsection (b), the prohibited activity established in subsection (b) as it applies to each unlawful communication or access device shall be deemed a separate offense.

(f) Forfeiture of the unlawful communication or access devices. Upon conviction of a defendant under subsection (b), the court may, in addition to any other sentence authorized by law, direct that the defendant forfeit any unlawful communication or access devices in the defendant's possession or control which were involved in the violation for which the defendant was convicted.

(g) Venue. An offense under subsection (b) may be deemed to have been committed at either the place where the defendant manufactured or assembled an unlawful communication or access device, or assisted others in doing so, or the place where the unlawful communication or access device was sold or delivered to a purchaser or recipient. It is not a defense to a violation of subsection (b) that some of the acts constituting the offense occurred outside of the State of Illinois.

(h) Civil action. For purposes of subsection (b):

(1) Bringing a civil action. Any person aggrieved by a violation may bring a civil action in any court of competent jurisdiction.

(2) Powers of the court. The court may:

(A) grant preliminary and final injunctions to prevent or restrain violations without a showing by the plaintiff of special damages, irreparable harm or inadequacy of other legal remedies;

(B) at any time while an action is pending, order the impounding, on such terms as it deems reasonable, of any unlawful communication or access device that is in the custody or control of the violator and that the court has reasonable cause to believe was involved in the alleged violation;

(C) award damages as described in subdivision (h)(3);

(D) award punitive damages;

(E) in its discretion, award reasonable attorney's fees and costs, including, but not limited to, costs for investigation, testing and expert witness fees, to an aggrieved party who prevails; and

(F) as part of a final judgment or decree finding a violation, order the remedial modification or destruction of any unlawful communication or access device involved in the violation that is in the custody or control of the violator or has been impounded under subdivision (h)(2)(B).

(3) Types of damages recoverable. Damages awarded by a court under this Section shall be computed as either of the following:

(A) Upon his or her election of such damages at any time before final judgment is entered, the complaining party may recover the actual damages suffered by him or her as a result of the violation and any profits of the violator that are attributable to the violation and are not taken into account in computing the actual damages; in determining the violator's profits, the complaining party shall be required to prove only the violator's gross revenue, and the violator shall be required to prove his or her deductible expenses and the elements of profit attributable to factors other than the violation; or

(B) Upon election by the complaining party at any time before final judgment is entered, that party may recover in lieu of actual damages an award of statutory damages of not less than \$250 and not more than \$10,000 for each unlawful communication or access device involved in the action, with the amount of statutory damages to be determined by the court, as the court considers just. In any case, if the court finds that any of the violations were committed with the intent to obtain commercial advantage or private financial gain, the court in its discretion may increase the award of statutory damages by an amount of not more than \$50,000 for each unlawful communication or access device involved in the action.

(4) Separate violations. For purposes of all civil remedies established for violations, the prohibited activity established in this Section applies to each unlawful communication or access device and shall be deemed a separate violation.

As used in Sections 16-19, 16-20, and 16-21, unless the context otherwise indicates:

"Communication device" means any type of instrument, device, machine, or equipment which is capable of transmitting, acquiring, decrypting, or receiving any telephonic, electronic, data, Internet access, audio, video, microwave, or radio transmissions, signals, communications, or services, including the receipt, acquisition, transmission, or decryption of all such communications, transmissions, signals, or services provided by or through any cable television, fiber optic, telephone, satellite, microwave, radio, Internet-based, data transmission, or wireless distribution network, system or facility; or any part, accessory, or component thereof, including any computer circuit, security module, smart card, software, computer chip, electronic mechanism or other component, accessory or part of any communication device which is capable of facilitating the transmission, decryption, acquisition or reception of all such communications, transmissions, signals, or services.

"Communication service" means any service lawfully provided for a charge or compensation to facilitate the lawful origination, transmission, emission, or reception of signs, signals, data, writings, images, and sounds or intelligence of any nature by telephone, including cellular telephones or a wire, wireless, radio, electromagnetic, photo-electronic or photo optical system; and also any service lawfully provided by any radio, telephone, cable television, fiber optic, satellite, microwave, Internet based or wireless distribution network, system, facility or technology, including, but not limited to, any and all electronic, data, video, audio, Internet access, telephonic, microwave and radio communications, transmissions, signals and services, and any such communications, transmissions, signals and services lawfully provided directly or indirectly by or through any of those networks, systems, facilities or technologies.

"Communication service provider" means: (1) any person or entity providing any communication service, whether directly or indirectly, as a reseller, including, but not limited to, a cellular, paging or other wireless communications company or other person or entity which, for a fee, supplies the facility, cell-site, mobile telephone switching office or other equipment or communication service; (2) any person or entity owning or operating any cable television, fiber optic, satellite, telephone, wireless, microwave, radio, data transmission or Internet based distribution network, system or facility; and (3) any person or entity providing any communication service directly or indirectly by or through any such distribution system, network or facility.

"Unlawful communication device" means any electronic serial number, mobile identification number, personal identification number or any communication device that is capable of acquiring or facilitating the acquisition of a communication service without the express consent or express authorization of the communication service provider, or that has been altered, modified, programmed or reprogrammed, alone or in conjunction with another communication device or other equipment, to so acquire or facilitate the unauthorized acquisition of a communication service. "Unlawful communication device" also means:

(1) any phone altered to obtain service without the express consent or express authorization of the



~~communication service provider, tumbler phone, counterfeit or clone phone, tumbler microchip, counterfeit or clone microchip or other instrument capable of disguising its identity or location or of gaining unauthorized access to a communications system operated by a communication service provider; and~~

~~(2) any communication device which is capable of, or has been altered, designed, modified, programmed or reprogrammed, alone or in conjunction with another communication device or devices, so as to be capable of, facilitating the disruption, acquisition, receipt, transmission or decryption of a communication service without the express consent or express authorization of the communication service provider, including, but not limited to, any device, technology, product, service, equipment, computer software or component or part thereof, primarily distributed, sold, designed, assembled, manufactured, modified, programmed, reprogrammed or used for the purpose of providing the unauthorized receipt of, transmission of, disruption of, decryption of, access to or acquisition of any communication service provided by any communication service provider.~~

~~"Manufacture or assembly of an unlawful communication device" means to make, produce or assemble an unlawful communication device or to modify, alter, program or reprogram a communication device to be capable of acquiring, disrupting, receiving, transmitting, decrypting, or facilitating the acquisition, disruption, receipt, transmission or decryption of, a communication service without the express consent or express authorization of the communication service provider, or to knowingly assist others in those activities.~~

~~"Unlawful access device" means any type of instrument, device, machine, equipment, technology, or software which is primarily possessed, used, designed, assembled, manufactured, sold, distributed or offered, promoted or advertised for the purpose of defeating or circumventing any technology, device or software, or any component or part thereof, used by the provider, owner or licensee of any communication service or of any data, audio or video programs or transmissions to protect any such communication, audio or video services, programs or transmissions from unauthorized access, acquisition, receipt, decryption, disclosure, communication, transmission or re transmission.~~

~~"Manufacture or assembly of an unlawful access device" means to make, produce or assemble an unlawful access device or to modify, alter, program or re program any instrument, device, machine, equipment or software so that it is capable of defeating or circumventing any technology, device or software used by the provider, owner or licensee of a communication service or of any data, audio or video programs or transmissions to protect any such communication, data, audio or video services, programs or transmissions from unauthorized access, acquisition, disclosure, receipt, decryption, communication, transmission or re transmission.~~

(Source: P.A. 92-728, eff. 1-1-03.)

(720 ILCS 5/Art. 16, Subdiv. 10 heading new)

#### SUBDIVISION 10. RETAIL THEFT

(720 ILCS 5/16-25 new)

Sec. 16-25. Retail theft.

(a) A person commits retail theft when he or she knowingly:

(1) Takes possession of, carries away, transfers or causes to be carried away or transferred any merchandise displayed, held, stored or offered for sale in a retail mercantile establishment with the intention of retaining such merchandise or with the intention of depriving the merchant permanently of the possession, use or benefit of such merchandise without paying the full retail value of such merchandise; or

(2) Alters, transfers, or removes any label, price tag, marking, indicia of value or any other markings which aid in determining value affixed to any merchandise displayed, held, stored or offered for sale in a retail mercantile establishment and attempts to purchase such merchandise at less than the full retail value with the intention of depriving the merchant of the full retail value of such merchandise; or

(3) Transfers any merchandise displayed, held, stored or offered for sale in a retail mercantile establishment from the container in or on which such merchandise is displayed to any other container with the intention of depriving the merchant of the full retail value of such merchandise; or

(4) Under-rings with the intention of depriving the merchant of the full retail value of the merchandise; or

(5) Removes a shopping cart from the premises of a retail mercantile establishment without the consent of the merchant given at the time of such removal with the intention of depriving the merchant permanently of the possession, use or benefit of such cart; or

(6) Represents to a merchant that he, she, or another is the lawful owner of property, knowing that

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such representation is false, and conveys or attempts to convey that property to a merchant who is the owner of the property in exchange for money, merchandise credit or other property of the merchant; or

(7) Uses or possesses any theft detection shielding device or theft detection device remover with the intention of using such device to deprive the merchant permanently of the possession, use or benefit of any merchandise displayed, held, stored or offered for sale in a retail mercantile establishment without paying the full retail value of such merchandise; or

(8) Obtains or exerts unauthorized control over property of the owner and thereby intends to deprive the owner permanently of the use or benefit of the property when a lessee of the personal property of another fails to return it to the owner, or if the lessee fails to pay the full retail value of such property to the lessor in satisfaction of any contractual provision requiring such, within 10 days after written demand from the owner for its return. A notice in writing, given after the expiration of the leasing agreement, by registered mail, to the lessee at the address given by the lessee and shown on the leasing agreement shall constitute proper demand.

(b) Theft by emergency exit. A person commits theft by emergency exit when he or she commits a retail theft as defined in subdivisions (a)(1) through (a)(8) of this Section and to facilitate the theft he or she leaves the retail mercantile establishment by use of a designated emergency exit.

(c) Permissive inference. If any person:

(1) conceals upon his or her person or among his or her belongings unpurchased merchandise displayed, held, stored or offered for sale in a retail mercantile establishment; and

(2) removes that merchandise beyond the last known station for receiving payments for that merchandise in that retail mercantile establishment,

then the trier of fact may infer that the person possessed, carried away or transferred such merchandise with the intention of retaining it or with the intention of depriving the merchant permanently of the possession, use or benefit of such merchandise without paying the full retail value of such merchandise.

To "conceal" merchandise means that, although there may be some notice of its presence, that merchandise is not visible through ordinary observation.

(d) Venue. Multiple thefts committed by the same person as part of a continuing course of conduct in different jurisdictions that have been aggregated in one jurisdiction may be prosecuted in any jurisdiction in which one or more of the thefts occurred.

(e) For the purposes of this Section, "theft detection shielding device" means any laminated or coated bag or device designed and intended to shield merchandise from detection by an electronic or magnetic theft alarm sensor.

(f) Sentence.

(1) A violation of any of subdivisions (a)(1) through (a)(6) and (a)(8) of this Section, the full retail value of which does not exceed \$300 for property other than motor fuel or \$150 for motor fuel, is a Class A misdemeanor. A violation of subdivision (a)(7) of this Section is a Class A misdemeanor for a first offense and a Class 4 felony for a second or subsequent offense. Theft by emergency exit of property, the full retail value of which does not exceed \$300, is a Class 4 felony.

(2) A person who has been convicted of retail theft of property under any of subdivisions (a)(1) through (a)(6) and (a)(8) of this Section, the full retail value of which does not exceed \$300 for property other than motor fuel or \$150 for motor fuel, and who has been previously convicted of any type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, home invasion, unlawful use of a credit card, or forgery is guilty of a Class 4 felony. A person who has been convicted of theft by emergency exit of property, the full retail value of which does not exceed \$300, and who has been previously convicted of any type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, home invasion, unlawful use of a credit card, or forgery is guilty of a Class 3 felony.

(3) Any retail theft of property under any of subdivisions (a)(1) through (a)(6) and (a)(8) of this Section, the full retail value of which exceeds \$300 for property other than motor fuel or \$150 for motor fuel in a single transaction, or in separate transactions committed by the same person as part of a continuing course of conduct from one or more mercantile establishments over a period of one year, is a Class 3 felony. Theft by emergency exit of property, the full retail value of which exceeds \$300 in a single transaction, or in separate transactions committed by the same person as part of a continuing course of conduct from one or more mercantile establishments over a period of one year, is a Class 2 felony. When a charge of retail theft of property or theft by emergency exit of property, the full value of which exceeds \$300, is brought, the value of the property involved is an element of the offense to be resolved by the trier of fact as either exceeding or not exceeding \$300.

(720 ILCS 5/16-26 new)

Sec. 16-26. Detention; affirmative defense.

(a) Detention. Any merchant who has reasonable grounds to believe that a person has committed retail theft may detain the person, on or off the premises of a retail mercantile establishment, in a reasonable manner and for a reasonable length of time for all or any of the following purposes:

(1) To request identification;

(2) To verify such identification;

(3) To make reasonable inquiry as to whether such person has in his possession unpurchased merchandise and to make reasonable investigation of the ownership of such merchandise;

(4) To inform a peace officer of the detention of the person and surrender that person to the custody of a peace officer;

(5) In the case of a minor, to immediately make a reasonable attempt to inform the parents, guardian or other private person interested in the welfare of that minor and, at the merchant's discretion, a peace officer, of this detention and to surrender custody of such minor to such person.

A merchant may make a detention as permitted in this Section off the premises of a retail mercantile establishment only if such detention is pursuant to an immediate pursuit of such person.

A merchant shall be deemed to have reasonable grounds to make a detention for the purposes of this Section if the merchant detains a person because such person has in his or her possession either a theft detection shielding device or a theft detection device remover.

(b) Affirmative defense. A detention as permitted in this Section does not constitute an arrest or an unlawful restraint, as defined in Section 10-3 of this Code, nor shall it render the merchant liable to the person so detained.

(c) For the purposes of this Section, "minor" means a person who is less than 19 years of age, is unemancipated, and resides with his or her parent or parents or legal guardian.

(720 ILCS 5/16-27 new)

Sec. 16-27. Civil liability.

(a) A person who commits the offense of retail theft as defined in subdivision (a)(1), (a)(2), (a)(3), or (a)(8) of Section 16-25 shall be civilly liable to the merchant of the merchandise in an amount consisting of:

(i) actual damages equal to the full retail value of the merchandise; plus

(ii) an amount not less than \$100 nor more than \$1,000; plus

(iii) attorney's fees and court costs.

(b) If a minor commits the offense of retail theft, the parents or guardian of the minor shall be civilly liable as provided in this Section; however, a guardian appointed pursuant to the Juvenile Court Act of 1987 shall not be liable under this Section. Total recovery under this Section shall not exceed the maximum recovery permitted under Section 5 of the Parental Responsibility Law. For the purposes of this Section, "minor" means a person who is less than 19 years of age, is unemancipated, and resides with his or her parent or parents or legal guardian.

(c) A conviction or a plea of guilty to the offense of retail theft is not a prerequisite to the bringing of a civil suit under this Section.

(d) Judgments arising under this Section may be assigned.

(720 ILCS 5/16-28 new)

Sec. 16-28. Delivery container theft.

(a) A person commits delivery container theft when he or she knowingly does any of the following:

(1) Uses for any purpose, when not on the premises of the owner or an adjacent parking area, a delivery container of another person which is marked by a name or mark unless the use is authorized by the owner.

(2) Sells, or offers for sale, a delivery container of another person which is marked by a name or mark unless the sale is authorized by the owner.

(3) Defaces, obliterates, destroys, covers up or otherwise removes or conceals a name or mark on a delivery container of another person without the written consent of the owner.

(4) Removes the delivery container of another person from the premises, parking area or any other area under the control of any processor, distributor or retail establishment, or from any delivery vehicle, without the consent of the owner of the delivery container. If a person possesses any marked or named delivery container without the consent of the owner and while not on the premises, parking area or other area under control of a processor, distributor or retail establishment doing business with the owner, the trier of fact may infer that the person removed the delivery container in violation of this paragraph.

(b) Any common carrier or private carrier for hire, except those engaged in transporting bakery or dairy products to and from the places where they are produced, that receives or transports any delivery container marked with a name or mark without having in its possession a bill of lading or invoice for that delivery container commits the offense of delivery container theft.

(c) Sentence. Delivery container theft is a Class B misdemeanor. An offender may be sentenced to pay a fine of \$150 for the first offense and \$500 for a second or subsequent offense.

(720 ILCS 5/Art. 16, Subdiv. 15 heading new)

SUBDIVISION 15. IDENTITY THEFT

(720 ILCS 5/16-30 new)

Sec. 16-30. Identity theft; aggravated identity theft.

(a) A person commits identity theft when he or she knowingly:

(1) uses any personal identifying information or personal identification document of another person to fraudulently obtain credit, money, goods, services, or other property; or

(2) uses any personal identification information or personal identification document of another with intent to commit any felony not set forth in paragraph (1) of this subsection (a); or

(3) obtains, records, possesses, sells, transfers, purchases, or manufactures any personal identification information or personal identification document of another with intent to commit any felony; or

(4) uses, obtains, records, possesses, sells, transfers, purchases, or manufactures any personal identification information or personal identification document of another knowing that such personal identification information or personal identification documents were stolen or produced without lawful authority; or

(5) uses, transfers, or possesses document-making implements to produce false identification or false documents with knowledge that they will be used by the person or another to commit any felony; or

(6) uses any personal identification information or personal identification document of another to portray himself or herself as that person, or otherwise, for the purpose of gaining access to any personal identification information or personal identification document of that person, without the prior express permission of that person; or

(7) uses any personal identification information or personal identification document of another for the purpose of gaining access to any record of the actions taken, communications made or received, or other activities or transactions of that person, without the prior express permission of that person; or

(8) in the course of applying for a building permit with a unit of local government, provides the license number of a roofing or fire sprinkler contractor whom he or she does not intend to have perform the work on the roofing or fire sprinkler portion of the project; it is an affirmative defense to prosecution under this paragraph (8) that the building permit applicant promptly informed the unit of local government that issued the building permit of any change in the roofing or fire sprinkler contractor.

(b) Aggravated identity theft. A person commits aggravated identity theft when he or she commits identity theft as set forth in subsection (a) of this Section:

(1) against a person 60 years of age or older or a person with a disability; or

(2) in furtherance of the activities of an organized gang.

A defense to aggravated identity theft does not exist merely because the accused reasonably believed the victim to be a person less than 60 years of age. For the purposes of this subsection, "organized gang" has the meaning ascribed in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act.

(c) Knowledge shall be determined by an evaluation of all circumstances surrounding the use of the other person's identifying information or document.

(d) When a charge of identity theft or aggravated identity theft of credit, money, goods, services, or other property exceeding a specified value is brought, the value of the credit, money, goods, services, or other property is an element of the offense to be resolved by the trier of fact as either exceeding or not exceeding the specified value.

(e) Sentence.

(1) Identity theft.

(A) A person convicted of identity theft in violation of paragraph (1) of subsection (a) shall be sentenced as follows:

(i) Identity theft of credit, money, goods, services, or other property not exceeding \$300 in value is a Class 4 felony. A person who has been previously convicted of identity theft of less than \$300 who is convicted of a second or subsequent offense of identity theft of less than \$300 is guilty of a Class 3 felony. A person who has been convicted of identity theft of less than \$300 who has been previously convicted of any type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, home invasion, home repair fraud, aggravated home repair fraud, or financial exploitation of an elderly or disabled person is guilty of a Class 3 felony. Identity theft of credit, money, goods, services, or other property not exceeding \$300 in value when the victim of the identity theft is an active duty member of the Armed Services or Reserve Forces of the United States or of the Illinois National

Guard serving in a foreign country is a Class 3 felony. A person who has been previously convicted of identity theft of less than \$300 who is convicted of a second or subsequent offense of identity theft of less than \$300 when the victim of the identity theft is an active duty member of the Armed Services or Reserve Forces of the United States or of the Illinois National Guard serving in a foreign country is guilty of a Class 2 felony. A person who has been convicted of identity theft of less than \$300 when the victim of the identity theft is an active duty member of the Armed Services or Reserve Forces of the United States or of the Illinois National Guard serving in a foreign country who has been previously convicted of any type of theft, robbery, armed robbery, burglary, residential burglary, possession of burglary tools, home invasion, home repair fraud, aggravated home repair fraud, or financial exploitation of an elderly or disabled person is guilty of a Class 2 felony.

(ii) Identity theft of credit, money, goods, services, or other property exceeding \$300 and not exceeding \$2,000 in value is a Class 3 felony. Identity theft of credit, money, goods, services, or other property exceeding \$300 and not exceeding \$2,000 in value when the victim of the identity theft is an active duty member of the Armed Services or Reserve Forces of the United States or of the Illinois National Guard serving in a foreign country is a Class 2 felony.

(iii) Identity theft of credit, money, goods, services, or other property exceeding \$2,000 and not exceeding \$10,000 in value is a Class 2 felony. Identity theft of credit, money, goods, services, or other property exceeding \$2,000 and not exceeding \$10,000 in value when the victim of the identity theft is an active duty member of the Armed Services or Reserve Forces of the United States or of the Illinois National Guard serving in a foreign country is a Class 1 felony.

(iv) Identity theft of credit, money, goods, services, or other property exceeding \$10,000 and not exceeding \$100,000 in value is a Class 1 felony. Identity theft of credit, money, goods, services, or other property exceeding \$10,000 and not exceeding \$100,000 in value when the victim of the identity theft is an active duty member of the Armed Services or Reserve Forces of the United States or of the Illinois National Guard serving in a foreign country is a Class X felony.

(v) Identity theft of credit, money, goods, services, or other property exceeding \$100,000 in value is a Class X felony.

(B) A person convicted of any offense enumerated in paragraphs (2) through (7) of subsection (a) is guilty of a Class 3 felony. A person convicted of any offense enumerated in paragraphs (2) through (7) of subsection (a) when the victim of the identity theft is an active duty member of the Armed Services or Reserve Forces of the United States or of the Illinois National Guard serving in a foreign country is guilty of a Class 2 felony.

(C) A person convicted of any offense enumerated in paragraphs (2) through (5) of subsection (a) a second or subsequent time is guilty of a Class 2 felony. A person convicted of any offense enumerated in paragraphs (2) through (5) of subsection (a) a second or subsequent time when the victim of the identity theft is an active duty member of the Armed Services or Reserve Forces of the United States or of the Illinois National Guard serving in a foreign country is guilty of a Class 1 felony.

(D) A person who, within a 12-month period, is found in violation of any offense enumerated in paragraphs (2) through (7) of subsection (a) with respect to the identifiers of, or other information relating to, 3 or more separate individuals, at the same time or consecutively, is guilty of a Class 2 felony. A person who, within a 12-month period, is found in violation of any offense enumerated in paragraphs (2) through (7) of subsection (a) with respect to the identifiers of, or other information relating to, 3 or more separate individuals, at the same time or consecutively, when the victim of the identity theft is an active duty member of the Armed Services or Reserve Forces of the United States or of the Illinois National Guard serving in a foreign country is guilty of a Class 1 felony.

(E) A person convicted of identity theft in violation of paragraph (2) of subsection (a) who uses any personal identification information or personal identification document of another to purchase methamphetamine manufacturing material as defined in Section 10 of the Methamphetamine Control and Community Protection Act with the intent to unlawfully manufacture methamphetamine is guilty of a Class 2 felony for a first offense and a Class 1 felony for a second or subsequent offense. A person convicted of identity theft in violation of paragraph (2) of subsection (a) who uses any personal identification information or personal identification document of another to purchase methamphetamine manufacturing material as defined in Section 10 of the Methamphetamine Control and Community Protection Act with the intent to unlawfully manufacture methamphetamine when the victim of the identity theft is an active duty member of the Armed Services or Reserve Forces of the United States or of the Illinois National Guard serving in a foreign country is guilty of a Class 1 felony for a first offense and a Class X felony for a second or subsequent offense.

(F) A person convicted of identity theft in violation of paragraph (8) of subsection (a) of this Section is guilty of a Class 4 felony.

(2) Aggravated identity theft.

(A) Aggravated identity theft of credit, money, goods, services, or other property not exceeding \$300 in value is a Class 3 felony.

(B) Aggravated identity theft of credit, money, goods, services, or other property exceeding \$300 and not exceeding \$10,000 in value is a Class 2 felony.

(C) Aggravated identity theft of credit, money, goods, services, or other property exceeding \$10,000 in value and not exceeding \$100,000 in value is a Class 1 felony.

(D) Aggravated identity theft of credit, money, goods, services, or other property exceeding \$100,000 in value is a Class X felony.

(E) Aggravated identity theft for a violation of any offense enumerated in paragraphs (2) through (7) of subsection (a) of this Section is a Class 2 felony.

(F) Aggravated identity theft when a person who, within a 12-month period, is found in violation of any offense enumerated in paragraphs (2) through (7) of subsection (a) of this Section with identifiers of, or other information relating to, 3 or more separate individuals, at the same time or consecutively, is a Class 1 felony.

(G) A person who has been previously convicted of aggravated identity theft regardless of the value of the property involved who is convicted of a second or subsequent offense of aggravated identity theft regardless of the value of the property involved is guilty of a Class X felony.

(720 ILCS 5/16-31 new)

Sec. 16-31. Transmission of personal identifying information.

(a) A person commits transmission of personal identifying information if he or she is not a party to a transaction that involves the use of a financial transaction device and knowingly: (i) secretly or surreptitiously photographs, or otherwise captures or records, electronically or by any other means, personal identifying information from the transaction without the consent of the person whose information is photographed or otherwise captured, recorded, distributed, disseminated, or transmitted, or (ii) distributes, disseminates, or transmits, electronically or by any other means, personal identifying information from the transaction without the consent of the person whose information is photographed, or otherwise captured, recorded, distributed, disseminated, or transmitted.

(b) This Section does not:

(1) prohibit the capture or transmission of personal identifying information in the ordinary and lawful course of business;

(2) apply to a peace officer of this State, or of the federal government, or the officer's agent, while in the lawful performance of the officer's duties;

(3) prohibit a person from being charged with, convicted of, or punished for any other violation of law committed by that person while violating or attempting to violate this Section.

(c) Sentence. A person who violates this Section is guilty of a Class A misdemeanor.

(720 ILCS 5/16-32 new)

Sec. 16-32. Facilitating identity theft.

(a) A person commits facilitating identity theft when he or she, in the course of his or her employment or official duties, has access to the personal information of another person in the possession of the State of Illinois, whether written, recorded, or on computer disk, and knowingly, with the intent of committing identity theft, aggravated identity theft, or any violation of the Illinois Financial Crime Law, disposes of that written, recorded, or computerized information in any receptacle, trash can, or other container that the public could gain access to, without shredding that information, destroying the recording, or wiping the computer disk so that the information is either unintelligible or destroyed.

(b) Sentence. Facilitating identity theft is a Class A misdemeanor for a first offense and a Class 4 felony for a second or subsequent offense.

(c) For purposes of this Section, "personal information" has the meaning provided in the Personal Information Protection Act.

(720 ILCS 5/16-33 new)

Sec. 16-33. Civil remedies. A person who is convicted of facilitating identity theft, identity theft, or aggravated identity theft is liable in a civil action to the person who suffered damages as a result of the violation. The person suffering damages may recover court costs, attorney's fees, lost wages, and actual damages. Where a person has been convicted of identity theft in violation of subdivision (a)(6) or subdivision (a)(7) of Section 16-30, in the absence of proof of actual damages, the person whose personal identification information or personal identification documents were used in the violation in question may recover damages of \$2,000.

(720 ILCS 5/16-34 new)

Sec. 16-34. Offender's interest in the property; consent.

(a) It is no defense to a charge of aggravated identity theft or identity theft that the offender has an interest in the credit, money, goods, services, or other property.

(b) It is no defense to a charge of aggravated identity theft or identity theft that the offender received the consent of any person to access any personal identification information or personal identification document, other than the person described by the personal identification information or personal identification document used by the offender.

(720 ILCS 5/16-35 new)

Sec. 16-35. Mandating law enforcement agencies to accept and provide reports; judicial factual determination.

(a) A person who has learned or reasonably suspects that his or her personal identifying information has been unlawfully used by another may initiate a law enforcement investigation by contacting the local law enforcement agency that has jurisdiction over his or her actual residence, which shall take a police report of the matter, provide the complainant with a copy of that report, and begin an investigation of the facts, or, if the suspected crime was committed in a different jurisdiction, refer the matter to the law enforcement agency where the suspected crime was committed for an investigation of the facts.

(b) A person who reasonably believes that he or she is the victim of financial identity theft may petition a court, or upon application of the prosecuting attorney or on its own motion, the court may move for an expedited judicial determination of his or her factual innocence, where the perpetrator of the financial identity theft was arrested for, cited for, or convicted of a crime under the victim's identity, or where a criminal complaint has been filed against the perpetrator in the victim's name, or where the victim's identity has been mistakenly associated with a criminal conviction. Any judicial determination of factual innocence made pursuant to this subsection may be heard and determined upon declarations, affidavits, police reports, or other material, relevant, and reliable information submitted by the parties or ordered to be part of the record by the court. If the court determines that the petition or motion is meritorious and that there is no reasonable cause to believe that the victim committed the offense for which the perpetrator of the identity theft was arrested, cited, convicted, or subject to a criminal complaint in the victim's name, or that the victim's identity has been mistakenly associated with a record of criminal conviction, the court shall find the victim factually innocent of that offense. If the victim is found factually innocent, the court shall issue an order certifying this determination.

(c) After a court has issued a determination of factual innocence under this Section, the court may order the name and associated personal identifying information contained in the court records, files, and indexes accessible by the public sealed, deleted, or labeled to show that the data is impersonated and does not reflect the defendant's identity.

(d) A court that has issued a determination of factual innocence under this Section may at any time vacate that determination if the petition, or any information submitted in support of the petition, is found to contain any material misrepresentation or fraud.

(e) Except for criminal and civil actions provided for by Sections 16-30 through 16-36, or for disciplinary or licensure-related proceedings involving the violation of Sections 16-30 through 16-36, no information acquired by, or as a result of, any violation of Section 16-30 shall be discoverable or admissible in any court or other proceeding, or otherwise subject to disclosure without the express permission of any person or persons identified in that information.

(720 ILCS 5/16-36 new)

Sec. 16-36. Venue. In addition to any other venues provided for by statute or otherwise, venue for any criminal prosecution or civil recovery action under Sections 16-30 through 16-36 shall be proper in any county where the person described in the personal identification information or personal identification document in question resides or has his or her principal place of business. Where a criminal prosecution or civil recovery action under Sections 16-30 through 16-36 involves the personal identification information or personal identification documents of more than one person, venue shall be proper in any county where one or more of the persons described in the personal identification information or personal identification documents in question resides or has his or her principal place of business.

(720 ILCS 5/16-37 new)

Sec. 16-37. Exemptions; relation to other laws.

(a) Sections 16-30 through 16-36 do not:

(1) prohibit the capture or transmission of personal identifying information in the ordinary and lawful course of business;

(2) apply to a peace officer of this State, or of the federal government, or the officer's agent, while in the lawful performance of the officer's duties;

(3) prohibit a licensed private detective or licensed private detective agency from representing himself, herself, or itself as any another person, provided that he, she, or it may not portray himself,

himself, or itself as the person whose information he, she, or it is seeking except as provided under Sections 16-30 through 16-36;

(4) apply to activities authorized under any other statute.

(b) No criminal prosecution or civil action brought under Sections 16-30 through 16-36 shall prohibit a person from being charged with, convicted of, or punished for any other violation of law committed by that person while violating or attempting to violate Sections 16-30 through 16-36.

(720 ILCS 5/Art. 16, Subdiv. 20 heading new)

SUBDIVISION 20. MISCELLANEOUS THEFT-RELATED OFFENSES

(720 ILCS 5/16-40 new)

Sec. 16-40. Internet offenses.

(a) Online sale of stolen property. A person commits online sale of stolen property when he or she uses or accesses the Internet with the intent of selling property gained through unlawful means.

(b) Online theft by deception. A person commits online theft by deception when he or she uses the Internet to purchase or attempt to purchase property from a seller with a mode of payment that he or she knows is fictitious, stolen, or lacking the consent of the valid account holder.

(c) Electronic fencing. A person commits electronic fencing when he or she sells stolen property using the Internet, knowing that the property was stolen. A person who unknowingly purchases stolen property over the Internet does not violate this Section.

(d) Sentence. A violation of this Section is a Class 4 felony if the full retail value of the stolen property or property obtained by deception does not exceed \$300. A violation of this Section is a Class 2 felony if the full retail value of the stolen property or property obtained by deception exceeds \$300.

(720 ILCS 5/17-0.5)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 17-0.5. Definitions. In this Article:

"Altered credit card or debit card" means any instrument or device, whether known as a credit card or debit card, which has been changed in any respect by addition or deletion of any material, except for the signature by the person to whom the card is issued.

"Cardholder" means the person or organization named on the face of a credit card or debit card to whom or for whose benefit the credit card or debit card is issued by an issuer.

"Computer" means a device that accepts, processes, stores, retrieves, or outputs data and includes, but is not limited to, auxiliary storage and telecommunications devices connected to computers.

"Computer network" means a set of related, remotely connected devices and any communications facilities including more than one computer with the capability to transmit data between them through the communications facilities.

"Computer program" or "program" means a series of coded instructions or statements in a form acceptable to a computer which causes the computer to process data and supply the results of the data processing.

"Computer services" means computer time or services, including data processing services, Internet services, electronic mail services, electronic message services, or information or data stored in connection therewith.

"Counterfeit" means to manufacture, produce or create, by any means, a credit card or debit card without the purported issuer's consent or authorization.

"Credit card" means any instrument or device, whether known as a credit card, credit plate, charge plate or any other name, issued with or without fee by an issuer for the use of the cardholder in obtaining money, goods, services or anything else of value on credit or in consideration or an undertaking or guaranty by the issuer of the payment of a check drawn by the cardholder.

"Data" means a representation in any form of information, knowledge, facts, concepts, or instructions, including program documentation, which is prepared or has been prepared in a formalized manner and is stored or processed in or transmitted by a computer or in a system or network. Data is considered property and may be in any form, including, but not limited to, printouts, magnetic or optical storage media, punch cards, or data stored internally in the memory of the computer.

"Debit card" means any instrument or device, known by any name, issued with or without fee by an issuer for the use of the cardholder in obtaining money, goods, services, and anything else of value, payment of which is made against funds previously deposited by the cardholder. A debit card which also can be used to obtain money, goods, services and anything else of value on credit shall not be considered a debit card when it is being used to obtain money, goods, services or anything else of value on credit.

"Document" includes, but is not limited to, any document, representation, or image produced manually, electronically, or by computer.

[May 31, 2011]



"Electronic fund transfer terminal" means any machine or device that, when properly activated, will perform any of the following services:

- (1) Dispense money as a debit to the cardholder's account; or
- (2) Print the cardholder's account balances on a statement; or
- (3) Transfer funds between a cardholder's accounts; or
- (4) Accept payments on a cardholder's loan; or
- (5) Dispense cash advances on an open end credit or a revolving charge agreement; or
- (6) Accept deposits to a customer's account; or
- (7) Receive inquiries of verification of checks and dispense information that verifies that funds are available to cover such checks; or
- (8) Cause money to be transferred electronically from a cardholder's account to an account held by any business, firm, retail merchant, corporation, or any other organization.

"Electronic funds transfer system", hereafter referred to as "EFT System", means that system whereby funds are transferred electronically from a cardholder's account to any other account.

"Electronic mail service provider" means any person who (i) is an intermediary in sending or receiving electronic mail and (ii) provides to end-users of electronic mail services the ability to send or receive electronic mail.

"Expired credit card or debit card" means a credit card or debit card which is no longer valid because the term on it has elapsed.

"False academic degree" means a certificate, diploma, transcript, or other document purporting to be issued by an institution of higher learning or purporting to indicate that a person has completed an organized academic program of study at an institution of higher learning when the person has not completed the organized academic program of study indicated on the certificate, diploma, transcript, or other document.

"False claim" means any statement made to any insurer, purported insurer, servicing corporation, insurance broker, or insurance agent, or any agent or employee of one of those entities, and made as part of, or in support of, a claim for payment or other benefit under a policy of insurance, or as part of, or in support of, an application for the issuance of, or the rating of, any insurance policy, when the statement does any of the following:

- (1) Contains any false, incomplete, or misleading information concerning any fact or thing material to the claim.
- (2) Conceals (i) the occurrence of an event that is material to any person's initial or continued right or entitlement to any insurance benefit or payment or (ii) the amount of any benefit or payment to which the person is entitled.

"Financial institution" means any bank, savings and loan association, credit union, or other depository of money or medium of savings and collective investment.

"Governmental entity" means: each officer, board, commission, and agency created by the Constitution, whether in the executive, legislative, or judicial branch of State government; each officer, department, board, commission, agency, institution, authority, university, and body politic and corporate of the State; each administrative unit or corporate outgrowth of State government that is created by or pursuant to statute, including units of local government and their officers, school districts, and boards of election commissioners; and each administrative unit or corporate outgrowth of the foregoing items and as may be created by executive order of the Governor.

"Incomplete credit card or debit card" means a credit card or debit card which is missing part of the matter other than the signature of the cardholder which an issuer requires to appear on the credit card or debit card before it can be used by a cardholder, and this includes credit cards or debit cards which have not been stamped, embossed, imprinted or written on.

"Institution of higher learning" means a public or private college, university, or community college located in the State of Illinois that is authorized by the Board of Higher Education or the Illinois Community College Board to issue post-secondary degrees, or a public or private college, university, or community college located anywhere in the United States that is or has been legally constituted to offer degrees and instruction in its state of origin or incorporation.

"Insurance company" means "company" as defined under Section 2 of the Illinois Insurance Code.

"Issuer" means the business organization or financial institution which issues a credit card or debit card, or its duly authorized agent.

"Merchant" has the meaning ascribed to it in Section ~~16-0.1 46A-2.4~~ of this Code.

"Person" means any individual, corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association or any other entity.

"Receives" or "receiving" means acquiring possession or control.

"Record of charge form" means any document submitted or intended to be submitted to an issuer as evidence of a credit transaction for which the issuer has agreed to reimburse persons providing money, goods, property, services or other things of value.

"Revoked credit card or debit card" means a credit card or debit card which is no longer valid because permission to use it has been suspended or terminated by the issuer.

"Sale" means any delivery for value.

"Scheme or artifice to defraud" includes a scheme or artifice to deprive another of the intangible right to honest services.

"Self-insured entity" means any person, business, partnership, corporation, or organization that sets aside funds to meet his, her, or its losses or to absorb fluctuations in the amount of loss, the losses being charged against the funds set aside or accumulated.

"Social networking website" means an Internet website containing profile web pages of the members of the website that include the names or nicknames of such members, photographs placed on the profile web pages by such members, or any other personal or personally identifying information about such members and links to other profile web pages on social networking websites of friends or associates of such members that can be accessed by other members or visitors to the website. A social networking website provides members of or visitors to such website the ability to leave messages or comments on the profile web page that are visible to all or some visitors to the profile web page and may also include a form of electronic mail for members of the social networking website.

"Statement" means any assertion, oral, written, or otherwise, and includes, but is not limited to: any notice, letter, or memorandum; proof of loss; bill of lading; receipt for payment; invoice, account, or other financial statement; estimate of property damage; bill for services; diagnosis or prognosis; prescription; hospital, medical, or dental chart or other record, x-ray, photograph, videotape, or movie film; test result; other evidence of loss, injury, or expense; computer-generated document; and data in any form.

"Universal Price Code Label" means a unique symbol that consists of a machine-readable code and human-readable numbers.

"With intent to defraud" means to act knowingly, and with the specific intent to deceive or cheat, for the purpose of causing financial loss to another or bringing some financial gain to oneself, regardless of whether any person was actually defrauded or deceived. This includes an intent to cause another to assume, create, transfer, alter, or terminate any right, obligation, or power with reference to any person or property.

(Source: P.A. 96-1551, eff. 7-1-11.)

(720 ILCS 5/17-2) (from Ch. 38, par. 17-2)

(Text of Section after amendment by P.A. 96-1551)

Sec. 17-2. False personation; solicitation.

(a) False personation; solicitation.

(1) A person commits a false personation when he or she knowingly and falsely represents himself or herself to be a member or representative of any veterans' or public safety personnel organization or a representative of any charitable organization, or when he or she knowingly exhibits or uses in any manner any decal, badge or insignia of any charitable, public safety personnel, or veterans' organization when not authorized to do so by the charitable, public safety personnel, or veterans' organization. "Public safety personnel organization" has the meaning ascribed to that term in Section 1 of the Solicitation for Charity Act.

(2) A person commits a false personation when he or she knowingly and falsely represents himself or herself to be a veteran in seeking employment or public office. In this paragraph, "veteran" means a person who has served in the Armed Services or Reserve Forces of the United States.

(3) No person shall knowingly use the words "Police", "Police Department", "Patrolman", "Sergeant", "Lieutenant", "Peace Officer", "Sheriff's Police", "Sheriff", "Officer", "Law Enforcement", "Trooper", "Deputy", "Deputy Sheriff", "State Police", or any other words to the same effect (i) in the title of any organization, magazine, or other publication without the express approval of the named public safety personnel organization's governing board or (ii) in combination with the name of any state, state agency, public university, or unit of local government without the express written authorization of that state, state agency, public university, or unit of local government.

(4) No person may knowingly claim or represent that he or she is acting on behalf of any public safety personnel organization when soliciting financial contributions or selling or delivering or offering to sell or deliver any merchandise, goods, services, memberships, or advertisements unless the chief of the police department, fire department, and the corporate or municipal authority thereof, or the sheriff has first entered into a written agreement with the person or with an organization with

which the person is affiliated and the agreement permits the activity and specifies and states clearly and fully the purpose for which the proceeds of the solicitation, contribution, or sale will be used.

(5) No person, when soliciting financial contributions or selling or delivering or offering to sell or deliver any merchandise, goods, services, memberships, or advertisements may claim or represent that he or she is representing or acting on behalf of any nongovernmental organization by any name which includes "officer", "peace officer", "police", "law enforcement", "trooper", "sheriff", "deputy", "deputy sheriff", "State police", or any other word or words which would reasonably be understood to imply that the organization is composed of law enforcement personnel unless:

(A) the person is actually representing or acting on behalf of the nongovernmental organization;

(B) the nongovernmental organization is controlled by and governed by a membership of and represents a group or association of active duty peace officers, retired peace officers, or injured peace officers; and

(C) before commencing the solicitation or the sale or the offers to sell any merchandise, goods, services, memberships, or advertisements, a written contract between the soliciting or selling person and the nongovernmental organization, which specifies and states clearly and fully the purposes for which the proceeds of the solicitation, contribution, or sale will be used, has been entered into.

(6) No person, when soliciting financial contributions or selling or delivering or offering to sell or deliver any merchandise, goods, services, memberships, or advertisements, may knowingly claim or represent that he or she is representing or acting on behalf of any nongovernmental organization by any name which includes the term "fireman", "fire fighter", "paramedic", or any other word or words which would reasonably be understood to imply that the organization is composed of fire fighter or paramedic personnel unless:

(A) the person is actually representing or acting on behalf of the nongovernmental organization;

(B) the nongovernmental organization is controlled by and governed by a membership of and represents a group or association of active duty, retired, or injured fire fighters (for the purposes of this Section, "fire fighter" has the meaning ascribed to that term in Section 2 of the Illinois Fire Protection Training Act) or active duty, retired, or injured emergency medical technicians - ambulance, emergency medical technicians - intermediate, emergency medical technicians - paramedic, ambulance drivers, or other medical assistance or first aid personnel; and

(C) before commencing the solicitation or the sale or delivery or the offers to sell or deliver any merchandise, goods, services, memberships, or advertisements, the soliciting or selling person and the nongovernmental organization have entered into a written contract that specifies and states clearly and fully the purposes for which the proceeds of the solicitation, contribution, or sale will be used.

(7) No person may knowingly claim or represent that he or she is an airman, airline employee, airport employee, or contractor at an airport in order to obtain the uniform, identification card, license, or other identification paraphernalia of an airman, airline employee, airport employee, or contractor at an airport.

(8) No person, firm, copartnership, or corporation (except corporations organized and doing business under the Pawnners Societies Act) shall knowingly use a name that contains in it the words "Pawnners' Society".

(b) False personation; judicial process. A person commits a false personation if he or she knowingly and falsely represents himself or herself to be any of the following:

(1) An attorney authorized to practice law for purposes of compensation or consideration. This paragraph (b)(1) does not apply to a person who unintentionally fails to pay attorney registration fees established by Supreme Court Rule.

(2) A public officer or a public employee or an official or employee of the federal government.

(2.3) A public officer, a public employee, or an official or employee of the federal government, and the false representation is made in furtherance of the commission of felony.

(2.7) A public officer or a public employee, and the false representation is for the purpose of effectuating identity theft as defined in Section ~~16-30~~ ~~16G-15~~ of this Code.

(3) A peace officer.

(4) A peace officer while carrying a deadly weapon.

(5) A peace officer in attempting or committing a felony.

(6) A peace officer in attempting or committing a forcible felony.

(7) The parent, legal guardian, or other relation of a minor child to any public official, public employee, or elementary or secondary school employee or administrator.

(8) A fire fighter.

(9) A fire fighter while carrying a deadly weapon.

(10) A fire fighter in attempting or committing a felony.

(11) An emergency management worker of any jurisdiction in this State.

(12) An emergency management worker of any jurisdiction in this State in attempting or committing a felony. For the purposes of this subsection (b), "emergency management worker" has the meaning provided under Section 2-6.6 of this Code.

(c) Fraudulent advertisement of a corporate name.

(1) A company, association, or individual commits fraudulent advertisement of a corporate name if he, she, or it, not being incorporated, puts forth a sign or advertisement and assumes, for the purpose of soliciting business, a corporate name.

(2) Nothing contained in this subsection (c) prohibits a corporation, company, association, or person from using a divisional designation or trade name in conjunction with its corporate name or assumed name under Section 4.05 of the Business Corporation Act of 1983 or, if it is a member of a partnership or joint venture, from doing partnership or joint venture business under the partnership or joint venture name. The name under which the joint venture or partnership does business may differ from the names of the members. Business may not be conducted or transacted under that joint venture or partnership name, however, unless all provisions of the Assumed Business Name Act have been complied with. Nothing in this subsection (c) permits a foreign corporation to do business in this State without complying with all Illinois laws regulating the doing of business by foreign corporations. No foreign corporation may conduct or transact business in this State as a member of a partnership or joint venture that violates any Illinois law regulating or pertaining to the doing of business by foreign corporations in Illinois.

(3) The provisions of this subsection (c) do not apply to limited partnerships formed under the Revised Uniform Limited Partnership Act or under the Uniform Limited Partnership Act (2001).

(d) False law enforcement badges.

(1) A person commits false law enforcement badges if he or she knowingly produces, sells, or distributes a law enforcement badge without the express written consent of the law enforcement agency represented on the badge or, in case of a reorganized or defunct law enforcement agency, its successor law enforcement agency.

(2) It is a defense to false law enforcement badges that the law enforcement badge is used or is intended to be used exclusively: (i) as a memento or in a collection or exhibit; (ii) for decorative purposes; or (iii) for a dramatic presentation, such as a theatrical, film, or television production.

(e) False medals.

(1) A person commits a false personation if he or she knowingly and falsely represents himself or herself to be a recipient of, or wears on his or her person, any of the following medals if that medal was not awarded to that person by the United States Government, irrespective of branch of service: The Congressional Medal of Honor, The Distinguished Service Cross, The Navy Cross, The Air Force Cross, The Silver Star, The Bronze Star, or the Purple Heart.

(2) It is a defense to a prosecution under paragraph (e)(1) that the medal is used, or is intended to be used, exclusively:

(A) for a dramatic presentation, such as a theatrical, film, or television production, or a historical re-enactment; or

(B) for a costume worn, or intended to be worn, by a person under 18 years of age.

(f) Sentence.

(1) A violation of paragraph (a)(8) is a petty offense subject to a fine of not less than \$5 nor more than \$100, and the person, firm, copartnership, or corporation commits an additional petty offense for each day he, she, or it continues to commit the violation. A violation of paragraph (c)(1) is a petty offense, and the company, association, or person commits an additional petty offense for each day he, she, or it continues to commit the violation. A violation of subsection (e) is a petty offense for which the offender shall be fined at least \$100 and not more than \$200.

(2) A violation of paragraph (a)(1) or (a)(3) is a Class C misdemeanor.

(3) A violation of paragraph (a)(2), (a)(7), (b)(2), or (b)(7) or subsection (d) is a Class A misdemeanor. A second or subsequent violation of subsection (d) is a Class 3 felony.

(4) A violation of paragraph (a)(4), (a)(5), (a)(6), (b)(1), (b)(2.3), (b)(2.7), (b)(3), (b)(8), or (b)(11) is a Class 4 felony.

(5) A violation of paragraph (b)(4), (b)(9), or (b)(12) is a Class 3 felony.

(6) A violation of paragraph (b)(5) or (b)(10) is a Class 2 felony.

(7) A violation of paragraph (b)(6) is a Class 1 felony.

(Source: P.A. 95-331, eff. 8-21-07; 96-328, eff. 8-11-09; 96-1551, eff. 7-1-11.)

(720 ILCS 5/24-3.8 new)

Sec. 24-3.8. Possession of a stolen firearm.

(a) A person commits possession of a stolen firearm when he or she, not being entitled to the possession of a firearm, possesses or delivers the firearm, knowing it to have been stolen or converted. The trier of fact may infer that a person who possesses a firearm with knowledge that its serial number has been removed or altered has knowledge that the firearm is stolen or converted.

(b) Possession of a stolen firearm is a Class 2 felony.

(720 ILCS 5/24-3.9 new)

Sec. 24-3.9. Aggravated possession of a stolen firearm.

(a) A person commits aggravated possession of a stolen firearm when he or she:

(1) Not being entitled to the possession of not less than 2 and not more than 5 firearms, possesses or delivers those firearms at the same time or within a one year period, knowing the firearms to have been stolen or converted.

(2) Not being entitled to the possession of not less than 6 and not more than 10 firearms, possesses or delivers those firearms at the same time or within a 2 year period, knowing the firearms to have been stolen or converted.

(3) Not being entitled to the possession of not less than 11 and not more than 20 firearms, possesses or delivers those firearms at the same time or within a 3 year period, knowing the firearms to have been stolen or converted.

(4) Not being entitled to the possession of not less than 21 and not more than 30 firearms, possesses or delivers those firearms at the same time or within a 4 year period, knowing the firearms to have been stolen or converted.

(5) Not being entitled to the possession of more than 30 firearms, possesses or delivers those firearms at the same time or within a 5 year period, knowing the firearms to have been stolen or converted.

(b) The trier of fact may infer that a person who possesses a firearm with knowledge that its serial number has been removed or altered has knowledge that the firearm is stolen or converted.

(c) Sentence.

(1) A person who violates paragraph (1) of subsection (a) of this Section commits a Class 1 felony.

(2) A person who violates paragraph (2) of subsection (a) of this Section commits a Class X felony for which he or she shall be sentenced to a term of imprisonment of not less than 6 years and not more than 30 years.

(3) A person who violates paragraph (3) of subsection (a) of this Section commits a Class X felony for which he or she shall be sentenced to a term of imprisonment of not less than 6 years and not more than 40 years.

(4) A person who violates paragraph (4) of subsection (a) of this Section commits a Class X felony for which he or she shall be sentenced to a term of imprisonment of not less than 6 years and not more than 50 years.

(5) A person who violates paragraph (5) of subsection (a) of this Section commits a Class X felony for which he or she shall be sentenced to a term of imprisonment of not less than 6 years and not more than 60 years.

(720 ILCS 5/26-1.1 new)

Sec. 26-1.1. False report of theft and other losses.

(a) A person who knowingly makes a false report of a theft, destruction, damage or conversion of any property to a law enforcement agency or other governmental agency with the intent to defraud an insurer is guilty of a Class A misdemeanor.

(b) A person convicted of a violation of this Section a second or subsequent time is guilty of a Class 4 felony.

(720 ILCS 5/16-1.1 rep.) (720 ILCS 5/16-1.2 rep.) (720 ILCS 5/16-3.1 rep.) (720 ILCS 5/16-4 rep.) (720 ILCS 5/16-8 rep.) (720 ILCS 5/16-15 rep.) (720 ILCS 5/16-16 rep.) (720 ILCS 5/16-16.1 rep.) (720 ILCS 5/16-19 rep.) (720 ILCS 5/16-20 rep.) (720 ILCS 5/16-21 rep.)

(720 ILCS 5/Art. 16A rep.) (720 ILCS 5/Art. 16B rep.) (720 ILCS 5/Art. 16E rep.) (720 ILCS 5/Art. 16F rep.) (720 ILCS 5/Art. 16G rep.) (720 ILCS 5/Art. 16J rep.) (720 ILCS 5/Art. 16K

rep.) (720 ILCS 5/17-25 rep.)

Section 6. The Criminal Code of 1961 is amended by repealing Sections 16-1.1, 16-1.2, 16-3.1, 16-4, 16-8, 16-15, 16-16, 16-16.1, 16-19, 16-20, 16-21, and 17-25 and Articles 16A, 16B, 16E, 16F, 16G, 16J, and 16K.

Section 910. The Health Care Worker Background Check Act is amended by changing Section 25 as follows:

(225 ILCS 46/25)

(Text of Section after amendment by P.A. 96-1551)

Sec. 25. Persons ineligible to be hired by health care employers and long-term care facilities.

(a) In the discretion of the Director of Public Health, as soon after January 1, 1996, January 1, 1997, January 1, 2006, or October 1, 2007, as applicable, and as is reasonably practical, no health care employer shall knowingly hire, employ, or retain any individual in a position with duties involving direct care for clients, patients, or residents, and no long-term care facility shall knowingly hire, employ, or retain any individual in a position with duties that involve or may involve contact with residents or access to the living quarters or the financial, medical, or personal records of residents, who has been convicted of committing or attempting to commit one or more of the following offenses: those defined in Sections 8-1(b), 8-1.1, 8-1.2, 9-1, 9-1.2, 9-2, 9-2.1, 9-3, 9-3.1, 9-3.2, 9-3.3, 9-3.4, 10-1, 10-2, 10-3, 10-3.1, 10-4, 10-5, 10-7, 11-1.20, 11-1.30, 11-1.40, 11-1.50, 11-1.60, 11-6, 11-9.1, 11-9.5, 11-19.2, 11-20.1, 11-20.1B, 11-20.3, 12-1, 12-2, 12-3.05, 12-3.1, 12-3.2, 12-3.3, 12-4, 12-4.1, 12-4.2, 12-4.3, 12-4.4, 12-4.5, 12-4.6, 12-4.7, 12-7.4, 12-11, 12-13, 12-14, 12-14.1, 12-15, 12-16, 12-19, 12-21, 12-21.6, 12-32, 12-33, 16-1, 16-1.3, ~~16-25~~, 16A-3, 17-3, 17-56, 18-1, 18-2, 18-3, 18-4, 18-5, 19-1, 19-3, 19-4, 20-1, 20-1.1, 24-1, 24-1.2, 24-1.5, or 33A-2, or subdivision (a)(4) of Section 11-14.4, or in subsection (a) of Section 12-3 or subsection (a) or (b) of Section 12-4.4a, of the Criminal Code of 1961; those provided in Section 4 of the Wrongs to Children Act; those provided in Section 53 of the Criminal Jurisprudence Act; those defined in Section 5, 5.1, 5.2, 7, or 9 of the Cannabis Control Act; those defined in the Methamphetamine Control and Community Protection Act; or those defined in Sections 401, 401.1, 404, 405, 405.1, 407, or 407.1 of the Illinois Controlled Substances Act, unless the applicant or employee obtains a waiver pursuant to Section 40.

(a-1) In the discretion of the Director of Public Health, as soon after January 1, 2004 or October 1, 2007, as applicable, and as is reasonably practical, no health care employer shall knowingly hire any individual in a position with duties involving direct care for clients, patients, or residents, and no long-term care facility shall knowingly hire any individual in a position with duties that involve or may involve contact with residents or access to the living quarters or the financial, medical, or personal records of residents, who has (i) been convicted of committing or attempting to commit one or more of the offenses defined in Section 12-3.3, 12-4.2-5, 16-2, ~~16-30~~, 16G-15, 16G-20, 17-33, 17-34, 17-36, 17-44, 18-5, 20-1.2, 24-1.1, 24-1.2-5, 24-1.6, 24-3.2, or 24-3.3, or subsection (b) of Section 17-32, of the Criminal Code of 1961; Section 4, 5, 6, 8, or 17.02 of the Illinois Credit Card and Debit Card Act; or Section 11-9.1A of the Criminal Code of 1961 or Section 5.1 of the Wrongs to Children Act; or (ii) violated Section 50-50 of the Nurse Practice Act, unless the applicant or employee obtains a waiver pursuant to Section 40 of this Act.

A health care employer is not required to retain an individual in a position with duties involving direct care for clients, patients, or residents, and no long-term care facility is required to retain an individual in a position with duties that involve or may involve contact with residents or access to the living quarters or the financial, medical, or personal records of residents, who has been convicted of committing or attempting to commit one or more of the offenses enumerated in this subsection.

(b) A health care employer shall not hire, employ, or retain any individual in a position with duties involving direct care of clients, patients, or residents, and no long-term care facility shall knowingly hire, employ, or retain any individual in a position with duties that involve or may involve contact with residents or access to the living quarters or the financial, medical, or personal records of residents, if the health care employer becomes aware that the individual has been convicted in another state of committing or attempting to commit an offense that has the same or similar elements as an offense listed in subsection (a) or (a-1), as verified by court records, records from a state agency, or an FBI criminal history record check, unless the applicant or employee obtains a waiver pursuant to Section 40 of this Act. This shall not be construed to mean that a health care employer has an obligation to conduct a criminal history records check in other states in which an employee has resided.

(Source: P.A. 95-120, eff. 8-13-07; 95-639, eff. 10-5-07; 95-876, eff. 8-21-08; 96-710, eff. 1-1-10; 96-1551, Article 1, Section 930, eff. 7-1-11; 96-1551, Article 2, Section 995, eff. 7-1-11; 96-1551, Article 10, Section 10-40, eff. 7-1-11; revised 4-6-11.)

[May 31, 2011]

Section 915. The Fire Sprinkler Contractor Licensing Act is amended by changing Section 32 as follows:

(225 ILCS 317/32)

Sec. 32. Application for building permit; identity theft. A person who knowingly, in the course of applying for a building permit with a unit of local government, provides the license number of a fire sprinkler contractor whom he or she does not intend to have perform the work on the fire sprinkler portion of the project commits identity theft under paragraph (8) of subsection (a) of Section ~~16-30~~ ~~16G-15~~ of the Criminal Code of 1961.

(Source: P.A. 96-1455, eff. 8-20-10; revised 9-22-10.)

Section 920. The Illinois Roofing Industry Licensing Act is amended by changing Section 5 as follows:

(225 ILCS 335/5) (from Ch. 111, par. 7505)

(Section scheduled to be repealed on January 1, 2016)

Sec. 5. Display of license number; advertising.

(a) Each State licensed roofing contractor shall affix the roofing contractor license number and the licensee's name, as it appears on the license, to all of his or her contracts and bids. In addition, the official issuing building permits shall affix the roofing contractor license number to each application for a building permit and on each building permit issued and recorded.

(a-5) A person who knowingly, in the course of applying for a building permit with a unit of local government, provides the roofing license number of a roofing contractor whom he or she does not intend to have perform the work on the roofing portion of the project commits identity theft under paragraph (8) of subsection (a) of Section ~~16-30~~ ~~16G-15~~ of the Criminal Code of 1961.

(b) In addition, every roofing contractor shall affix the roofing contractor license number and the licensee's name, as it appears on the license, on all commercial vehicles used as part of his or her business as a roofing contractor.

(c) Every holder of a license shall display it in a conspicuous place in his or her principal office, place of business, or place of employment.

(d) No person licensed under this Act may advertise services regulated by this Act unless that person includes in the advertisement the roofing contractor license number and the licensee's name, as it appears on the license. Nothing contained in this subsection requires the publisher of advertising for roofing contractor services to investigate or verify the accuracy of the license number provided by the licensee.

(e) A person who advertises services regulated by this Act who knowingly (i) fails to display the license number and the licensee's name, as it appears on the license, in any manner required by this Section, (ii) fails to provide a publisher with the correct license number as required by subsection (d), or (iii) provides a publisher with a false license number or a license number of another person, or a person who knowingly allows his or her license number to be displayed or used by another person to circumvent any provisions of this Section, is guilty of a Class A misdemeanor with a fine of \$1,000, and, in addition, is subject to the administrative enforcement provisions of this Act. Each day that an advertisement runs or each day that a person knowingly allows his or her license to be displayed or used in violation of this Section constitutes a separate offense.

(Source: P.A. 96-624, eff. 1-1-10; 96-1324, eff. 7-27-10.)

Section 925. The Illinois Vehicle Code is amended by changing Section 6-205.2 as follows:

(625 ILCS 5/6-205.2)

Sec. 6-205.2. Suspension of driver's license of person convicted of theft of motor fuel. The driver's license of a person convicted of theft of motor fuel under Section ~~16-25~~ or ~~16K-15~~ of the Criminal Code of 1961 shall be suspended by the Secretary for a period not to exceed 6 months for a first offense. Upon a second or subsequent conviction for theft of motor fuel, the suspension shall be for a period not to exceed one year. Upon conviction of a person for theft of motor fuel, the court shall order the person to surrender his or her driver's license to the clerk of the court who shall forward the suspended license to the Secretary.

(Source: P.A. 94-700, eff. 6-1-06; 95-331, eff. 8-21-07.)

(720 ILCS 235/Act rep.)

Section 930. The Coin Slug Act is repealed.

(720 ILCS 360/Act rep.)

Section 935. The Telephone Line Interference Act is repealed.

(720 ILCS 365/Act rep.)

Section 940. The Telephone Charge Fraud Act is repealed.

(720 ILCS 370/Act rep.)

Section 945. The Telephone Coin Box Tampering Act is repealed.

Section 950. The Code of Criminal Procedure of 1963 is amended by changing Section 111-4 as follows:

(725 ILCS 5/111-4)

(Text of Section after amendment by P.A. 96-1551)

Sec. 111-4. Joinder of offenses and defendants.

(a) Two or more offenses may be charged in the same indictment, information or complaint in a separate count for each offense if the offenses charged, whether felonies or misdemeanors or both, are based on the same act or on 2 or more acts which are part of the same comprehensive transaction.

(b) Two or more defendants may be charged in the same indictment, information or complaint if they are alleged to have participated in the same act or in the same comprehensive transaction out of which the offense or offenses arose. Such defendants may be charged in one or more counts together or separately and all of the defendants need not be charged in each count.

(c) Two or more acts or transactions in violation of any provision or provisions of Sections 8A-2, 8A-3, 8A-4, 8A-4A and 8A-5 of the Illinois Public Aid Code, Section 14 of the Illinois Wage Payment and Collection Act, Sections 16-1, 16-1.3, 16-2, 16-3, 16-5, 16-7, 16-8, 16-10, 16-25, 16-30, 16A-3, 16B-2, 16G-15, 16G-20, 16H-15, 16H-20, 16H-25, 16H-30, 16H-45, 16H-50, 16H-55, 17-1, 17-3, 17-6, 17-30, or 17-60, or item (ii) of subsection (a) or (b) of Section 17-9, or subdivision (a)(2) of Section 17-10.5, of the Criminal Code of 1961 and Section 118 of Division I of the Criminal Jurisprudence Act, may be charged as a single offense in a single count of the same indictment, information or complaint, if such acts or transactions by one or more defendants are in furtherance of a single intention and design or if the property, labor or services obtained are of the same person or are of several persons having a common interest in such property, labor or services. In such a charge, the period between the dates of the first and the final such acts or transactions may be alleged as the date of the offense and, if any such act or transaction by any defendant was committed in the county where the prosecution was commenced, such county may be alleged as the county of the offense.

(Source: P.A. 95-384, eff. 1-1-08; 96-354, eff. 8-13-09; 96-1207, eff. 7-22-10; 96-1407, eff. 1-1-11; 96-1551, eff. 7-1-11.)

Section 955. The Unified Code of Corrections is amended by changing Sections 3-3-7, 5-6-1, 5-6-3, and 5-6-3.1 as follows:

(730 ILCS 5/3-3-7) (from Ch. 38, par. 1003-3-7)

(Text of Section after amendment by P.A. 96-1551)

Sec. 3-3-7. Conditions of Parole or Mandatory Supervised Release.

(a) The conditions of parole or mandatory supervised release shall be such as the Prisoner Review Board deems necessary to assist the subject in leading a law-abiding life. The conditions of every parole and mandatory supervised release are that the subject:

(1) not violate any criminal statute of any jurisdiction during the parole or release term;

(2) refrain from possessing a firearm or other dangerous weapon;

(3) report to an agent of the Department of Corrections;

(4) permit the agent to visit him or her at his or her home, employment, or elsewhere to the extent necessary for the agent to discharge his or her duties;

(5) attend or reside in a facility established for the instruction or residence of persons on parole or mandatory supervised release;

(6) secure permission before visiting or writing a committed person in an Illinois Department of Corrections facility;

(7) report all arrests to an agent of the Department of Corrections as soon as permitted by the arresting authority but in no event later than 24 hours after release from custody;

(7.5) if convicted of a sex offense as defined in the Sex Offender Management Board Act, the individual shall undergo and successfully complete sex offender treatment conducted in conformance with the standards developed by the Sex Offender Management Board Act by a treatment provider approved by the Board;

(7.6) if convicted of a sex offense as defined in the Sex Offender Management Board Act, refrain from residing at the same address or in the same condominium unit or apartment unit or in the same condominium complex or apartment complex with another person he or she knows or



reasonably should know is a convicted sex offender or has been placed on supervision for a sex offense; the provisions of this paragraph do not apply to a person convicted of a sex offense who is placed in a Department of Corrections licensed transitional housing facility for sex offenders, or is in any facility operated or licensed by the Department of Children and Family Services or by the Department of Human Services, or is in any licensed medical facility;

(7.7) if convicted for an offense that would qualify the accused as a sexual predator under the Sex Offender Registration Act on or after the effective date of this amendatory Act of the 94th General Assembly, wear an approved electronic monitoring device as defined in Section 5-8A-2 for the duration of the person's parole, mandatory supervised release term, or extended mandatory supervised release term and if convicted for an offense of criminal sexual assault, aggravated criminal sexual assault, predatory criminal sexual assault of a child, criminal sexual abuse, aggravated criminal sexual abuse, or ritualized abuse of a child committed on or after August 11, 2009 (the effective date of Public Act 96-236) when the victim was under 18 years of age at the time of the commission of the offense and the defendant used force or the threat of force in the commission of the offense wear an approved electronic monitoring device as defined in Section 5-8A-2 that has Global Positioning System (GPS) capability for the duration of the person's parole, mandatory supervised release term, or extended mandatory supervised release term;

(7.8) if convicted for an offense committed on or after the effective date of this amendatory Act of the 95th General Assembly that would qualify the accused as a child sex offender as defined in Section 11-9.3 or 11-9.4 of the Criminal Code of 1961, refrain from communicating with or contacting, by means of the Internet, a person who is not related to the accused and whom the accused reasonably believes to be under 18 years of age; for purposes of this paragraph (7.8), "Internet" has the meaning ascribed to it in Section ~~16-0.1~~ ~~16-1.5~~ of the Criminal Code of 1961; and a person is not related to the accused if the person is not: (i) the spouse, brother, or sister of the accused; (ii) a descendant of the accused; (iii) a first or second cousin of the accused; or (iv) a step-child or adopted child of the accused;

(7.9) if convicted under Section 11-6, 11-20.1, 11-20.1B, 11-20.3, or 11-21 of the Criminal Code of 1961, consent to search of computers, PDAs, cellular phones, and other devices under his or her control that are capable of accessing the Internet or storing electronic files, in order to confirm Internet protocol addresses reported in accordance with the Sex Offender Registration Act and compliance with conditions in this Act;

(7.10) if convicted for an offense that would qualify the accused as a sex offender or sexual predator under the Sex Offender Registration Act on or after the effective date of this amendatory Act of the 95th General Assembly, not possess prescription drugs for erectile dysfunction;

(7.11) if convicted for an offense under Section 11-6, 11-9.1, 11-14.4 that involves soliciting for a juvenile prostitute, 11-15.1, 11-20.1, 11-20.1B, 11-20.3, or 11-21 of the Criminal Code of 1961, or any attempt to commit any of these offenses, committed on or after June 1, 2009 (the effective date of Public Act 95-983):

(i) not access or use a computer or any other device with Internet capability without the prior written approval of the Department;

(ii) submit to periodic unannounced examinations of the offender's computer or any other device with Internet capability by the offender's supervising agent, a law enforcement officer, or assigned computer or information technology specialist, including the retrieval and copying of all data from the computer or device and any internal or external peripherals and removal of such information, equipment, or device to conduct a more thorough inspection;

(iii) submit to the installation on the offender's computer or device with Internet capability, at the offender's expense, of one or more hardware or software systems to monitor the Internet use; and

(iv) submit to any other appropriate restrictions concerning the offender's use of or access to a computer or any other device with Internet capability imposed by the Board, the Department or the offender's supervising agent;

(7.12) if convicted of a sex offense as defined in the Sex Offender Registration Act committed on or after January 1, 2010 (the effective date of Public Act 96-262), refrain from accessing or using a social networking website as defined in Section 17-0.5 of the Criminal Code of 1961;

(7.13) if convicted of a sex offense as defined in Section 2 of the Sex Offender Registration Act committed on or after January 1, 2010 (the effective date of Public Act 96-362) that requires the person to register as a sex offender under that Act, may not knowingly use any computer scrub software on any computer that the sex offender uses;

- (8) obtain permission of an agent of the Department of Corrections before leaving the State of Illinois;
- (9) obtain permission of an agent of the Department of Corrections before changing his or her residence or employment;
- (10) consent to a search of his or her person, property, or residence under his or her control;
- (11) refrain from the use or possession of narcotics or other controlled substances in any form, or both, or any paraphernalia related to those substances and submit to a urinalysis test as instructed by a parole agent of the Department of Corrections;
- (12) not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- (13) not knowingly associate with other persons on parole or mandatory supervised release without prior written permission of his or her parole agent and not associate with persons who are members of an organized gang as that term is defined in the Illinois Streetgang Terrorism Omnibus Prevention Act;
- (14) provide true and accurate information, as it relates to his or her adjustment in the community while on parole or mandatory supervised release or to his or her conduct while incarcerated, in response to inquiries by his or her parole agent or of the Department of Corrections;
- (15) follow any specific instructions provided by the parole agent that are consistent with furthering conditions set and approved by the Prisoner Review Board or by law, exclusive of placement on electronic detention, to achieve the goals and objectives of his or her parole or mandatory supervised release or to protect the public. These instructions by the parole agent may be modified at any time, as the agent deems appropriate;
- (16) if convicted of a sex offense as defined in subsection (a-5) of Section 3-1-2 of this Code, unless the offender is a parent or guardian of the person under 18 years of age present in the home and no non-familial minors are present, not participate in a holiday event involving children under 18 years of age, such as distributing candy or other items to children on Halloween, wearing a Santa Claus costume on or preceding Christmas, being employed as a department store Santa Claus, or wearing an Easter Bunny costume on or preceding Easter; and
- (17) if convicted of a violation of an order of protection under Section 12-30 of the Criminal Code of 1961, be placed under electronic surveillance as provided in Section 5-8A-7 of this Code.
- (b) The Board may in addition to other conditions require that the subject:
- (1) work or pursue a course of study or vocational training;
  - (2) undergo medical or psychiatric treatment, or treatment for drug addiction or alcoholism;
  - (3) attend or reside in a facility established for the instruction or residence of persons on probation or parole;
  - (4) support his dependents;
  - (5) (blank);
  - (6) (blank);
  - (7) comply with the terms and conditions of an order of protection issued pursuant to the Illinois Domestic Violence Act of 1986, enacted by the 84th General Assembly, or an order of protection issued by the court of another state, tribe, or United States territory;
- (7.5) if convicted for an offense committed on or after the effective date of this amendatory Act of the 95th General Assembly that would qualify the accused as a child sex offender as defined in Section 11-9.3 or 11-9.4 of the Criminal Code of 1961, refrain from communicating with or contacting, by means of the Internet, a person who is related to the accused and whom the accused reasonably believes to be under 18 years of age; for purposes of this paragraph (7.5), "Internet" has the meaning ascribed to it in Section ~~16-0.1~~ ~~16-5~~ of the Criminal Code of 1961; and a person is related to the accused if the person is: (i) the spouse, brother, or sister of the accused; (ii) a descendant of the accused; (iii) a first or second cousin of the accused; or (iv) a step-child or adopted child of the accused;
- (7.6) if convicted for an offense committed on or after June 1, 2009 (the effective date of Public Act 95-983) that would qualify as a sex offense as defined in the Sex Offender Registration Act:
- (i) not access or use a computer or any other device with Internet capability without the prior written approval of the Department;
  - (ii) submit to periodic unannounced examinations of the offender's computer or any

other device with Internet capability by the offender's supervising agent, a law enforcement officer, or assigned computer or information technology specialist, including the retrieval and copying of all data from the computer or device and any internal or external peripherals and removal of such information, equipment, or device to conduct a more thorough inspection;

(iii) submit to the installation on the offender's computer or device with Internet capability, at the offender's expense, of one or more hardware or software systems to monitor the Internet use; and

(iv) submit to any other appropriate restrictions concerning the offender's use of or access to a computer or any other device with Internet capability imposed by the Board, the Department or the offender's supervising agent; and

(8) in addition, if a minor:

(i) reside with his parents or in a foster home;

(ii) attend school;

(iii) attend a non-residential program for youth; or

(iv) contribute to his own support at home or in a foster home.

(b-1) In addition to the conditions set forth in subsections (a) and (b), persons required to register as sex offenders pursuant to the Sex Offender Registration Act, upon release from the custody of the Illinois Department of Corrections, may be required by the Board to comply with the following specific conditions of release:

(1) reside only at a Department approved location;

(2) comply with all requirements of the Sex Offender Registration Act;

(3) notify third parties of the risks that may be occasioned by his or her criminal record;

(4) obtain the approval of an agent of the Department of Corrections prior to accepting employment or pursuing a course of study or vocational training and notify the Department prior to any change in employment, study, or training;

(5) not be employed or participate in any volunteer activity that involves contact with children, except under circumstances approved in advance and in writing by an agent of the Department of Corrections;

(6) be electronically monitored for a minimum of 12 months from the date of release as determined by the Board;

(7) refrain from entering into a designated geographic area except upon terms approved in advance by an agent of the Department of Corrections. The terms may include consideration of the purpose of the entry, the time of day, and others accompanying the person;

(8) refrain from having any contact, including written or oral communications, directly or indirectly, personally or by telephone, letter, or through a third party with certain specified persons including, but not limited to, the victim or the victim's family without the prior written approval of an agent of the Department of Corrections;

(9) refrain from all contact, directly or indirectly, personally, by telephone, letter, or through a third party, with minor children without prior identification and approval of an agent of the Department of Corrections;

(10) neither possess or have under his or her control any material that is sexually oriented, sexually stimulating, or that shows male or female sex organs or any pictures depicting children under 18 years of age nude or any written or audio material describing sexual intercourse or that depicts or alludes to sexual activity, including but not limited to visual, auditory, telephonic, or electronic media, or any matter obtained through access to any computer or material linked to computer access use;

(11) not patronize any business providing sexually stimulating or sexually oriented entertainment nor utilize "900" or adult telephone numbers;

(12) not reside near, visit, or be in or about parks, schools, day care centers, swimming pools, beaches, theaters, or any other places where minor children congregate without advance approval of an agent of the Department of Corrections and immediately report any incidental contact with minor children to the Department;

(13) not possess or have under his or her control certain specified items of contraband related to the incidence of sexually offending as determined by an agent of the Department of Corrections;

(14) may be required to provide a written daily log of activities if directed by an agent of the Department of Corrections;

(15) comply with all other special conditions that the Department may impose

that restrict the person from high-risk situations and limit access to potential victims;

(16) take an annual polygraph exam;

(17) maintain a log of his or her travel; or

(18) obtain prior approval of his or her parole officer before driving alone in a motor vehicle.

(c) The conditions under which the parole or mandatory supervised release is to be served shall be communicated to the person in writing prior to his release, and he shall sign the same before release. A signed copy of these conditions, including a copy of an order of protection where one had been issued by the criminal court, shall be retained by the person and another copy forwarded to the officer in charge of his supervision.

(d) After a hearing under Section 3-3-9, the Prisoner Review Board may modify or enlarge the conditions of parole or mandatory supervised release.

(e) The Department shall inform all offenders committed to the Department of the optional services available to them upon release and shall assist inmates in availing themselves of such optional services upon their release on a voluntary basis.

(f) When the subject is in compliance with all conditions of his or her parole or mandatory supervised release, the subject shall receive a reduction of the period of his or her parole or mandatory supervised release of 90 days upon receiving a high school diploma or passage of the high school level Test of General Educational Development during the period of his or her parole or mandatory supervised release. This reduction in the period of a subject's term of parole or mandatory supervised release shall be available only to subjects who have not previously earned a high school diploma or who have not previously passed the high school level Test of General Educational Development.

(Source: P.A. 95-464, eff. 6-1-08; 95-539, eff. 1-1-08; 95-579, eff. 6-1-08; 95-640, eff. 6-1-08; 95-773, eff. 1-1-09; 95-876, eff. 8-21-08; 95-983, eff. 6-1-09; 96-236, eff. 8-11-09; 96-262, eff. 1-1-10; 96-328, eff. 8-11-09; 96-362, eff. 1-1-10; 96-1000, eff. 7-2-10; 96-1539, eff. 3-4-11; 96-1551, Article 2, Section 1065, eff. 7-1-11; 96-1551, Article 10, Section 10-150, eff. 7-1-11; revised 4-18-11.)

(730 ILCS 5/5-6-1) (from Ch. 38, par. 1005-6-1)

(Text of Section after amendment by P.A. 96-1551)

Sec. 5-6-1. Sentences of Probation and of Conditional Discharge and Disposition of Supervision. The General Assembly finds that in order to protect the public, the criminal justice system must compel compliance with the conditions of probation by responding to violations with swift, certain and fair punishments and intermediate sanctions. The Chief Judge of each circuit shall adopt a system of structured, intermediate sanctions for violations of the terms and conditions of a sentence of probation, conditional discharge or disposition of supervision.

(a) Except where specifically prohibited by other provisions of this Code, the court shall impose a sentence of probation or conditional discharge upon an offender unless, having regard to the nature and circumstance of the offense, and to the history, character and condition of the offender, the court is of the opinion that:

(1) his imprisonment or periodic imprisonment is necessary for the protection of the public; or

(2) probation or conditional discharge would deprecate the seriousness of the offender's conduct and would be inconsistent with the ends of justice; or

(3) a combination of imprisonment with concurrent or consecutive probation when an offender has been admitted into a drug court program under Section 20 of the Drug Court Treatment Act is necessary for the protection of the public and for the rehabilitation of the offender.

The court shall impose as a condition of a sentence of probation, conditional discharge, or supervision, that the probation agency may invoke any sanction from the list of intermediate sanctions adopted by the chief judge of the circuit court for violations of the terms and conditions of the sentence of probation, conditional discharge, or supervision, subject to the provisions of Section 5-6-4 of this Act.

(b) The court may impose a sentence of conditional discharge for an offense if the court is of the opinion that neither a sentence of imprisonment nor of periodic imprisonment nor of probation supervision is appropriate.

(b-1) Subsections (a) and (b) of this Section do not apply to a defendant charged with a misdemeanor or felony under the Illinois Vehicle Code or reckless homicide under Section 9-3 of the Criminal Code of 1961 if the defendant within the past 12 months has been convicted of or pleaded guilty to a misdemeanor or felony under the Illinois Vehicle Code or reckless homicide under Section 9-3 of the Criminal Code of 1961.

(c) The court may, upon a plea of guilty or a stipulation by the defendant of the facts supporting the charge or a finding of guilt, defer further proceedings and the imposition of a sentence, and enter an

order for supervision of the defendant, if the defendant is not charged with: (i) a Class A misdemeanor, as defined by the following provisions of the Criminal Code of 1961: Sections 11-9.1; 12-3.2; 11-1.50 or 12-15; 26-5; 31-1; 31-6; 31-7; subsections (b) and (c) of Section 21-1; paragraph (1) through (5), (8), (10), and (11) of subsection (a) of Section 24-1; (ii) a Class A misdemeanor violation of Section 3.01, 3.03-1, or 4.01 of the Humane Care for Animals Act; or (iii) a felony. If the defendant is not barred from receiving an order for supervision as provided in this subsection, the court may enter an order for supervision after considering the circumstances of the offense, and the history, character and condition of the offender, if the court is of the opinion that:

- (1) the offender is not likely to commit further crimes;
- (2) the defendant and the public would be best served if the defendant were not to receive a criminal record; and
- (3) in the best interests of justice an order of supervision is more appropriate than a sentence otherwise permitted under this Code.

(c-5) Subsections (a), (b), and (c) of this Section do not apply to a defendant charged with a second or subsequent violation of Section 6-303 of the Illinois Vehicle Code committed while his or her driver's license, permit or privileges were revoked because of a violation of Section 9-3 of the Criminal Code of 1961, relating to the offense of reckless homicide, or a similar provision of a law of another state.

(d) The provisions of paragraph (c) shall not apply to a defendant charged with violating Section 11-501 of the Illinois Vehicle Code or a similar provision of a local ordinance when the defendant has previously been:

- (1) convicted for a violation of Section 11-501 of the Illinois Vehicle Code or a similar provision of a local ordinance or any similar law or ordinance of another state; or
- (2) assigned supervision for a violation of Section 11-501 of the Illinois Vehicle Code or a similar provision of a local ordinance or any similar law or ordinance of another state; or
- (3) pleaded guilty to or stipulated to the facts supporting a charge or a finding of guilty to a violation of Section 11-503 of the Illinois Vehicle Code or a similar provision of a local ordinance or any similar law or ordinance of another state, and the plea or stipulation was the result of a plea agreement.

The court shall consider the statement of the prosecuting authority with regard to the standards set forth in this Section.

(e) The provisions of paragraph (c) shall not apply to a defendant charged with violating Section 16-25 or 16A-3 of the Criminal Code of 1961 if said defendant has within the last 5 years been:

- (1) convicted for a violation of Section 16-25 or 16A-3 of the Criminal Code of 1961; or
- (2) assigned supervision for a violation of Section 16-25 or 16A-3 of the Criminal Code of 1961.

The court shall consider the statement of the prosecuting authority with regard to the standards set forth in this Section.

(f) The provisions of paragraph (c) shall not apply to a defendant charged with violating Sections 15-111, 15-112, 15-301, paragraph (b) of Section 6-104, Section 11-605, Section 11-1002.5, or Section 11-1414 of the Illinois Vehicle Code or a similar provision of a local ordinance.

(g) Except as otherwise provided in paragraph (i) of this Section, the provisions of paragraph (c) shall not apply to a defendant charged with violating Section 3-707, 3-708, 3-710, or 5-401.3 of the Illinois Vehicle Code or a similar provision of a local ordinance if the defendant has within the last 5 years been:

- (1) convicted for a violation of Section 3-707, 3-708, 3-710, or 5-401.3 of the Illinois Vehicle Code or a similar provision of a local ordinance; or
- (2) assigned supervision for a violation of Section 3-707, 3-708, 3-710, or 5-401.3 of the Illinois Vehicle Code or a similar provision of a local ordinance.

The court shall consider the statement of the prosecuting authority with regard to the standards set forth in this Section.

(h) The provisions of paragraph (c) shall not apply to a defendant under the age of 21 years charged with violating a serious traffic offense as defined in Section 1-187.001 of the Illinois Vehicle Code:

- (1) unless the defendant, upon payment of the fines, penalties, and costs provided by law, agrees to attend and successfully complete a traffic safety program approved by the court under standards set by the Conference of Chief Circuit Judges. The accused shall be responsible for payment of any traffic safety program fees. If the accused fails to file a certificate of successful completion on or before the termination date of the supervision order, the supervision shall be summarily revoked and conviction entered. The provisions of Supreme Court Rule 402 relating to pleas of guilty do not apply in cases when a defendant enters a guilty plea under this provision; or

- (2) if the defendant has previously been sentenced under the provisions of paragraph (c) on or after January 1, 1998 for any serious traffic offense as defined in Section 1-187.001 of the

Illinois Vehicle Code.

(h-1) The provisions of paragraph (c) shall not apply to a defendant under the age of 21 years charged with an offense against traffic regulations governing the movement of vehicles or any violation of Section 6-107 or Section 12-603.1 of the Illinois Vehicle Code, unless the defendant, upon payment of the fines, penalties, and costs provided by law, agrees to attend and successfully complete a traffic safety program approved by the court under standards set by the Conference of Chief Circuit Judges. The accused shall be responsible for payment of any traffic safety program fees. If the accused fails to file a certificate of successful completion on or before the termination date of the supervision order, the supervision shall be summarily revoked and conviction entered. The provisions of Supreme Court Rule 402 relating to pleas of guilty do not apply in cases when a defendant enters a guilty plea under this provision.

(i) The provisions of paragraph (c) shall not apply to a defendant charged with violating Section 3-707 of the Illinois Vehicle Code or a similar provision of a local ordinance if the defendant has been assigned supervision for a violation of Section 3-707 of the Illinois Vehicle Code or a similar provision of a local ordinance.

(j) The provisions of paragraph (c) shall not apply to a defendant charged with violating Section 6-303 of the Illinois Vehicle Code or a similar provision of a local ordinance when the revocation or suspension was for a violation of Section 11-501 or a similar provision of a local ordinance or a violation of Section 11-501.1 or paragraph (b) of Section 11-401 of the Illinois Vehicle Code if the defendant has within the last 10 years been:

- (1) convicted for a violation of Section 6-303 of the Illinois Vehicle Code or a similar provision of a local ordinance; or
- (2) assigned supervision for a violation of Section 6-303 of the Illinois Vehicle Code or a similar provision of a local ordinance.

(k) The provisions of paragraph (c) shall not apply to a defendant charged with violating any provision of the Illinois Vehicle Code or a similar provision of a local ordinance that governs the movement of vehicles if, within the 12 months preceding the date of the defendant's arrest, the defendant has been assigned court supervision on 2 occasions for a violation that governs the movement of vehicles under the Illinois Vehicle Code or a similar provision of a local ordinance. The provisions of this paragraph (k) do not apply to a defendant charged with violating Section 11-501 of the Illinois Vehicle Code or a similar provision of a local ordinance.

(l) A defendant charged with violating any provision of the Illinois Vehicle Code or a similar provision of a local ordinance who receives a disposition of supervision under subsection (c) shall pay an additional fee of \$29, to be collected as provided in Sections 27.5 and 27.6 of the Clerks of Courts Act. In addition to the \$29 fee, the person shall also pay a fee of \$6, which, if not waived by the court, shall be collected as provided in Sections 27.5 and 27.6 of the Clerks of Courts Act. The \$29 fee shall be disbursed as provided in Section 16-104c of the Illinois Vehicle Code. If the \$6 fee is collected, \$5.50 of the fee shall be deposited into the Circuit Court Clerk Operation and Administrative Fund created by the Clerk of the Circuit Court and 50 cents of the fee shall be deposited into the Prisoner Review Board Vehicle and Equipment Fund in the State treasury.

(m) Any person convicted of, pleading guilty to, or placed on supervision for a serious traffic violation, as defined in Section 1-187.001 of the Illinois Vehicle Code, a violation of Section 11-501 of the Illinois Vehicle Code, or a violation of a similar provision of a local ordinance shall pay an additional fee of \$35, to be disbursed as provided in Section 16-104d of that Code.

This subsection (m) becomes inoperative 7 years after October 13, 2007 (the effective date of Public Act 95-154).

(n) The provisions of paragraph (c) shall not apply to any person under the age of 18 who commits an offense against traffic regulations governing the movement of vehicles or any violation of Section 6-107 or Section 12-603.1 of the Illinois Vehicle Code, except upon personal appearance of the defendant in court and upon the written consent of the defendant's parent or legal guardian, executed before the presiding judge. The presiding judge shall have the authority to waive this requirement upon the showing of good cause by the defendant.

(o) The provisions of paragraph (c) shall not apply to a defendant charged with violating Section 6-303 of the Illinois Vehicle Code or a similar provision of a local ordinance when the suspension was for a violation of Section 11-501.1 of the Illinois Vehicle Code and when:

- (1) at the time of the violation of Section 11-501.1 of the Illinois Vehicle Code, the defendant was a first offender pursuant to Section 11-500 of the Illinois Vehicle Code and the defendant failed to obtain a monitoring device driving permit; or
- (2) at the time of the violation of Section 11-501.1 of the Illinois Vehicle Code, the

defendant was a first offender pursuant to Section 11-500 of the Illinois Vehicle Code, had subsequently obtained a monitoring device driving permit, but was driving a vehicle not equipped with a breath alcohol ignition interlock device as defined in Section 1-129.1 of the Illinois Vehicle Code.

(p) The provisions of paragraph (c) shall not apply to a defendant charged with violating subsection (b) of Section 11-601.5 of the Illinois Vehicle Code or a similar provision of a local ordinance.

(Source: P.A. 95-154, eff. 10-13-07; 95-302, eff. 1-1-08; 95-310, eff. 1-1-08; 95-377, eff. 1-1-08; 95-400, eff. 1-1-09; 95-428, eff. 8-24-07; 95-876, eff. 8-21-08; 96-253, eff. 8-11-09; 96-286, eff. 8-11-09; 96-328, eff. 8-11-09; 96-625, eff. 1-1-10; 96-1000, eff. 7-2-10; 96-1002, eff. 1-1-11; 96-1175, eff. 9-20-10; 96-1551, eff. 7-1-11.)

(730 ILCS 5/5-6-3) (from Ch. 38, par. 1005-6-3)

(Text of Section after amendment by P.A. 96-1551)

Sec. 5-6-3. Conditions of Probation and of Conditional Discharge.

(a) The conditions of probation and of conditional discharge shall be that the person:

(1) not violate any criminal statute of any jurisdiction;

(2) report to or appear in person before such person or agency as directed by the court;

(3) refrain from possessing a firearm or other dangerous weapon where the offense is a felony or, if a misdemeanor, the offense involved the intentional or knowing infliction of bodily harm or threat of bodily harm;

(4) not leave the State without the consent of the court or, in circumstances in which the reason for the absence is of such an emergency nature that prior consent by the court is not possible, without the prior notification and approval of the person's probation officer. Transfer of a person's probation or conditional discharge supervision to another state is subject to acceptance by the other state pursuant to the Interstate Compact for Adult Offender Supervision;

(5) permit the probation officer to visit him at his home or elsewhere to the extent necessary to discharge his duties;

(6) perform no less than 30 hours of community service and not more than 120 hours of community service, if community service is available in the jurisdiction and is funded and approved by the county board where the offense was committed, where the offense was related to or in furtherance of the criminal activities of an organized gang and was motivated by the offender's membership in or allegiance to an organized gang. The community service shall include, but not be limited to, the cleanup and repair of any damage caused by a violation of Section 21-1.3 of the Criminal Code of 1961 and similar damage to property located within the municipality or county in which the violation occurred. When possible and reasonable, the community service should be performed in the offender's neighborhood. For purposes of this Section, "organized gang" has the meaning ascribed to it in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act;

(7) if he or she is at least 17 years of age and has been sentenced to probation or conditional discharge for a misdemeanor or felony in a county of 3,000,000 or more inhabitants and has not been previously convicted of a misdemeanor or felony, may be required by the sentencing court to attend educational courses designed to prepare the defendant for a high school diploma and to work toward a high school diploma or to work toward passing the high school level Test of General Educational Development (GED) or to work toward completing a vocational training program approved by the court. The person on probation or conditional discharge must attend a public institution of education to obtain the educational or vocational training required by this clause (7). The court shall revoke the probation or conditional discharge of a person who wilfully fails to comply with this clause (7). The person on probation or conditional discharge shall be required to pay for the cost of the educational courses or GED test, if a fee is charged for those courses or test. The court shall resentence the offender whose probation or conditional discharge has been revoked as provided in Section 5-6-4. This clause (7) does not apply to a person who has a high school diploma or has successfully passed the GED test. This clause (7) does not apply to a person who is determined by the court to be developmentally disabled or otherwise mentally incapable of completing the educational or vocational program;

(8) if convicted of possession of a substance prohibited by the Cannabis Control Act, the Illinois Controlled Substances Act, or the Methamphetamine Control and Community Protection Act after a previous conviction or disposition of supervision for possession of a substance prohibited by the Cannabis Control Act or Illinois Controlled Substances Act or after a sentence of probation under Section 10 of the Cannabis Control Act, Section 410 of the Illinois Controlled Substances Act, or Section 70 of the Methamphetamine Control and Community Protection Act and upon a finding by the court that the person is addicted, undergo treatment at a substance abuse program approved by the

court;

(8.5) if convicted of a felony sex offense as defined in the Sex Offender Management Board Act, the person shall undergo and successfully complete sex offender treatment by a treatment provider approved by the Board and conducted in conformance with the standards developed under the Sex Offender Management Board Act;

(8.6) if convicted of a sex offense as defined in the Sex Offender Management Board Act, refrain from residing at the same address or in the same condominium unit or apartment unit or in the same condominium complex or apartment complex with another person he or she knows or reasonably should know is a convicted sex offender or has been placed on supervision for a sex offense; the provisions of this paragraph do not apply to a person convicted of a sex offense who is placed in a Department of Corrections licensed transitional housing facility for sex offenders;

(8.7) if convicted for an offense committed on or after June 1, 2008 (the effective date of Public Act 95-464) that would qualify the accused as a child sex offender as defined in Section 11-9.3 or 11-9.4 of the Criminal Code of 1961, refrain from communicating with or contacting, by means of the Internet, a person who is not related to the accused and whom the accused reasonably believes to be under 18 years of age; for purposes of this paragraph (8.7), "Internet" has the meaning ascribed to it in Section ~~16-0.1~~ ~~461-5~~ of the Criminal Code of 1961; and a person is not related to the accused if the person is not: (i) the spouse, brother, or sister of the accused; (ii) a descendant of the accused; (iii) a first or second cousin of the accused; or (iv) a step-child or adopted child of the accused;

(8.8) if convicted for an offense under Section 11-6, 11-9.1, 11-14.4 that involves soliciting for a juvenile prostitute, 11-15.1, 11-20.1, 11-20.1B, 11-20.3, or 11-21 of the Criminal Code of 1961, or any attempt to commit any of these offenses, committed on or after June 1, 2009 (the effective date of Public Act 95-983):

(i) not access or use a computer or any other device with Internet capability without the prior written approval of the offender's probation officer, except in connection with the offender's employment or search for employment with the prior approval of the offender's probation officer;

(ii) submit to periodic unannounced examinations of the offender's computer or any other device with Internet capability by the offender's probation officer, a law enforcement officer, or assigned computer or information technology specialist, including the retrieval and copying of all data from the computer or device and any internal or external peripherals and removal of such information, equipment, or device to conduct a more thorough inspection;

(iii) submit to the installation on the offender's computer or device with Internet capability, at the offender's expense, of one or more hardware or software systems to monitor the Internet use; and

(iv) submit to any other appropriate restrictions concerning the offender's use of or access to a computer or any other device with Internet capability imposed by the offender's probation officer;

(8.9) if convicted of a sex offense as defined in the Sex Offender Registration Act committed on or after January 1, 2010 (the effective date of Public Act 96-262), refrain from accessing or using a social networking website as defined in Section 17-0.5 of the Criminal Code of 1961;

(9) if convicted of a felony, physically surrender at a time and place designated by the court, his or her Firearm Owner's Identification Card and any and all firearms in his or her possession;

(10) if convicted of a sex offense as defined in subsection (a-5) of Section 3-1-2 of this Code, unless the offender is a parent or guardian of the person under 18 years of age present in the home and no non-familial minors are present, not participate in a holiday event involving children under 18 years of age, such as distributing candy or other items to children on Halloween, wearing a Santa Claus costume on or preceding Christmas, being employed as a department store Santa Claus, or wearing an Easter Bunny costume on or preceding Easter; and

(11) if convicted of a sex offense as defined in Section 2 of the Sex Offender Registration Act committed on or after January 1, 2010 (the effective date of Public Act 96-362) that requires the person to register as a sex offender under that Act, may not knowingly use any computer scrub software on any computer that the sex offender uses.

(b) The Court may in addition to other reasonable conditions relating to the nature of the offense or the rehabilitation of the defendant as determined for each defendant in the proper discretion of the Court require that the person:

(1) serve a term of periodic imprisonment under Article 7 for a period not to exceed



- that specified in paragraph (d) of Section 5-7-1;
- (2) pay a fine and costs;
  - (3) work or pursue a course of study or vocational training;
  - (4) undergo medical, psychological or psychiatric treatment; or treatment for drug addiction or alcoholism;
  - (5) attend or reside in a facility established for the instruction or residence of defendants on probation;
  - (6) support his dependents;
  - (7) and in addition, if a minor:
    - (i) reside with his parents or in a foster home;
    - (ii) attend school;
    - (iii) attend a non-residential program for youth;
    - (iv) contribute to his own support at home or in a foster home;
    - (v) with the consent of the superintendent of the facility, attend an educational program at a facility other than the school in which the offense was committed if he or she is convicted of a crime of violence as defined in Section 2 of the Crime Victims Compensation Act committed in a school, on the real property comprising a school, or within 1,000 feet of the real property comprising a school;
  - (8) make restitution as provided in Section 5-5-6 of this Code;
  - (9) perform some reasonable public or community service;
  - (10) serve a term of home confinement. In addition to any other applicable condition of probation or conditional discharge, the conditions of home confinement shall be that the offender:
    - (i) remain within the interior premises of the place designated for his confinement during the hours designated by the court;
    - (ii) admit any person or agent designated by the court into the offender's place of confinement at any time for purposes of verifying the offender's compliance with the conditions of his confinement; and
    - (iii) if further deemed necessary by the court or the Probation or Court Services Department, be placed on an approved electronic monitoring device, subject to Article 8A of Chapter V;
    - (iv) for persons convicted of any alcohol, cannabis or controlled substance violation who are placed on an approved monitoring device as a condition of probation or conditional discharge, the court shall impose a reasonable fee for each day of the use of the device, as established by the county board in subsection (g) of this Section, unless after determining the inability of the offender to pay the fee, the court assesses a lesser fee or no fee as the case may be. This fee shall be imposed in addition to the fees imposed under subsections (g) and (i) of this Section. The fee shall be collected by the clerk of the circuit court. The clerk of the circuit court shall pay all monies collected from this fee to the county treasurer for deposit in the substance abuse services fund under Section 5-1086.1 of the Counties Code; and
    - (v) for persons convicted of offenses other than those referenced in clause (iv) above and who are placed on an approved monitoring device as a condition of probation or conditional discharge, the court shall impose a reasonable fee for each day of the use of the device, as established by the county board in subsection (g) of this Section, unless after determining the inability of the defendant to pay the fee, the court assesses a lesser fee or no fee as the case may be. This fee shall be imposed in addition to the fees imposed under subsections (g) and (i) of this Section. The fee shall be collected by the clerk of the circuit court. The clerk of the circuit court shall pay all monies collected from this fee to the county treasurer who shall use the monies collected to defray the costs of corrections. The county treasurer shall deposit the fee collected in the county working cash fund under Section 6-27001 or Section 6-29002 of the Counties Code, as the case may be.
  - (11) comply with the terms and conditions of an order of protection issued by the court pursuant to the Illinois Domestic Violence Act of 1986, as now or hereafter amended, or an order of protection issued by the court of another state, tribe, or United States territory. A copy of the order of protection shall be transmitted to the probation officer or agency having responsibility for the case;
  - (12) reimburse any "local anti-crime program" as defined in Section 7 of the Anti-Crime Advisory Council Act for any reasonable expenses incurred by the program on the offender's case, not to exceed the maximum amount of the fine authorized for the offense for which the defendant was sentenced;
  - (13) contribute a reasonable sum of money, not to exceed the maximum amount of the fine

authorized for the offense for which the defendant was sentenced, (i) to a "local anti-crime program", as defined in Section 7 of the Anti-Crime Advisory Council Act, or (ii) for offenses under the jurisdiction of the Department of Natural Resources, to the fund established by the Department of Natural Resources for the purchase of evidence for investigation purposes and to conduct investigations as outlined in Section 805-105 of the Department of Natural Resources (Conservation) Law;

(14) refrain from entering into a designated geographic area except upon such terms as the court finds appropriate. Such terms may include consideration of the purpose of the entry, the time of day, other persons accompanying the defendant, and advance approval by a probation officer, if the defendant has been placed on probation or advance approval by the court, if the defendant was placed on conditional discharge;

(15) refrain from having any contact, directly or indirectly, with certain specified persons or particular types of persons, including but not limited to members of street gangs and drug users or dealers;

(16) refrain from having in his or her body the presence of any illicit drug prohibited by the Cannabis Control Act, the Illinois Controlled Substances Act, or the Methamphetamine Control and Community Protection Act, unless prescribed by a physician, and submit samples of his or her blood or urine or both for tests to determine the presence of any illicit drug;

(17) if convicted for an offense committed on or after June 1, 2008 (the effective date of Public Act 95-464) that would qualify the accused as a child sex offender as defined in Section 11-9.3 or 11-9.4 of the Criminal Code of 1961, refrain from communicating with or contacting, by means of the Internet, a person who is related to the accused and whom the accused reasonably believes to be under 18 years of age; for purposes of this paragraph (17), "Internet" has the meaning ascribed to it in Section ~~16-0.1 161-5~~ of the Criminal Code of 1961; and a person is related to the accused if the person is: (i) the spouse, brother, or sister of the accused; (ii) a descendant of the accused; (iii) a first or second cousin of the accused; or (iv) a step-child or adopted child of the accused;

(18) if convicted for an offense committed on or after June 1, 2009 (the effective date of Public Act 95-983) that would qualify as a sex offense as defined in the Sex Offender Registration Act:

(i) not access or use a computer or any other device with Internet capability without the prior written approval of the offender's probation officer, except in connection with the offender's employment or search for employment with the prior approval of the offender's probation officer;

(ii) submit to periodic unannounced examinations of the offender's computer or any other device with Internet capability by the offender's probation officer, a law enforcement officer, or assigned computer or information technology specialist, including the retrieval and copying of all data from the computer or device and any internal or external peripherals and removal of such information, equipment, or device to conduct a more thorough inspection;

(iii) submit to the installation on the offender's computer or device with Internet capability, at the subject's expense, of one or more hardware or software systems to monitor the Internet use; and

(iv) submit to any other appropriate restrictions concerning the offender's use of or access to a computer or any other device with Internet capability imposed by the offender's probation officer; and

(19) refrain from possessing a firearm or other dangerous weapon where the offense is a misdemeanor that did not involve the intentional or knowing infliction of bodily harm or threat of bodily harm.

(c) The court may as a condition of probation or of conditional discharge require that a person under 18 years of age found guilty of any alcohol, cannabis or controlled substance violation, refrain from acquiring a driver's license during the period of probation or conditional discharge. If such person is in possession of a permit or license, the court may require that the minor refrain from driving or operating any motor vehicle during the period of probation or conditional discharge, except as may be necessary in the course of the minor's lawful employment.

(d) An offender sentenced to probation or to conditional discharge shall be given a certificate setting forth the conditions thereof.

(e) Except where the offender has committed a fourth or subsequent violation of subsection (c) of Section 6-303 of the Illinois Vehicle Code, the court shall not require as a condition of the sentence of probation or conditional discharge that the offender be committed to a period of imprisonment in excess

of 6 months. This 6 month limit shall not include periods of confinement given pursuant to a sentence of county impact incarceration under Section 5-8-1.2.

Persons committed to imprisonment as a condition of probation or conditional discharge shall not be committed to the Department of Corrections.

(f) The court may combine a sentence of periodic imprisonment under Article 7 or a sentence to a county impact incarceration program under Article 8 with a sentence of probation or conditional discharge.

(g) An offender sentenced to probation or to conditional discharge and who during the term of either undergoes mandatory drug or alcohol testing, or both, or is assigned to be placed on an approved electronic monitoring device, shall be ordered to pay all costs incidental to such mandatory drug or alcohol testing, or both, and all costs incidental to such approved electronic monitoring in accordance with the defendant's ability to pay those costs. The county board with the concurrence of the Chief Judge of the judicial circuit in which the county is located shall establish reasonable fees for the cost of maintenance, testing, and incidental expenses related to the mandatory drug or alcohol testing, or both, and all costs incidental to approved electronic monitoring, involved in a successful probation program for the county. The concurrence of the Chief Judge shall be in the form of an administrative order. The fees shall be collected by the clerk of the circuit court. The clerk of the circuit court shall pay all moneys collected from these fees to the county treasurer who shall use the moneys collected to defray the costs of drug testing, alcohol testing, and electronic monitoring. The county treasurer shall deposit the fees collected in the county working cash fund under Section 6-27001 or Section 6-29002 of the Counties Code, as the case may be.

(h) Jurisdiction over an offender may be transferred from the sentencing court to the court of another circuit with the concurrence of both courts. Further transfers or retransfers of jurisdiction are also authorized in the same manner. The court to which jurisdiction has been transferred shall have the same powers as the sentencing court.

(i) The court shall impose upon an offender sentenced to probation after January 1, 1989 or to conditional discharge after January 1, 1992 or to community service under the supervision of a probation or court services department after January 1, 2004, as a condition of such probation or conditional discharge or supervised community service, a fee of \$50 for each month of probation or conditional discharge supervision or supervised community service ordered by the court, unless after determining the inability of the person sentenced to probation or conditional discharge or supervised community service to pay the fee, the court assesses a lesser fee. The court may not impose the fee on a minor who is made a ward of the State under the Juvenile Court Act of 1987 while the minor is in placement. The fee shall be imposed only upon an offender who is actively supervised by the probation and court services department. The fee shall be collected by the clerk of the circuit court. The clerk of the circuit court shall pay all monies collected from this fee to the county treasurer for deposit in the probation and court services fund under Section 15.1 of the Probation and Probation Officers Act.

A circuit court may not impose a probation fee under this subsection (i) in excess of \$25 per month unless the circuit court has adopted, by administrative order issued by the chief judge, a standard probation fee guide determining an offender's ability to pay. Of the amount collected as a probation fee, up to \$5 of that fee collected per month may be used to provide services to crime victims and their families.

The Court may only waive probation fees based on an offender's ability to pay. The probation department may re-evaluate an offender's ability to pay every 6 months, and, with the approval of the Director of Court Services or the Chief Probation Officer, adjust the monthly fee amount. An offender may elect to pay probation fees due in a lump sum. Any offender that has been assigned to the supervision of a probation department, or has been transferred either under subsection (h) of this Section or under any interstate compact, shall be required to pay probation fees to the department supervising the offender, based on the offender's ability to pay.

This amendatory Act of the 93rd General Assembly deletes the \$10 increase in the fee under this subsection that was imposed by Public Act 93-616. This deletion is intended to control over any other Act of the 93rd General Assembly that retains or incorporates that fee increase.

(i-5) In addition to the fees imposed under subsection (i) of this Section, in the case of an offender convicted of a felony sex offense (as defined in the Sex Offender Management Board Act) or an offense that the court or probation department has determined to be sexually motivated (as defined in the Sex Offender Management Board Act), the court or the probation department shall assess additional fees to pay for all costs of treatment, assessment, evaluation for risk and treatment, and monitoring the offender, based on that offender's ability to pay those costs either as they occur or under a payment plan.

(j) All fines and costs imposed under this Section for any violation of Chapters 3, 4, 6, and 11 of the

Illinois Vehicle Code, or a similar provision of a local ordinance, and any violation of the Child Passenger Protection Act, or a similar provision of a local ordinance, shall be collected and disbursed by the circuit clerk as provided under Section 27.5 of the Clerks of Courts Act.

(k) Any offender who is sentenced to probation or conditional discharge for a felony sex offense as defined in the Sex Offender Management Board Act or any offense that the court or probation department has determined to be sexually motivated as defined in the Sex Offender Management Board Act shall be required to refrain from any contact, directly or indirectly, with any persons specified by the court and shall be available for all evaluations and treatment programs required by the court or the probation department.

(l) The court may order an offender who is sentenced to probation or conditional discharge for a violation of an order of protection be placed under electronic surveillance as provided in Section 5-8A-7 of this Code.

(Source: P.A. 95-331, eff. 8-21-07; 95-464, eff. 6-1-08; 95-578, eff. 6-1-08; 95-696, eff. 6-1-08; 95-773, eff. 1-1-09; 95-876, eff. 8-21-08; 95-983, eff. 6-1-09; 96-262, eff. 1-1-10; 96-328, eff. 8-11-09; 96-362, eff. 1-1-10; 96-695, eff. 8-25-09; 96-1000, eff. 7-2-10; 96-1414, eff. 1-1-11; 96-1551, Article 2, Section 1065, eff. 7-1-11; 96-1551, Article 10, Section 10-150, eff. 7-1-11; revised 4-21-11.)

(730 ILCS 5/5-6-3.1) (from Ch. 38, par. 1005-6-3.1)

(Text of Section after amendment by P.A. 96-1551)

Sec. 5-6-3.1. Incidents and Conditions of Supervision.

(a) When a defendant is placed on supervision, the court shall enter an order for supervision specifying the period of such supervision, and shall defer further proceedings in the case until the conclusion of the period.

(b) The period of supervision shall be reasonable under all of the circumstances of the case, but may not be longer than 2 years, unless the defendant has failed to pay the assessment required by Section 10.3 of the Cannabis Control Act, Section 411.2 of the Illinois Controlled Substances Act, or Section 80 of the Methamphetamine Control and Community Protection Act, in which case the court may extend supervision beyond 2 years. Additionally, the court shall order the defendant to perform no less than 30 hours of community service and not more than 120 hours of community service, if community service is available in the jurisdiction and is funded and approved by the county board where the offense was committed, when the offense (1) was related to or in furtherance of the criminal activities of an organized gang or was motivated by the defendant's membership in or allegiance to an organized gang; or (2) is a violation of any Section of Article 24 of the Criminal Code of 1961 where a disposition of supervision is not prohibited by Section 5-6-1 of this Code. The community service shall include, but not be limited to, the cleanup and repair of any damage caused by violation of Section 21-1.3 of the Criminal Code of 1961 and similar damages to property located within the municipality or county in which the violation occurred. Where possible and reasonable, the community service should be performed in the offender's neighborhood.

For the purposes of this Section, "organized gang" has the meaning ascribed to it in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act.

(c) The court may in addition to other reasonable conditions relating to the nature of the offense or the rehabilitation of the defendant as determined for each defendant in the proper discretion of the court require that the person:

- (1) make a report to and appear in person before or participate with the court or such courts, person, or social service agency as directed by the court in the order of supervision;
- (2) pay a fine and costs;
- (3) work or pursue a course of study or vocational training;
- (4) undergo medical, psychological or psychiatric treatment; or treatment for drug addiction or alcoholism;
- (5) attend or reside in a facility established for the instruction or residence of defendants on probation;
- (6) support his dependents;
- (7) refrain from possessing a firearm or other dangerous weapon;
- (8) and in addition, if a minor:
  - (i) reside with his parents or in a foster home;
  - (ii) attend school;
  - (iii) attend a non-residential program for youth;
  - (iv) contribute to his own support at home or in a foster home; or
  - (v) with the consent of the superintendent of the facility, attend an educational program at a facility other than the school in which the offense was committed if he or she is placed

on supervision for a crime of violence as defined in Section 2 of the Crime Victims Compensation Act committed in a school, on the real property comprising a school, or within 1,000 feet of the real property comprising a school;

(9) make restitution or reparation in an amount not to exceed actual loss or damage to property and pecuniary loss or make restitution under Section 5-5-6 to a domestic violence shelter. The court shall determine the amount and conditions of payment;

(10) perform some reasonable public or community service;

(11) comply with the terms and conditions of an order of protection issued by the court pursuant to the Illinois Domestic Violence Act of 1986 or an order of protection issued by the court of another state, tribe, or United States territory. If the court has ordered the defendant to make a report and appear in person under paragraph (1) of this subsection, a copy of the order of protection shall be transmitted to the person or agency so designated by the court;

(12) reimburse any "local anti-crime program" as defined in Section 7 of the Anti-Crime Advisory Council Act for any reasonable expenses incurred by the program on the offender's case, not to exceed the maximum amount of the fine authorized for the offense for which the defendant was sentenced;

(13) contribute a reasonable sum of money, not to exceed the maximum amount of the fine authorized for the offense for which the defendant was sentenced, (i) to a "local anti-crime program", as defined in Section 7 of the Anti-Crime Advisory Council Act, or (ii) for offenses under the jurisdiction of the Department of Natural Resources, to the fund established by the Department of Natural Resources for the purchase of evidence for investigation purposes and to conduct investigations as outlined in Section 805-105 of the Department of Natural Resources (Conservation) Law;

(14) refrain from entering into a designated geographic area except upon such terms as the court finds appropriate. Such terms may include consideration of the purpose of the entry, the time of day, other persons accompanying the defendant, and advance approval by a probation officer;

(15) refrain from having any contact, directly or indirectly, with certain specified persons or particular types of person, including but not limited to members of street gangs and drug users or dealers;

(16) refrain from having in his or her body the presence of any illicit drug prohibited by the Cannabis Control Act, the Illinois Controlled Substances Act, or the Methamphetamine Control and Community Protection Act, unless prescribed by a physician, and submit samples of his or her blood or urine or both for tests to determine the presence of any illicit drug;

(17) refrain from operating any motor vehicle not equipped with an ignition interlock device as defined in Section 1-129.1 of the Illinois Vehicle Code; under this condition the court may allow a defendant who is not self-employed to operate a vehicle owned by the defendant's employer that is not equipped with an ignition interlock device in the course and scope of the defendant's employment; and

(18) if placed on supervision for a sex offense as defined in subsection (a-5) of Section 3-1-2 of this Code, unless the offender is a parent or guardian of the person under 18 years of age present in the home and no non-familial minors are present, not participate in a holiday event involving children under 18 years of age, such as distributing candy or other items to children on Halloween, wearing a Santa Claus costume on or preceding Christmas, being employed as a department store Santa Claus, or wearing an Easter Bunny costume on or preceding Easter.

(d) The court shall defer entering any judgment on the charges until the conclusion of the supervision.

(e) At the conclusion of the period of supervision, if the court determines that the defendant has successfully complied with all of the conditions of supervision, the court shall discharge the defendant and enter a judgment dismissing the charges.

(f) Discharge and dismissal upon a successful conclusion of a disposition of supervision shall be deemed without adjudication of guilt and shall not be termed a conviction for purposes of disqualification or disabilities imposed by law upon conviction of a crime. Two years after the discharge and dismissal under this Section, unless the disposition of supervision was for a violation of Sections 3-707, 3-708, 3-710, 5-401.3, or 11-503 of the Illinois Vehicle Code or a similar provision of a local ordinance, or for a violation of Sections 12-3.2, ~~16-25~~, or 16A-3 of the Criminal Code of 1961, in which case it shall be 5 years after discharge and dismissal, a person may have his record of arrest sealed or expunged as may be provided by law. However, any defendant placed on supervision before January 1, 1980, may move for sealing or expungement of his arrest record, as provided by law, at any time after discharge and dismissal under this Section. A person placed on supervision for a sexual offense committed against a minor as defined in clause (a)(1)(L) of Section 5.2 of the Criminal Identification

Act or for a violation of Section 11-501 of the Illinois Vehicle Code or a similar provision of a local ordinance shall not have his or her record of arrest sealed or expunged.

(g) A defendant placed on supervision and who during the period of supervision undergoes mandatory drug or alcohol testing, or both, or is assigned to be placed on an approved electronic monitoring device, shall be ordered to pay the costs incidental to such mandatory drug or alcohol testing, or both, and costs incidental to such approved electronic monitoring in accordance with the defendant's ability to pay those costs. The county board with the concurrence of the Chief Judge of the judicial circuit in which the county is located shall establish reasonable fees for the cost of maintenance, testing, and incidental expenses related to the mandatory drug or alcohol testing, or both, and all costs incidental to approved electronic monitoring, of all defendants placed on supervision. The concurrence of the Chief Judge shall be in the form of an administrative order. The fees shall be collected by the clerk of the circuit court. The clerk of the circuit court shall pay all moneys collected from these fees to the county treasurer who shall use the moneys collected to defray the costs of drug testing, alcohol testing, and electronic monitoring. The county treasurer shall deposit the fees collected in the county working cash fund under Section 6-27001 or Section 6-29002 of the Counties Code, as the case may be.

(h) A disposition of supervision is a final order for the purposes of appeal.

(i) The court shall impose upon a defendant placed on supervision after January 1, 1992 or to community service under the supervision of a probation or court services department after January 1, 2004, as a condition of supervision or supervised community service, a fee of \$50 for each month of supervision or supervised community service ordered by the court, unless after determining the inability of the person placed on supervision or supervised community service to pay the fee, the court assesses a lesser fee. The court may not impose the fee on a minor who is made a ward of the State under the Juvenile Court Act of 1987 while the minor is in placement. The fee shall be imposed only upon a defendant who is actively supervised by the probation and court services department. The fee shall be collected by the clerk of the circuit court. The clerk of the circuit court shall pay all monies collected from this fee to the county treasurer for deposit in the probation and court services fund pursuant to Section 15.1 of the Probation and Probation Officers Act.

A circuit court may not impose a probation fee in excess of \$25 per month unless the circuit court has adopted, by administrative order issued by the chief judge, a standard probation fee guide determining an offender's ability to pay. Of the amount collected as a probation fee, not to exceed \$5 of that fee collected per month may be used to provide services to crime victims and their families.

The Court may only waive probation fees based on an offender's ability to pay. The probation department may re-evaluate an offender's ability to pay every 6 months, and, with the approval of the Director of Court Services or the Chief Probation Officer, adjust the monthly fee amount. An offender may elect to pay probation fees due in a lump sum. Any offender that has been assigned to the supervision of a probation department, or has been transferred either under subsection (h) of this Section or under any interstate compact, shall be required to pay probation fees to the department supervising the offender, based on the offender's ability to pay.

(j) All fines and costs imposed under this Section for any violation of Chapters 3, 4, 6, and 11 of the Illinois Vehicle Code, or a similar provision of a local ordinance, and any violation of the Child Passenger Protection Act, or a similar provision of a local ordinance, shall be collected and disbursed by the circuit clerk as provided under Section 27.5 of the Clerks of Courts Act.

(k) A defendant at least 17 years of age who is placed on supervision for a misdemeanor in a county of 3,000,000 or more inhabitants and who has not been previously convicted of a misdemeanor or felony may as a condition of his or her supervision be required by the court to attend educational courses designed to prepare the defendant for a high school diploma and to work toward a high school diploma or to work toward passing the high school level Test of General Educational Development (GED) or to work toward completing a vocational training program approved by the court. The defendant placed on supervision must attend a public institution of education to obtain the educational or vocational training required by this subsection (k). The defendant placed on supervision shall be required to pay for the cost of the educational courses or GED test, if a fee is charged for those courses or test. The court shall revoke the supervision of a person who wilfully fails to comply with this subsection (k). The court shall resentence the defendant upon revocation of supervision as provided in Section 5-6-4. This subsection (k) does not apply to a defendant who has a high school diploma or has successfully passed the GED test. This subsection (k) does not apply to a defendant who is determined by the court to be developmentally disabled or otherwise mentally incapable of completing the educational or vocational program.

(l) The court shall require a defendant placed on supervision for possession of a substance prohibited by the Cannabis Control Act, the Illinois Controlled Substances Act, or the Methamphetamine Control

and Community Protection Act after a previous conviction or disposition of supervision for possession of a substance prohibited by the Cannabis Control Act, the Illinois Controlled Substances Act, or the Methamphetamine Control and Community Protection Act or a sentence of probation under Section 10 of the Cannabis Control Act or Section 410 of the Illinois Controlled Substances Act and after a finding by the court that the person is addicted, to undergo treatment at a substance abuse program approved by the court.

(m) The Secretary of State shall require anyone placed on court supervision for a violation of Section 3-707 of the Illinois Vehicle Code or a similar provision of a local ordinance to give proof of his or her financial responsibility as defined in Section 7-315 of the Illinois Vehicle Code. The proof shall be maintained by the individual in a manner satisfactory to the Secretary of State for a minimum period of 3 years after the date the proof is first filed. The proof shall be limited to a single action per arrest and may not be affected by any post-sentence disposition. The Secretary of State shall suspend the driver's license of any person determined by the Secretary to be in violation of this subsection.

(n) Any offender placed on supervision for any offense that the court or probation department has determined to be sexually motivated as defined in the Sex Offender Management Board Act shall be required to refrain from any contact, directly or indirectly, with any persons specified by the court and shall be available for all evaluations and treatment programs required by the court or the probation department.

(o) An offender placed on supervision for a sex offense as defined in the Sex Offender Management Board Act shall refrain from residing at the same address or in the same condominium unit or apartment unit or in the same condominium complex or apartment complex with another person he or she knows or reasonably should know is a convicted sex offender or has been placed on supervision for a sex offense. The provisions of this subsection (o) do not apply to a person convicted of a sex offense who is placed in a Department of Corrections licensed transitional housing facility for sex offenders.

(p) An offender placed on supervision for an offense committed on or after June 1, 2008

(the effective date of Public Act 95-464) that would qualify the accused as a child sex offender as defined in Section 11-9.3 or 11-9.4 of the Criminal Code of 1961 shall refrain from communicating with or contacting, by means of the Internet, a person who is not related to the accused and whom the accused reasonably believes to be under 18 years of age. For purposes of this subsection (p), "Internet" has the meaning ascribed to it in Section ~~16-0.1 16-1-5~~ of the Criminal Code of 1961; and a person is not related to the accused if the person is not: (i) the spouse, brother, or sister of the accused; (ii) a descendant of the accused; (iii) a first or second cousin of the accused; or (iv) a step-child or adopted child of the accused.

(q) An offender placed on supervision for an offense committed on or after June 1, 2008

(the effective date of Public Act 95-464) that would qualify the accused as a child sex offender as defined in Section 11-9.3 or 11-9.4 of the Criminal Code of 1961 shall, if so ordered by the court, refrain from communicating with or contacting, by means of the Internet, a person who is related to the accused and whom the accused reasonably believes to be under 18 years of age. For purposes of this subsection (q), "Internet" has the meaning ascribed to it in Section ~~16-0.1 16-1-5~~ of the Criminal Code of 1961; and a person is related to the accused if the person is: (i) the spouse, brother, or sister of the accused; (ii) a descendant of the accused; (iii) a first or second cousin of the accused; or (iv) a step-child or adopted child of the accused.

(r) An offender placed on supervision for an offense under Section 11-6, 11-9.1, 11-14.4 that involves soliciting for a juvenile prostitute, 11-15.1, 11-20.1, 11-20.1B, 11-20.3, or 11-21 of the Criminal Code of 1961, or any attempt to commit any of these offenses, committed on or after the effective date of this amendatory Act of the 95th General Assembly shall:

(i) not access or use a computer or any other device with Internet capability without the prior written approval of the court, except in connection with the offender's employment or search for employment with the prior approval of the court;

(ii) submit to periodic unannounced examinations of the offender's computer or any other device with Internet capability by the offender's probation officer, a law enforcement officer, or assigned computer or information technology specialist, including the retrieval and copying of all data from the computer or device and any internal or external peripherals and removal of such information, equipment, or device to conduct a more thorough inspection;

(iii) submit to the installation on the offender's computer or device with Internet capability, at the offender's expense, of one or more hardware or software systems to monitor the Internet use; and

(iv) submit to any other appropriate restrictions concerning the offender's use of or access to a computer or any other device with Internet capability imposed by the court.

(s) An offender placed on supervision for an offense that is a sex offense as defined in Section 2 of the Sex Offender Registration Act that is committed on or after January 1, 2010 (the effective date of Public Act 96-362) that requires the person to register as a sex offender under that Act, may not knowingly use any computer scrub software on any computer that the sex offender uses.

(t) An offender placed on supervision for a sex offense as defined in the Sex Offender Registration Act committed on or after January 1, 2010 (the effective date of Public Act 96-262) shall refrain from accessing or using a social networking website as defined in Section 17-0.5 of the Criminal Code of 1961.

(Source: P.A. 95-211, eff. 1-1-08; 95-331, eff. 8-21-07; 95-464, eff. 6-1-08; 95-696, eff. 6-1-08; 95-876, eff. 8-21-08; 95-983, eff. 6-1-09; 96-262, eff. 1-1-10; 96-362, eff. 1-1-10; 96-409, eff. 1-1-10; 96-1000, eff. 7-2-10; 96-1414, eff. 1-1-11; 96-1551, Article 2, Section 1065, eff. 7-1-11; 96-1551, Article 10, Section 10-150, eff. 7-1-11; revised 4-18-11.)

Section 960. The Consumer Fraud and Deceptive Business Practices Act is amended by changing Sections 2MM and 2VV as follows:

(815 ILCS 505/2MM)

Sec. 2MM. Verification of accuracy of consumer reporting information used to extend consumers credit and security freeze on credit reports.

(a) A credit card issuer who mails an offer or solicitation to apply for a credit card and who receives a completed application in response to the offer or solicitation which lists an address that is not substantially the same as the address on the offer or solicitation may not issue a credit card based on that application until reasonable steps have been taken to verify the applicant's change of address.

(b) Any person who uses a consumer credit report in connection with the approval of credit based on the application for an extension of credit, and who has received notification of a police report filed with a consumer reporting agency that the applicant has been a victim of financial identity theft, as defined in Section 16-30 or 16G-15 of the Criminal Code of 1961, may not lend money or extend credit without taking reasonable steps to verify the consumer's identity and confirm that the application for an extension of credit is not the result of financial identity theft.

(c) A consumer may request that a security freeze be placed on his or her credit report by sending a request in writing by certified mail to a consumer reporting agency at an address designated by the consumer reporting agency to receive such requests. This subsection (c) does not prevent a consumer reporting agency from advising a third party that a security freeze is in effect with respect to the consumer's credit report.

(d) A consumer reporting agency shall place a security freeze on a consumer's credit report no later than 5 business days after receiving a written request from the consumer:

- (1) a written request described in subsection (c);
- (2) proper identification; and
- (3) payment of a fee, if applicable.

(e) Upon placing the security freeze on the consumer's credit report, the consumer reporting agency shall send to the consumer within 10 business days a written confirmation of the placement of the security freeze and a unique personal identification number or password or similar device, other than the consumer's Social Security number, to be used by the consumer when providing authorization for the release of his or her credit report for a specific party or period of time.

(f) If the consumer wishes to allow his or her credit report to be accessed for a specific party or period of time while a freeze is in place, he or she shall contact the consumer reporting agency using a point of contact designated by the consumer reporting agency, request that the freeze be temporarily lifted, and provide the following:

- (1) Proper identification;
- (2) The unique personal identification number or password or similar device provided by the consumer reporting agency;
- (3) The proper information regarding the third party or time period for which the report shall be available to users of the credit report; and
- (4) A fee, if applicable.

(g) A consumer reporting agency shall develop a contact method to receive and process a request from a consumer to temporarily lift a freeze on a credit report pursuant to subsection (f) in an expedited manner.

A contact method under this subsection shall include: (i) a postal address; and (ii) an electronic contact method chosen by the consumer reporting agency, which may include the use of telephone, fax, Internet, or other electronic means.

[May 31, 2011]



(h) A consumer reporting agency that receives a request from a consumer to temporarily lift a freeze on a credit report pursuant to subsection (f), shall comply with the request no later than 3 business days after receiving the request.

(i) A consumer reporting agency shall remove or temporarily lift a freeze placed on a consumer's credit report only in the following cases:

(1) upon consumer request, pursuant to subsection (f) or subsection (l) of this Section;

or

(2) if the consumer's credit report was frozen due to a material misrepresentation of fact by the consumer.

If a consumer reporting agency intends to remove a freeze upon a consumer's credit report pursuant to this subsection, the consumer reporting agency shall notify the consumer in writing prior to removing the freeze on the consumer's credit report.

(j) If a third party requests access to a credit report on which a security freeze is in effect, and this request is in connection with an application for credit or any other use, and the consumer does not allow his or her credit report to be accessed for that specific party or period of time, the third party may treat the application as incomplete.

(k) If a consumer requests a security freeze, the credit reporting agency shall disclose to the consumer the process of placing and temporarily lifting a security freeze, and the process for allowing access to information from the consumer's credit report for a specific party or period of time while the freeze is in place.

(l) A security freeze shall remain in place until the consumer requests, using a point of contact designated by the consumer reporting agency, that the security freeze be removed. A credit reporting agency shall remove a security freeze within 3 business days of receiving a request for removal from the consumer, who provides:

(1) Proper identification;

(2) The unique personal identification number or password or similar device provided by the consumer reporting agency; and

(3) A fee, if applicable.

(m) A consumer reporting agency shall require proper identification of the person making a request to place or remove a security freeze.

(n) The provisions of subsections (c) through (m) of this Section do not apply to the use of a consumer credit report by any of the following:

(1) A person or entity, or a subsidiary, affiliate, or agent of that person or entity, or an assignee of a financial obligation owing by the consumer to that person or entity, or a prospective assignee of a financial obligation owing by the consumer to that person or entity in conjunction with the proposed purchase of the financial obligation, with which the consumer has or had prior to assignment an account or contract, including a demand deposit account, or to whom the consumer issued a negotiable instrument, for the purposes of reviewing the account or collecting the financial obligation owing for the account, contract, or negotiable instrument. For purposes of this subsection, "reviewing the account" includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

(2) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to whom access has been granted under subsection (f) of this Section for purposes of facilitating the extension of credit or other permissible use.

(3) Any state or local agency, law enforcement agency, trial court, or private collection agency acting pursuant to a court order, warrant, or subpoena.

(4) A child support agency acting pursuant to Title IV-D of the Social Security Act.

(5) The State or its agents or assigns acting to investigate fraud.

(6) The Department of Revenue or its agents or assigns acting to investigate or collect delinquent taxes or unpaid court orders or to fulfill any of its other statutory responsibilities.

(7) The use of credit information for the purposes of prescreening as provided for by the federal Fair Credit Reporting Act.

(8) Any person or entity administering a credit file monitoring subscription or similar service to which the consumer has subscribed.

(9) Any person or entity for the purpose of providing a consumer with a copy of his or her credit report or score upon the consumer's request.

(10) Any person using the information in connection with the underwriting of insurance.

(n-5) This Section does not prevent a consumer reporting agency from charging a fee of no more than \$10 to a consumer for each freeze, removal, or temporary lift of the freeze, regarding access to a

consumer credit report, except that a consumer reporting agency may not charge a fee to (i) a consumer 65 years of age or over for placement and removal of a freeze, or (ii) a victim of identity theft who has submitted to the consumer reporting agency a valid copy of a police report, investigative report, or complaint that the consumer has filed with a law enforcement agency about unlawful use of his or her personal information by another person.

(o) If a security freeze is in place, a consumer reporting agency shall not change any of the following official information in a credit report without sending a written confirmation of the change to the consumer within 30 days of the change being posted to the consumer's file: (i) name, (ii) date of birth, (iii) Social Security number, and (iv) address. Written confirmation is not required for technical modifications of a consumer's official information, including name and street abbreviations, complete spellings, or transposition of numbers or letters. In the case of an address change, the written confirmation shall be sent to both the new address and to the former address.

(p) The following entities are not required to place a security freeze in a consumer report, however, pursuant to paragraph (3) of this subsection, a consumer reporting agency acting as a reseller shall honor any security freeze placed on a consumer credit report by another consumer reporting agency:

(1) A check services or fraud prevention services company, which issues reports on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar methods of payment.

(2) A deposit account information service company, which issues reports regarding account closures due to fraud, substantial overdrafts, ATM abuse, or similar negative information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution.

(3) A consumer reporting agency that:

(A) acts only to resell credit information by assembling and merging information contained in a database of one or more consumer reporting agencies; and

(B) does not maintain a permanent database of credit information from which new credit reports are produced.

(q) For purposes of this Section:

"Credit report" has the same meaning as "consumer report", as ascribed to it in 15 U.S.C. Sec. 1681a(d).

"Consumer reporting agency" has the meaning ascribed to it in 15 U.S.C. Sec. 1681a(f).

"Security freeze" means a notice placed in a consumer's credit report, at the request of the consumer and subject to certain exceptions, that prohibits the consumer reporting agency from releasing the consumer's credit report or score relating to an extension of credit, without the express authorization of the consumer.

"Extension of credit" does not include an increase in an existing open-end credit plan, as defined in Regulation Z of the Federal Reserve System (12 C.F.R. 226.2), or any change to or review of an existing credit account.

"Proper identification" means information generally deemed sufficient to identify a person. Only if the consumer is unable to reasonably identify himself or herself with the information described above, may a consumer reporting agency require additional information concerning the consumer's employment and personal or family history in order to verify his or her identity.

(r) Any person who violates this Section commits an unlawful practice within the meaning of this Act. (Source: P.A. 94-74, eff. 1-1-06; 94-799, eff. 1-1-07; 95-331, eff. 8-21-07.)

(815 ILCS 505/2VV)

Sec. 2VV. Credit and public utility service; identity theft. It is an unlawful practice for a person to deny credit or public utility service to or reduce the credit limit of a consumer solely because the consumer has been a victim of identity theft as defined in Section 16-30 or 16G-15 of the Criminal Code of 1961, if the consumer:

(1) has provided a copy of an identity theft report as defined under the federal Fair Credit Reporting Act and implementing regulations evidencing the consumer's claim of identity theft;

(2) has provided a properly completed copy of a standardized affidavit of identity theft developed and made available by the Federal Trade Commission pursuant to 15 U.S.C. 1681g or an affidavit of fact that is acceptable to the person for that purpose;

(3) has obtained placement of an extended fraud alert in his or her file maintained by a nationwide consumer reporting agency, in accordance with the requirements of the federal Fair Credit Reporting Act; and

(4) is able to establish his or her identity and address to the satisfaction of the person providing credit or utility services.

(Source: P.A. 94-37, eff. 6-16-05; 95-331, eff. 8-21-07.)

Section 999. Effective date. This Act takes effect January 1, 2012."

Under the rules, the foregoing **Senate Bill No. 1228**, 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. 1672

A bill for AN ACT concerning public employee benefits.

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

House Amendment No. 1 to SENATE BILL NO. 1672

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1672**

AMENDMENT NO. 1. Amend Senate Bill 1672 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Section 1-118 as follows:

(40 ILCS 5/1-118)

Sec. 1-118. Veterans' rights.

(a) All pension funds and retirement systems subject to this Code shall comply with the requirements imposed on them by the federal Uniformed Services Employment and Reemployment Rights Act (P.L. 103-353).

(b) All pension funds and retirement systems subject to this Code shall comply with the federal Heroes Earnings Assistance and Relief Tax Act of 2008 (P.L. 110-245).

(Source: P.A. 90-19, eff. 6-20-97.)

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

Under the rules, the foregoing **Senate Bill No. 1672**, 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. 1831

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. 1831

House Amendment No. 3 to SENATE BILL NO. 1831

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 1831**

AMENDMENT NO. 1. Amend Senate Bill 1831 by replacing everything after the enacting clause with the following:

"Section 5. The Open Meetings Act is amended by adding Section 7.3 as follows:

(5 ILCS 120/7.3 new)

[May 31, 2011]

Sec. 7.3. Duty to post information pertaining to benefits offered through the Illinois Municipal Retirement Fund.

(a) Within 6 business days after an employer participating in the Illinois Municipal Retirement Fund approves a budget, that employer must post on its website the total compensation package for each employee having a total compensation package that exceeds \$75,000 per year. If the employer does not maintain a website, the employer must post a physical copy of this information at the principal office of the employer. If an employer maintains a website, it may choose to post a physical copy of this information at the principal office of the employer in lieu of posting the information directly on the website; however, the employer must post directions on the website on how to access that information.

(b) At least 6 days before an employer participating in the Illinois Municipal Retirement Fund approves an employee's total compensation package that is equal to or in excess of \$150,000 per year, the employer must post on its website the total compensation package for that employee. If the employer does not maintain a website, the employer shall post a physical copy of this information at the principal office of the employer. If an employer maintains a website, it may choose to post a physical copy of this information at the principal office of the employer in lieu of posting the information directly on the website; however, the employer must post directions on the website on how to access that information.

(c) For the purposes of this Section, "total compensation package" means payment by the employer to the employee for salary, health insurance, a housing allowance, a vehicle allowance, a clothing allowance, bonuses, loans, vacation days granted, and sick days granted.

Section 10. The Illinois Pension Code is amended by changing Sections 1-160, 7-109, 7-116, 7-135, 7-137, 7-141, 7-141.1, 7-142.1, 7-144, 7-145.1, 7-172, 7-205, 14-103.05, 22-101, and 22-103 and by adding Sections 3-140.2, 4-129.2, 7-199.4, and 7-225 as follows:

(40 ILCS 5/1-160)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, or 18 of this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code, to any person with respect to service as a sheriff's law enforcement employee under Article 7, or to any participant of the retirement plan established under Section 22-101.

(b) "Final average salary" means the average monthly (or annual) salary obtained by dividing the total salary or earnings calculated under the Article applicable to the member or participant during the 96 consecutive months (or 8 consecutive years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the applicable Article was the highest by the number of months (or years) of service in that period. For the purposes of a person who first becomes a member or participant of any retirement system or pension fund to which this Section applies on or after January 1, 2011, in this Code, "final average salary" shall be substituted for the following:

(1) In Articles 7 (except for service as sheriff's law enforcement employees) and 15, "final rate of earnings".

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

For the purposes of this Section, "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 boards of the retirement systems and pension funds by November 1 of each year.

(c) A member or participant is entitled to a retirement annuity upon written application if he or she has attained age 67 and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article.

A member or participant who has attained age 62 and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67.

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be 66 2/3% of the earned annuity without a reduction due to age. A child's annuity of an otherwise eligible child shall be in the amount prescribed under each Article if applicable. Any survivor's or widow'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 after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(g) The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, or a security employee of the Department of Corrections or the Department of Juvenile Justice, as those terms are defined in subsection (b) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(h) If a person who first becomes a member or a participant of a retirement system or pension fund subject to this Section on or after January 1, 2011 is receiving a retirement annuity or retirement pension under that system or fund and becomes a member or participant under any other system or fund created by this Code and is employed on a full-time basis, except for those members or participants exempted from the provisions of this Section under subsection (a) of this Section, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and be recalculated if recalculation is provided for under the applicable Article of this Code.

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit

such notification shall be guilty of a Class A misdemeanor and required to pay a fine of \$1,000. Upon termination of that contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) Notwithstanding any other provision of this Section, a person who first becomes a participant of the retirement system established under Article 15 on or after January 1, 2011 shall have the option to enroll in the self-managed plan created under Section 15-158.2 of this Code.

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

(40 ILCS 5/3-140.2 new)

Sec. 3-140.2. Investment of funds by the board of trustees of the Illinois Municipal Retirement Fund. The board of each fund may, by irrevocable resolution duly adopted, transfer to the board of trustees of the Illinois Municipal Retirement Fund, for management and administration, all investments owned by the fund of every kind and character. Upon completion of the transfer, the authority of the board of a fund to make investments shall terminate. Thereafter, all investments of the reserves of each fund shall be made by the board of trustees of the Illinois Municipal Retirement Fund.

The transfers shall be made as soon as practicable following the effective date of such resolution, but after an audit of the investments shall be completed by a certified public accountant who is (i) selected by the board created under this Article and (ii) approved by the Auditor General of the State of Illinois. The expense of each audit shall be assumed by the board created under this Article.

(40 ILCS 5/4-129.2 new)

Sec. 4-129.2. Investment of funds by the board of trustees of the Illinois Municipal Retirement Fund. The board of each fund may, by irrevocable resolution duly adopted, transfer to the board of trustees of the Illinois Municipal Retirement Fund, for management and administration, all investments owned by the fund of every kind and character. Upon completion of the transfer, the authority of the board of a fund to make investments shall terminate. Thereafter, all investments of the reserves of each fund shall be made by the board of trustees of the Illinois Municipal Retirement Fund.

The transfers shall be made as soon as practicable following the effective date of such resolution, but after an audit of the investments shall be completed by a certified public accountant who is (i) selected by the board created under this Article and (ii) approved by the Auditor General of the State of Illinois. The expense of each audit shall be assumed by the board created under this Article.

(40 ILCS 5/7-109) (from Ch. 108 1/2, par. 7-109)

Sec. 7-109. Employee.

(1) "Employee" means any person who:

(a) 1. Receives earnings as payment for the performance of personal services or official duties out of the general fund of a municipality, or out of any special fund or funds controlled by a municipality, or by an instrumentality thereof, or a participating instrumentality, including, in counties, the fees or earnings of any county fee office; and

2. Under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee with a municipality, or any instrumentality thereof, or a participating instrumentality, including aldermen, county supervisors and other persons (excepting those employed as independent contractors) who are paid compensation, fees, allowances or other emolument for official duties, and, in counties, the several county fee offices.

(b) Serves as a township treasurer appointed under the School Code, as heretofore or hereafter amended, and who receives for such services regular compensation as distinguished from per diem compensation, and any regular employee in the office of any township treasurer whether or not his earnings are paid from the income of the permanent township fund or from funds subject to distribution to the several school districts and parts of school districts as provided in the School Code, or from both such sources.

(c) Holds an elective office in a municipality, instrumentality thereof or participating instrumentality.

(2) "Employee" does not include persons who:

(a) Are eligible for inclusion under any of the following laws:

1. "An Act in relation to an Illinois State Teachers' Pension and Retirement Fund", approved May 27, 1915, as amended;
2. Articles 15 and 16 of this Code.

However, such persons shall be included as employees to the extent of earnings that are not eligible for inclusion under the foregoing laws for services not of an instructional nature of any kind.

However, any member of the armed forces who is employed as a teacher of subjects in the Reserve Officers Training Corps of any school and who is not certified under the law governing the certification of teachers shall be included as an employee.

(b) Are designated by the governing body of a municipality in which a pension fund is required by law to be established for policemen or firemen, respectively, as performing police or fire protection duties, except that when such persons are the heads of the police or fire department and are not eligible to be included within any such pension fund, they shall be included within this Article; provided, that such persons shall not be excluded to the extent of concurrent service and earnings not designated as being for police or fire protection duties. However, (i) any head of a police department who was a participant under this Article immediately before October 1, 1977 and did not elect, under Section 3-109 of this Act, to participate in a police pension fund shall be an "employee", and (ii) any chief of police who elects to participate in this Fund under Section 3-109.1 of this Code, regardless of whether such person continues to be employed as chief of police or is employed in some other rank or capacity within the police department, shall be an employee under this Article for so long as such person is employed to perform police duties by a participating municipality and has not lawfully rescinded that election.

(c) After the effective date of this amendatory Act of the 97th General Assembly, are contributors to or eligible to contribute to a Taft-Hartley pension plan established on or before June 1, 2011 and are employees of a theatre, arena, or convention center that is located in a municipality located in a county with a population greater than 5,000,000, and to which the participating municipality is required to contribute as the person's employer based on earnings from the municipality. Nothing in this paragraph shall affect service credit or creditable service for any period of service prior to the effective date of this amendatory Act of the 97th General Assembly, and this paragraph shall not apply to individuals who are participating in the Fund prior to the effective date of this amendatory Act of the 97th General Assembly.

(3) All persons, including, without limitation, public defenders and probation officers, who receive earnings from general or special funds of a county for performance of personal services or official duties within the territorial limits of the county, are employees of the county (unless excluded by subsection (2) of this Section) notwithstanding that they may be appointed by and are subject to the direction of a person or persons other than a county board or a county officer. It is hereby established that an employer-employee relationship under the usual common law rules exists between such employees and the county paying their salaries by reason of the fact that the county boards fix their rates of compensation, appropriate funds for payment of their earnings and otherwise exercise control over them. This finding and this amendatory Act shall apply to all such employees from the date of appointment whether such date is prior to or after the effective date of this amendatory Act and is intended to clarify existing law pertaining to their status as participating employees in the Fund.

(Source: P.A. 90-460, eff. 8-17-97.)

(4) ILCS 5/7-116) (from Ch. 108 1/2, par. 7-116)

Sec. 7-116. "Final rate of earnings":

(a) For retirement and survivor annuities, the monthly earnings obtained by dividing the total earnings received by the employee during the period of either (1) the 48 consecutive months of service within the last 120 months of service in which his total earnings were the highest or (2) the employee's total period of service, by the number of months of service in such period.

(b) For death benefits, the higher of the rate determined under paragraph (a) of this Section or total earnings received in the last 12 months of service divided by twelve. If the deceased employee has less than 12 months of service, the monthly final rate shall be the monthly rate of pay the employee was receiving when he began service.

(c) For disability benefits, the total earnings of a participating employee in the last 12 calendar months of service prior to the date he becomes disabled divided by 12.

(d) In computing the final rate of earnings: (1) the earnings rate for all periods of prior service shall be considered equal to the average earnings rate for the last 3 calendar years of prior service for which creditable service is received under Section 7-139 or, if there is less than 3 years of creditable prior service, the average for the total prior service period for which creditable service is received under Section 7-139; (2) for out of state service and authorized leave, the earnings rate shall be the rate upon which service credits are granted; (3) periods of military leave shall not be considered; (4) the earnings rate for all periods of disability shall be considered equal to the rate of earnings upon which the employee's disability benefits are computed for such periods; (5) the earnings to be considered for each of the final three months of the final earnings period for persons who first became participants before January 1, 2012 and the earnings to be considered for each of the final 24 months for participants who

first become participants on or after January 1, 2012 shall not exceed 125% of the highest earnings of any other month in the final earnings period; and (6) the annual amount of final rate of earnings shall be the monthly amount multiplied by the number of months of service normally required by the position in a year.

(Source: P.A. 90-448, eff. 8-16-97.)

(40 ILCS 5/7-135) (from Ch. 108 1/2, par. 7-135)

Sec. 7-135. Authorized agents.

(a) Each participating municipality and participating instrumentality shall appoint an authorized agent who shall have the powers and duties set forth in this section. In absence of such appointment, the duties of the authorized agent shall devolve upon the clerk or secretary of the municipality or instrumentality and in the case of township school trustees upon the township school treasurer. In townships the Authorized Agent shall be the township supervisor.

(b) The authorized agent shall have the following powers and duties:

1. To certify to the fund whether or not a given person is authorized to participate in the fund;
2. To certify to the fund when a participating employee is on a leave of absence authorized by the municipality;
3. To request the proper officer to cause employee contributions to be withheld from earnings and transmitted to the fund;
4. To request the proper officer to cause municipality contributions to be forwarded to the fund promptly;
5. To forward promptly to all participating employees any communications from the fund for such employees;
6. To forward promptly to the fund all applications, claims, reports and other communications delivered to him by participating employees;
7. To perform all duties related to the administration of this retirement system as requested by the fund and the governing body of his municipality.

(c) The governing body of each participating municipality and participating instrumentality may delegate any or all of the following powers and duties to its authorized agent, ~~but only if the agent is a member of the fund:~~

1. To file a petition for nomination of an executive trustee of the fund.
2. To cast the ballot for election of an executive trustee of the fund.

If a governing body does not authorize its agent to perform the powers and duties set forth in this paragraph (c), they shall be performed by the governing body itself, unless the governing body by resolution duly certified to the fund delegates them to some other officer or employee.

(d) The delivery of any communication or document by an employee or a participating municipality or participating instrumentality to its authorized agent shall not constitute delivery to the fund.

(Source: P.A. 87-740.)

(40 ILCS 5/7-137) (from Ch. 108 1/2, par. 7-137)

Sec. 7-137. Participating and covered employees.

(a) The persons described in this paragraph (a) shall be included within and be subject to this Article and eligible to benefits from this fund, beginning upon the dates hereinafter specified:

1. Except as to the employees specifically excluded under the provisions of this Article, all persons who are employees of any municipality (or instrumentality thereof) or participating instrumentality on the effective date of participation of the municipality or participating instrumentality beginning upon such effective date.
2. Except as to the employees specifically excluded under the provisions of this Article, all persons, who became employees of any participating municipality (or instrumentality thereof) or participating instrumentality after the effective date of participation of such municipality or participating instrumentality, beginning upon the date such person becomes an employee.
3. All persons who file notice with the board as provided in paragraph (b) 2 and 3 of this Section, beginning upon the date of filing such notice.

(b) The following described persons shall not be considered participating employees eligible for benefits from this fund, but shall be included within and be subject to this Article (each of the descriptions is not exclusive but is cumulative):

1. Any person who occupies an office or is employed in a position normally requiring performance of duty during less than 600 hours a year for a municipality (including all instrumentalities thereof) or a participating instrumentality. If a school treasurer performs services for more than one school district, the total number of hours of service normally required for the several



school districts shall be considered to determine whether he qualifies under this paragraph;

2. Any person who holds elective office unless he has elected while in that office in a written notice on file with the board to become a participating employee;

3. Any person working for a city hospital unless any such person, while in active employment, has elected in a written notice on file with the board to become a participating employee and notification thereof is received by the board;

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

5. Any person who is actively employed by a municipality on its effective date of participation in the Fund if that municipality (i) has at least 35 employees on its effective date of participation; (ii) is located in a county with at least 2,000,000 inhabitants; and (iii) maintains an independent defined benefit pension plan for the benefit of its eligible employees, unless the person files with the board within 90 days after the municipality's effective date of participation an irrevocable election to participate.

(c) Any person electing to be a participating employee, pursuant to paragraph (b) of this Section may not change such election, except as provided in Section 7-137.1.

(d) Any employee who occupied the position of school nurse in any participating municipality on August 8, 1961 and continuously thereafter until the effective date of the exercise of the option authorized by this subparagraph, who on August 7, 1961 was a member of the Teachers' Retirement System of Illinois, by virtue of certification by the Department of Registration and Education as a public health nurse, may elect to terminate participation in this Fund in order to re-establish membership in such System. The election may be exercised by filing written notice thereof with the Board or with the Board of Trustees of said Teachers' Retirement System, not later than September 30, 1963, and shall be effective on the first day of the calendar month next following the month in which the notice was filed. If the written notice is filed with such Teachers' Retirement System, that System shall immediately notify this Fund, but neither failure nor delay in notification shall affect the validity of the employee's election. If the option is exercised, the Fund shall notify such Teachers' Retirement System of such fact and transfer to that system the amounts contributed by the employee to this Fund, including interest at 3% per annum, but excluding contributions applicable to social security coverage during the period beginning August 8, 1961 to the effective date of the employee's election. Participation in this Fund as to any credits on or after August 8, 1961 and up to the effective date of the employee's election shall terminate on such effective date.

(e) Any participating municipality or participating instrumentality, other than a school district or special education joint agreement created under Section 10-22.31 of the School Code, may, by a resolution or ordinance duly adopted by its governing body, elect to exclude from participation and eligibility for benefits all persons who are employed after the effective date of such resolution or ordinance and who occupy an office or are employed in a position normally requiring performance of duty for less than 1000 hours per year for the participating municipality (including all instrumentalities thereof) or participating instrumentality except for persons employed in a position normally requiring performance of duty for 600 hours or more per year (i) by such participating municipality or participating instrumentality prior to the effective date of the resolution or ordinance and (ii) by a participating municipality or participating instrumentality, which had not adopted such a resolution when the person was employed, and the function served by the employee's position is assumed by another participating municipality or participating instrumentality. ~~A participating municipality or participating instrumentality included in and subject to this Article after January 1, 1982 may adopt such resolution or ordinance only prior to the date it becomes included in and subject to this Article.~~ Notwithstanding the foregoing, a participating municipality or participating instrumentality which is formed solely to succeed to the functions of a participating municipality or participating instrumentality shall be considered to have adopted any such resolution or ordinance which may have been applicable to the employees performing such functions. The election made by the resolution or ordinance shall take effect at the time specified in the resolution or ordinance, and once effective shall be irrevocable.

(Source: P.A. 96-1140, eff. 7-21-10.)

(40 ILCS 5/7-141) (from Ch. 108 1/2, par. 7-141)

Sec. 7-141. Retirement annuities - Conditions. Retirement annuities shall be payable as hereinafter set forth:

(a) A participating employee who, regardless of cause, is separated from the service of all participating municipalities and instrumentalities thereof and participating instrumentalities shall be entitled to a retirement annuity provided:

1. He is at least age 55, or in the case of a person who is eligible to have his annuity calculated under Section 7-142.1, he is at least age 50;

2. He is ~~(i) an employee who was employed by any participating municipality or participating instrumentality which had not elected to exclude persons employed in positions normally requiring performance of duty for less than 1000 hours per year or was employed in a position normally requiring performance of duty for 600 hours or more per year prior to such election by any participating municipality or participating instrumentality included in and subject to this Article on or before the effective date of this amendatory Act of 1981 which made such election and is not entitled to receive earnings for employment in a position normally requiring performance of duty for 600 hours or more per year for any participating municipality and instrumentalities thereof and participating instrumentality; or (ii) an employee who was employed only by a participating municipality or participating instrumentality, or participating municipalities or participating instrumentalities, which have elected to exclude persons in positions normally requiring performance of duty for less than 1000 hours per year after the effective date of such exclusion or which are included under and subject to the Article after the effective date of this amendatory Act of 1981 and elects to exclude persons in such positions, and is not entitled to receive earnings for employment in a position requiring him, or entitling him to elect, to be a participating employee normally requiring performance of duty for 1000 hours or more per year by such a participating municipality or participating instrumentality;~~

3. The amount of his annuity, before the application of paragraph (b) of Section 7-142 is at least \$10 per month;

4. If he first became a participating employee after December 31, 1961, he has at least 8 years of service. This service requirement shall not apply to any participating employee, regardless of participation date, if the General Assembly terminates the Fund.

(b) Retirement annuities shall be payable:

1. As provided in Section 7-119;

2. Except as provided in item 3, upon receipt by the fund of a written application. The effective date may be not more than one year prior to the date of the receipt by the fund of the application;

3. Upon attainment of age 70 1/2 if the member (i) is no longer in service, and (ii) is otherwise entitled to an annuity under this Article;

4. To the beneficiary of the deceased annuitant for the unpaid amount accrued to date of death, if any.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/7-141.1)

Sec. 7-141.1. Early retirement incentive.

(a) The General Assembly finds and declares that:

(1) Units of local government across the State have been functioning under a financial crisis.

(2) This financial crisis is expected to continue.

(3) Units of local government must depend on additional sources of revenue and, when those sources are not forthcoming, must establish cost-saving programs.

(4) An early retirement incentive designed specifically to target highly-paid senior employees could result in significant annual cost savings.

(5) The early retirement incentive should be made available only to those units of local government that determine that an early retirement incentive is in their best interest.

(6) A unit of local government adopting a program of early retirement incentives under this Section is encouraged to implement personnel procedures to prohibit, for at least 5 years, the rehiring (whether on payroll or by independent contract) of employees who receive early retirement incentives.

(7) A unit of local government adopting a program of early retirement incentives under this Section is also encouraged to replace as few of the participating employees as possible and to hire replacement employees for salaries totaling no more than 80% of the total salaries formerly paid to the employees who participate in the early retirement program.

It is the primary purpose of this Section to encourage units of local government that can realize true cost savings, or have determined that an early retirement program is in their best interest, to implement an early retirement program.

(b) Until the effective date of this amendatory Act of 1997, this Section does not apply to any employer that is a city, village, or incorporated town, nor to the employees of any such employer. Beginning on the effective date of this amendatory Act of 1997, any employer under this Article,

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including an employer that is a city, village, or incorporated town, may establish an early retirement incentive program for its employees under this Section. The decision of a city, village, or incorporated town to consider or establish an early retirement program is at the sole discretion of that city, village, or incorporated town, and nothing in this amendatory Act of 1997 limits or otherwise diminishes this discretion. Nothing contained in this Section shall be construed to require a city, village, or incorporated town to establish an early retirement program and no city, village, or incorporated town may be compelled to implement such a program.

The benefits provided in this Section are available only to members employed by a participating employer that has filed with the Board of the Fund a resolution or ordinance expressly providing for the creation of an early retirement incentive program under this Section for its employees and specifying the effective date of the early retirement incentive program. Subject to the limitation in subsection (h), an employer may adopt a resolution or ordinance providing a program of early retirement incentives under this Section at any time.

The resolution or ordinance shall be in substantially the following form:

RESOLUTION (ORDINANCE) NO. ....  
A RESOLUTION (ORDINANCE) ADOPTING AN EARLY  
RETIREMENT INCENTIVE PROGRAM FOR EMPLOYEES  
IN THE ILLINOIS MUNICIPAL RETIREMENT FUND

WHEREAS, Section 7-141.1 of the Illinois Pension Code provides that a participating employer may elect to adopt an early retirement incentive program offered by the Illinois Municipal Retirement Fund by adopting a resolution or ordinance; and

WHEREAS, The goal of adopting an early retirement program is to realize a substantial savings in personnel costs by offering early retirement incentives to employees who have accumulated many years of service credit; and

WHEREAS, Implementation of the early retirement program will provide a budgeting tool to aid in controlling payroll costs; and

WHEREAS, The (name of governing body) has determined that the adoption of an early retirement incentive program is in the best interests of the (name of participating employer); therefore be it

RESOLVED (ORDAINED) by the (name of governing body) of (name of participating employer) that:

(1) The (name of participating employer) does hereby adopt the Illinois Municipal Retirement Fund early retirement incentive program as provided in Section 7-141.1 of the Illinois Pension Code. The early retirement incentive program shall take effect on (date).

(2) In order to help achieve a true cost savings, a person who retires under the early retirement incentive program shall lose those incentives if he or she later accepts employment with any IMRF employer in a position for which participation in IMRF is required or is elected by the employee.

(3) In order to utilize an early retirement incentive as a budgeting tool, the (name of participating employer) will use its best efforts either to limit the number of employees who replace the employees who retire under the early retirement program or to limit the salaries paid to the employees who replace the employees who retire under the early retirement program.

(4) The effective date of each employee's retirement under this early retirement program shall be set by (name of employer) and shall be no earlier than the effective date of the program and no later than one year after that effective date; except that the employee may require that the retirement date set by the employer be no later than the June 30 next occurring after the effective date of the program and no earlier than the date upon which the employee qualifies for retirement.

(5) To be eligible for the early retirement incentive under this Section, the employee must have attained age 50 and have at least 20 years of creditable service by his or her retirement date.

(6) The (clerk or secretary) shall promptly file a certified copy of this resolution (ordinance) with the Board of Trustees of the Illinois Municipal Retirement Fund.

CERTIFICATION

I, (name), the (clerk or secretary) of the (name of participating employer) of the County of (name), State of Illinois, do hereby certify that I am the keeper of the books and records of the (name of employer) and that the foregoing is a true and correct copy of a resolution (ordinance) duly adopted by the (governing body) at a meeting duly convened and held on (date).

SEAL

(Signature of clerk or secretary)

(c) To be eligible for the benefits provided under an early retirement incentive program adopted under

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this Section, a member must:

- (1) be a participating employee of this Fund who, on the effective date of the program,
    - (i) is in active payroll status as an employee of a participating employer that has filed the required ordinance or resolution with the Board, (ii) is on layoff status from such a position with a right of re-employment or recall to service, (iii) is on a leave of absence from such a position, or (iv) is on disability but has not been receiving benefits under Section 7-146 or 7-150 for a period of more than 2 years from the date of application;
  - (2) have never previously received a retirement annuity under this Article or under the Retirement Systems Reciprocal Act using service credit established under this Article;
  - (3) (blank);
  - (4) have at least 20 years of creditable service in the Fund by the date of retirement, without the use of any creditable service established under this Section;
  - (5) have attained age 50 by the date of retirement, without the use of any age enhancement received under this Section; and
  - (6) be eligible to receive a retirement annuity under this Article by the date of retirement, for which purpose the age enhancement and creditable service established under this Section may be considered.
- (d) The employer shall determine the retirement date for each employee participating in the early retirement program adopted under this Section. The retirement date shall be no earlier than the effective date of the program and no later than one year after that effective date, except that the employee may require that the retirement date set by the employer be no later than the June 30 next occurring after the effective date of the program and no earlier than the date upon which the employee qualifies for retirement. The employer shall give each employee participating in the early retirement program at least 30 days written notice of the employee's designated retirement date, unless the employee waives this notice requirement.

(e) An eligible person may establish up to 5 years of creditable service under this Section. In addition, for each period of creditable service established under this Section, a person shall have his or her age at retirement deemed enhanced by an equivalent period.

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

The age enhancement established under this Section may be used for all purposes under this Article (including calculation of the reduction imposed under subdivision (a)1b(iv) of Section 7-142), except for purposes of a reversionary annuity under Section 7-145 and any distributions required because of age. The age enhancement established under this Section may be used in calculating a proportionate annuity payable by this Fund under the Retirement Systems Reciprocal Act, but shall not be used in determining benefits payable under other Articles of this Code under the Retirement Systems Reciprocal Act.

(f) For all creditable service established under this Section, the member must pay to the Fund an employee contribution consisting of 4.5% of the member's highest annual salary rate used in the determination of the final rate of earnings for retirement annuity purposes for each year of creditable service granted under this Section. For creditable service established under this Section by a person who is a sheriff's law enforcement employee to be deemed service as a sheriff's law enforcement employee, the employee contribution shall be at the rate of 6.5% of highest annual salary per year of creditable service granted. Contributions for fractions of a year of service shall be prorated. Any amounts that are disregarded in determining the final rate of earnings under subdivision (d)(5) of Section 7-116 (the 125% rule) shall also be disregarded in determining the required contribution under this subsection (f).

The employee contribution shall be paid to the Fund as follows: If the member is entitled to a lump sum payment for accumulated vacation, sick leave, or personal leave upon withdrawal from service, the employer shall deduct the employee contribution from that lump sum and pay the deducted amount directly to the Fund. If there is no such lump sum payment or the required employee contribution exceeds the net amount of the lump sum payment, then the remaining amount due, at the option of the employee, may either be paid to the Fund before the annuity commences or deducted from the retirement annuity in 24 equal monthly installments.

(g) An annuitant who has received any age enhancement or creditable service under this Section and thereafter accepts employment with or enters into a personal services contract with an employer under this Article thereby forfeits that age enhancement and creditable service; except that this restriction does not apply to (1) service in an elective office, so long as the annuitant does not participate in this Fund with respect to that office, and (2) a person appointed as an officer under subsection (f) of Section 3-109 of this Code, and (3) a person appointed as an auxiliary police officer pursuant to Section 3.1-30-5 of

the Illinois Municipal Code. A person forfeiting early retirement incentives under this subsection (i) must repay to the Fund that portion of the retirement annuity already received which is attributable to the early retirement incentives that are being forfeited, (ii) shall not be eligible to participate in any future early retirement program adopted under this Section, and (iii) is entitled to a refund of the employee contribution paid under subsection (f). The Board shall deduct the required repayment from the refund and may impose a reasonable payment schedule for repaying the amount, if any, by which the required repayment exceeds the refund amount.

(h) The additional unfunded liability accruing as a result of the adoption of a program of early retirement incentives under this Section by an employer shall be amortized over a period of 10 years beginning on January 1 of the second calendar year following the calendar year in which the latest date for beginning to receive a retirement annuity under the program (as determined by the employer under subsection (d) of this Section) occurs; except that the employer may provide for a shorter amortization period (of no less than 5 years) by adopting an ordinance or resolution specifying the length of the amortization period and submitting a certified copy of the ordinance or resolution to the Fund no later than 6 months after the effective date of the program. An employer, at its discretion, may accelerate payments to the Fund.

An employer may provide more than one early retirement incentive program for its employees under this Section. However, an employer that has provided an early retirement incentive program for its employees under this Section may not provide another early retirement incentive program under this Section until the liability arising from the earlier program has been fully paid to the Fund.

(Source: P.A. 96-775, eff. 8-28-09.)

(40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

Sec. 7-142.1. Sheriff's law enforcement employees.

(a) In lieu of the retirement annuity provided by subparagraph 1 of paragraph (a) of Section 7-142:

Any sheriff's law enforcement employee who has 20 or more years of service in that capacity and who terminates service prior to January 1, 1988 shall be entitled at his option to receive a monthly retirement annuity for his service as a sheriff's law enforcement employee computed by multiplying 2% for each year of such service up to 10 years, 2 1/4% for each year of such service above 10 years and up to 20 years, and 2 1/2% for each year of such service above 20 years, by his annual final rate of earnings and dividing by 12.

Any sheriff's law enforcement employee who has 20 or more years of service in that capacity and who terminates service on or after January 1, 1988 and before July 1, 2004 shall be entitled at his option to receive a monthly retirement annuity for his service as a sheriff's law enforcement employee computed by multiplying 2.5% for each year of such service up to 20 years, 2% for each year of such service above 20 years and up to 30 years, and 1% for each year of such service above 30 years, by his annual final rate of earnings and dividing by 12.

Any sheriff's law enforcement employee who has 20 or more years of service in that capacity and who terminates service on or after July 1, 2004 shall be entitled at his or her option to receive a monthly retirement annuity for service as a sheriff's law enforcement employee computed by multiplying 2.5% for each year of such service by his annual final rate of earnings and dividing by 12.

If a sheriff's law enforcement employee has service in any other capacity, his retirement annuity for service as a sheriff's law enforcement employee may be computed under this Section and the retirement annuity for his other service under Section 7-142.

In no case shall the total monthly retirement annuity for persons who retire before July 1, 2004 exceed 75% of the monthly final rate of earnings. In no case shall the total monthly retirement annuity for persons who retire on or after July 1, 2004 exceed 80% of the monthly final rate of earnings.

(b) Whenever continued group insurance coverage is elected in accordance with the provisions of Section 367h of the Illinois Insurance Code, as now or hereafter amended, the total monthly premium for such continued group insurance coverage or such portion thereof as is not paid by the municipality shall, upon request of the person electing such continued group insurance coverage, be deducted from any monthly pension benefit otherwise payable to such person pursuant to this Section, to be remitted by the Fund to the insurance company or other entity providing the group insurance coverage.

(c) A sheriff's law enforcement employee who began service in that capacity prior to the effective date of this amendatory Act of the 97th General Assembly and who has service in any other capacity may convert up to 10 years of that service into service as a sheriff's law enforcement employee by paying to the Fund an amount equal to (1) the additional employee contribution required under Section 7-173.1, plus (2) the additional employer contribution required under Section 7-172, plus (3) interest on items (1) and (2) at the prescribed rate from the date of the service to the date of payment.

(d) The changes to subsections (a) and (b) of this Section made by this amendatory Act of the 94th

General Assembly apply only to persons in service on or after July 1, 2004. In the case of such a person who begins to receive a retirement annuity before the effective date of this amendatory Act of the 94th General Assembly, the annuity shall be recalculated prospectively to reflect those changes, with the resulting increase beginning to accrue on the first annuity payment date following the effective date of this amendatory Act.

(e) Any elected county officer who was entitled to receive a stipend from the State on or after July 1, 2009 and on or before June 30, 2010 may establish earnings credit for the amount of stipend not received, if the elected county official applies in writing to the fund within 6 months after the effective date of this amendatory Act of the 96th General Assembly and pays to the fund an amount equal to (i) employee contributions on the amount of stipend not received, (ii) employer contributions determined by the Board equal to the employer's normal cost of the benefit on the amount of stipend not received, plus (iii) interest on items (i) and (ii) at the actuarially assumed rate.

(f) Notwithstanding any other provision of this Article, the provisions of this subsection (f) apply to a person who first becomes a sheriff's law enforcement employee under this Article on or after January 1, 2011.

A sheriff's law enforcement employee age 55 or more who has 10 or more years of service in that capacity shall be entitled at his option to receive a monthly retirement annuity for his or her service as a sheriff's law enforcement employee computed by multiplying 2.5% for each year of such service by his or her final rate of earnings.

The retirement annuity of a sheriff's law enforcement employee who is retiring after attaining age 50 with 10 or more years of creditable service shall be reduced by one-half of 1% for each month that the sheriff's law enforcement employee's age is under age 55.

The maximum retirement annuity under this subsection (f) shall be 75% of final rate of earnings.

For the purposes of this subsection (f), "final rate of earnings" means the average monthly earnings obtained by dividing the total salary of the sheriff's law enforcement employee during the 96 consecutive months of service within the last 120 months of service in which the total earnings was the highest by the number of months of service in that period.

Notwithstanding any other provision of this Article, beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings of a sheriff's law enforcement employee to whom this Section applies shall not include overtime and shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

(g) Notwithstanding any other provision of this Article, the monthly annuity of a person who first becomes a sheriff's law enforcement employee under this Article on or after January 1, 2011 shall be increased on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for a 12-month period ending in September is zero or, when compared with the preceding period, decreases, then the annuity shall not be increased.

(h) Notwithstanding any other provision of this Article, for a person who first becomes a sheriff's law enforcement employee under this Article on or after January 1, 2011, the annuity to which the surviving spouse, children, or parents are entitled under this subsection (h) shall be in the amount of 66 2/3% of the sheriff's law enforcement employee's earned annuity at the date of death.

(i) Notwithstanding any other provision of this Article, the monthly annuity of a survivor of a person who first becomes a sheriff's law enforcement employee under this Article on or after January 1, 2011 shall be increased on the January 1 after attainment of age 60 by the recipient of the survivor's annuity and each January 1 thereafter by 3% or one-half the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted pension. If the annual unadjusted percentage change in the consumer price index-u for a 12-month period ending in September is zero or, when compared with the preceding period, decreases, then the annuity shall not be increased.

(j) For the purposes of this Section, "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 boards of the pension funds.

(Source: P.A. 96-961, eff. 7-2-10; 96-1495, eff. 1-1-11.)

(40 ILCS 5/7-144) (from Ch. 108 1/2, par. 7-144)

Sec. 7-144. Retirement annuities-Suspended during employment.

(a) ~~(1) If any person described in clause (i) of subsection (a) 2 of Section 7-141 receiving any annuity again becomes an employee and receives earnings from employment in a position normally requiring performance of duty during 600 hours or more per year for any participating municipality and instrumentalities thereof or participating instrumentality; or (2) if any person described in clause (ii) of subsection (a) 2 of Section 7-141 receiving any annuity returns to employment in a position requiring him, or entitling him to elect, to become a participating employee;~~ then the annuity payable to such employee shall be suspended as of the 1st day of the month coincidental with or next following the date upon which such person becomes such an employee. Upon proper qualification of the participating employee payment of such annuity may be resumed on the 1st day of the month following such qualification and upon proper application therefor. The participating employee in such case shall be entitled to a supplemental annuity arising from service and credits earned subsequent to such re-entry as a participating employee.

(b) Supplemental annuities to persons who return to service for less than 48 months shall be computed under the provisions of Sections 7-141, 7-142 and 7-143. In determining whether an employee is eligible for an annuity which requires a minimum period of service, his entire period of service shall be taken into consideration but the supplemental annuity shall be based on earnings and service in the supplemental period only. The effective date of the suspended and supplemental annuity for the purpose of increases after retirement shall be considered to be the effective date of the suspended annuity.

(c) Supplemental annuities to persons who return to service for 48 months or more shall be a monthly amount determined as follows:

(1) An amount shall be computed under subparagraph b of paragraph (1) of subsection (a) of Section 7-142, considering all of the service credits of the employee;

(2) The actuarial value in monthly payments for life of the annuity payments made before suspension shall be determined and subtracted from the amount determined in (1) above;

(3) The monthly amount of the suspended annuity, with any applicable increases after retirement computed from the effective date to the date of reinstatement, shall be subtracted from the amount determined in (2) above and the remainder shall be the amount of the supplemental annuity provided that this amount shall not be less than the amount computed under subsection (b) of this Section.

(4) The suspended annuity shall be reinstated at an amount including any increases after retirement from the effective date to date of reinstatement.

(5) The effective date of the combined suspended and supplemental annuities for the purposes of increases after retirement shall be considered to be the effective date of the supplemental annuity.

(Source: P.A. 82-459.)

(40 ILCS 5/7-145.1)

Sec. 7-145.1. Alternative annuity for county officers.

(a) The benefits provided in this Section and Section 7-145.2 are available only if, prior to the effective date of this amendatory Act of the 97th General Assembly, the county board has filed with the Board of the Fund a resolution or ordinance expressly consenting to the availability of these benefits for its elected county officers. The county board's consent is irrevocable with respect to persons participating in the program, but may be revoked at any time with respect to persons who have not paid an additional optional contribution under this Section before the date of revocation.

An elected county officer may elect to establish alternative credits for an alternative annuity by electing in writing before the effective date of this amendatory Act of the 97th General Assembly to make additional optional contributions in accordance with this Section and procedures established by the board. These alternative credits are available only for periods of service as an elected county officer. The elected county officer may discontinue making the additional optional contributions by notifying the Fund in writing in accordance with this Section and procedures established by the board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service as an elected county officer after the option is elected, an additional contribution of 3% of salary shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Section 7-173.

(2) For service as an elected county officer before the option is elected, an additional

contribution of 3% of the salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment, plus any additional amount required by the county board under paragraph (3). All payments for past service must be paid in full before credit is given.

(3) With respect to service as an elected county officer before the option is elected, if payment is made after the county board has filed with the Board of the Fund a resolution or ordinance requiring an additional contribution under this paragraph, then the contribution required under paragraph (2) shall include an amount to be determined by the Fund, equal to the actuarial present value of the additional employer cost that would otherwise result from the alternative credits being established for that service. A county board's resolution or ordinance requiring additional contributions under this paragraph (3) is irrevocable.

No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(b) In lieu of the retirement annuity otherwise payable under this Article, an elected county officer who (1) has elected to participate in the Fund and make additional optional contributions in accordance with this Section, (2) has held and made additional optional contributions with respect to the same elected county office for at least 8 years, and (3) has attained age 55 with at least 8 years of service credit (or has attained age 50 with at least 20 years of service as a sheriff's law enforcement employee) may elect to have his retirement annuity computed as follows: 3% of the participant's salary for each of the first 8 years of service credit, plus 4% of that salary for each of the next 4 years of service credit, plus 5% of that salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of that salary.

This formula applies only to service in an elected county office that the officer held for at least 8 years, and only to service for which additional optional contributions have been paid under this Section. If an elected county officer qualifies to have this formula applied to service in more than one elected county office, the qualifying service shall be accumulated for purposes of determining the applicable accrual percentages, but the salary used for each office shall be the separate salary calculated for that office, as defined in subsection (g).

To the extent that the elected county officer has service credit that does not qualify for this formula, his retirement annuity will first be determined in accordance with this formula with respect to the service to which this formula applies, and then in accordance with the remaining Sections of this Article with respect to the service to which this formula does not apply.

(c) In lieu of the disability benefits otherwise payable under this Article, an elected county officer who (1) has elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of his office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (b). For the purposes of this subsection, an elected county officer shall be considered permanently disabled only if: (i) disability occurs while in service as an elected county officer and is of such a nature as to prevent him from reasonably performing the duties of his office at the time; and (ii) the board has received a written certification by at least 2 licensed physicians appointed by it stating that the officer is disabled and that the disability is likely to be permanent.

(d) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Section 7-166, 7-167 and 7-168. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions.

If an elected county officer fails to hold that same elected county office for at least 8 years, he or she shall be entitled after leaving office to receive a refund of the additional optional contributions made with respect to that office, plus interest at the effective rate.

(e) The plan of optional alternative benefits and contributions shall be available to persons who are elected county officers and active contributors to the Fund on or after November 15, 1994 and elected to establish alternative credit before the effective date of this amendatory Act of the 97th General Assembly. A person who was an elected county officer and an active contributor to the Fund on November 15, 1994 but is no longer an active contributor may apply to make additional optional contributions under this Section at any time within 90 days after the effective date of this amendatory Act of 1997; if the person is an annuitant, the resulting increase in annuity shall begin to accrue on the first day of the month following the month in which the required payment is received by the Fund.

(f) For the purposes of this Section and Section 7-145.2, the terms "elected county officer" and "elected county office" include, but are not limited to: (1) the county clerk, recorder, treasurer, coroner, assessor (if elected), auditor, sheriff, and State's Attorney; members of the county board; and the clerk of



the circuit court; and (2) a person who has been appointed to fill a vacancy in an office that is normally filled by election on a countywide basis, for the duration of his or her service in that office. The terms "elected county officer" and "elected county office" do not include any officer or office of a county that has not consented to the availability of benefits under this Section and Section 7-145.2.

(g) For the purposes of this Section and Section 7-145.2, the term "salary" means the final rate of earnings for the elected county office held, calculated in a manner consistent with Section 7-116, but for that office only. If an elected county officer qualifies to have the formula in subsection (b) applied to service in more than one elected county office, a separate salary shall be calculated and applied with respect to each such office.

(h) The changes to this Section made by this amendatory Act of the 91st General Assembly apply to persons who first make an additional optional contribution under this Section on or after the effective date of this amendatory Act.

(i) Any elected county officer who was entitled to receive a stipend from the State on or after July 1, 2009 and on or before June 30, 2010 may establish earnings credit for the amount of stipend not received, if the elected county official applies in writing to the fund within 6 months after the effective date of this amendatory Act of the 96th General Assembly and pays to the fund an amount equal to (i) employee contributions on the amount of stipend not received, (ii) employer contributions determined by the Board equal to the employer's normal cost of the benefit on the amount of stipend not received, plus (iii) interest on items (i) and (ii) at the actuarially assumed rate.

(Source: P.A. 96-961, eff. 7-2-10.)

(40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)

Sec. 7-172. Contributions by participating municipalities and participating instrumentalities.

(a) Each participating municipality and each participating instrumentality shall make payment to the fund as follows:

1. municipality contributions in an amount determined by applying the municipality contribution rate to each payment of earnings paid to each of its participating employees;
2. an amount equal to the employee contributions provided by paragraphs (a) and (b) of Section 7-173, whether or not the employee contributions are withheld as permitted by that Section;
3. all accounts receivable, together with interest charged thereon, as provided in Section 7-209;

4. if it has no participating employees with current earnings, an amount payable which, over a closed period of 20 years for participating municipalities and 10 years for participating instrumentalities, will amortize, at the effective rate for that year, any unfunded obligation. The unfunded obligation shall be computed as provided in paragraph 2 of subsection (b);

5. if it has fewer than 7 participating employees or a negative balance in its municipality reserve, the greater of (A) an amount payable that, over a period of 20 years, will amortize at the effective rate for that year any unfunded obligation, computed as provided in paragraph 2 of subsection (b) or (B) the amount required by paragraph 1 of this subsection (a).

(b) A separate municipality contribution rate shall be determined for each calendar year for all participating municipalities together with all instrumentalities thereof. The municipality contribution rate shall be determined for participating instrumentalities as if they were participating municipalities. The municipality contribution rate shall be the sum of the following percentages:

1. The percentage of earnings of all the participating employees of all participating municipalities and participating instrumentalities which, if paid over the entire period of their service, will be sufficient when combined with all employee contributions available for the payment of benefits, to provide all annuities for participating employees, and the \$3,000 death benefit payable under Sections 7-158 and 7-164, such percentage to be known as the normal cost rate.

2. The percentage of earnings of the participating employees of each participating municipality and participating instrumentalities necessary to adjust for the difference between the present value of all benefits, excluding temporary and total and permanent disability and death benefits, to be provided for its participating employees and the sum of its accumulated municipality contributions and the accumulated employee contributions and the present value of expected future employee and municipality contributions pursuant to subparagraph 1 of this paragraph (b). This adjustment shall be spread over the remainder of the period that is allowable under generally accepted accounting principles.

3. The percentage of earnings of the participating employees of all municipalities and participating instrumentalities necessary to provide the present value of all temporary and total and permanent disability benefits granted during the most recent year for which information is available.

4. The percentage of earnings of the participating employees of all participating

municipalities and participating instrumentalities necessary to provide the present value of the net single sum death benefits expected to become payable from the reserve established under Section 7-206 during the year for which this rate is fixed.

5. The percentage of earnings necessary to meet any deficiency arising in the Terminated Municipality Reserve.

(c) A separate municipality contribution rate shall be computed for each participating municipality or participating instrumentality for its sheriff's law enforcement employees.

A separate municipality contribution rate shall be computed for the sheriff's law enforcement employees of each forest preserve district that elects to have such employees. For the period from January 1, 1986 to December 31, 1986, such rate shall be the forest preserve district's regular rate plus 2%.

In the event that the Board determines that there is an actuarial deficiency in the account of any municipality with respect to a person who has elected to participate in the Fund under Section 3-109.1 of this Code, the Board may adjust the municipality's contribution rate so as to make up that deficiency over such reasonable period of time as the Board may determine.

(d) The Board may establish a separate municipality contribution rate for all employees who are program participants employed under the federal Comprehensive Employment Training Act by all of the participating municipalities and instrumentalities. The Board may also provide that, in lieu of a separate municipality rate for these employees, a portion of the municipality contributions for such program participants shall be refunded or an extra charge assessed so that the amount of municipality contributions retained or received by the fund for all CETA program participants shall be an amount equal to that which would be provided by the separate municipality contribution rate for all such program participants. Refunds shall be made to prime sponsors of programs upon submission of a claim therefor and extra charges shall be assessed to participating municipalities and instrumentalities. In establishing the municipality contribution rate as provided in paragraph (b) of this Section, the use of a separate municipality contribution rate for program participants or the refund of a portion of the municipality contributions, as the case may be, may be considered.

(e) Computations of municipality contribution rates for the following calendar year shall be made prior to the beginning of each year, from the information available at the time the computations are made, and on the assumption that the employees in each participating municipality or participating instrumentality at such time will continue in service until the end of such calendar year at their respective rates of earnings at such time.

(f) Any municipality which is the recipient of State allocations representing that municipality's contributions for retirement annuity purposes on behalf of its employees as provided in Section 12-21.16 of the Illinois Public Aid Code shall pay the allocations so received to the Board for such purpose. Estimates of State allocations to be received during any taxable year shall be considered in the determination of the municipality's tax rate for that year under Section 7-171. If a special tax is levied under Section 7-171, none of the proceeds may be used to reimburse the municipality for the amount of State allocations received and paid to the Board. Any multiple-county or consolidated health department which receives contributions from a county under Section 11.2 of "An Act in relation to establishment and maintenance of county and multiple-county health departments", approved July 9, 1943, as amended, or distributions under Section 3 of the Department of Public Health Act, shall use these only for municipality contributions by the health department.

(g) Municipality contributions for the several purposes specified shall, for township treasurers and employees in the offices of the township treasurers who meet the qualifying conditions for coverage hereunder, be allocated among the several school districts and parts of school districts serviced by such treasurers and employees in the proportion which the amount of school funds of each district or part of a district handled by the treasurer bears to the total amount of all school funds handled by the treasurer.

From the funds subject to allocation among districts and parts of districts pursuant to the School Code, the trustees shall withhold the proportionate share of the liability for municipality contributions imposed upon such districts by this Section, in respect to such township treasurers and employees and remit the same to the Board.

The municipality contribution rate for an educational service center shall initially be the same rate for each year as the regional office of education or school district which serves as its administrative agent. When actuarial data become available, a separate rate shall be established as provided in subparagraph (i) of this Section.

The municipality contribution rate for a public agency, other than a vocational education cooperative, formed under the Intergovernmental Cooperation Act shall initially be the average rate for the municipalities which are parties to the intergovernmental agreement. When actuarial data become

available, a separate rate shall be established as provided in subparagraph (i) of this Section.

(h) Each participating municipality and participating instrumentality shall make the contributions in the amounts provided in this Section in the manner prescribed from time to time by the Board and all such contributions shall be obligations of the respective participating municipalities and participating instrumentalities to this fund. The failure to deduct any employee contributions shall not relieve the participating municipality or participating instrumentality of its obligation to this fund. Delinquent payments of contributions due under this Section may, with interest, be recovered by civil action against the participating municipalities or participating instrumentalities. Municipality contributions, other than the amount necessary for employee contributions and Social Security contributions, for periods of service by employees from whose earnings no deductions were made for employee contributions to the fund, may be charged to the municipality reserve for the municipality or participating instrumentality.

(i) Contributions by participating instrumentalities shall be determined as provided herein except that the percentage derived under subparagraph 2 of paragraph (b) of this Section, and the amount payable under subparagraph 4 of paragraph (a) of this Section, shall be based on an amortization period of 10 years.

(j) Notwithstanding the other provisions of this Section, the additional unfunded liability accruing as a result of this amendatory Act of the 94th General Assembly shall be amortized over a period of 30 years beginning on January 1 of the second calendar year following the calendar year in which this amendatory Act takes effect, except that the employer may provide for a longer amortization period by adopting a resolution or ordinance specifying a 35-year or 40-year period and submitting a certified copy of the ordinance or resolution to the fund no later than June 1 of the calendar year following the calendar year in which this amendatory Act takes effect.

(k) If the amount of a participating employee's reported earnings for any of the 12-month periods used to determine the final rate of earnings exceeds the employee's 12 month reported earnings with the same employer for the previous year by the greater of 6% or 1.5 times the annual increase in the Consumer Price Index-U, as established by the United States Department of Labor for the preceding September, the participating municipality or participating instrumentality that paid those earnings shall pay to the Fund, in addition to any other contributions required under this Article, the present value of the increase in the pension resulting from the portion of the increase in salary that is in excess of the greater of 6% or 1.5 times the annual increase in the Consumer Price Index-U, as determined by the Fund. This present value shall be computed on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the Fund that is available at the time of the computation.

Whenever it determines that a payment is or may be required under this subsection (k), the fund shall calculate the amount of the payment and bill the participating municipality or participating instrumentality for that amount. The bill shall specify the calculations used to determine the amount due. If the participating municipality or participating instrumentality disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the fund in writing for a recalculation. The application must specify in detail the grounds of the dispute. Upon receiving a timely application for recalculation, the fund shall review the application and, if appropriate, recalculate the amount due. The participating municipality and participating instrumentality contributions required under this subsection (k) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the participating municipality and participating instrumentality contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the fund'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 receipt of the bill by the participating municipality or participating instrumentality.

When assessing payment for any amount due under this subsection (k), the fund shall exclude earnings increases resulting from overload or overtime earnings.

When assessing payment for any amount due under this subsection (k), the fund shall also exclude earnings increases attributable to standard employment promotions resulting in increased responsibility and workload.

This subsection (k) does not apply to earnings increases paid to individuals under contracts or collective bargaining agreements entered into, amended, or renewed before the effective date of this amendatory Act of the 97th General Assembly, earnings increases paid to members who are 10 years or more from retirement eligibility, or earnings increases resulting from an increase in the number of hours required to be worked.

When assessing payment for any amount due under this subsection (k), the fund shall also exclude earnings attributable to personnel policies adopted before the effective date of this amendatory Act of the 97th General Assembly as long as those policies are not applicable to employees who begin service on or after the effective date of this amendatory Act of the 97th General Assembly.

(Source: P.A. 96-1084, eff. 7-16-10; 96-1140, eff. 7-21-10; revised 9-16-10.)

(40 ILCS 5/7-199.4 new)

Sec. 7-199.4. To accept transfer of reserves and investment functions from funds established under Articles 3 and 4. To accept the transfer of the reserves and the control and management of the investment function from the board of trustees of any fund electing such a transfer under Section 3-140.2 or 4-129.2. Notwithstanding any other provision of this Code, after such transfer, the reserves shall be invested with and subject to the same rules as the reserves of the fund established under this Article.

The board established under this Article shall establish such rules and regulations as are necessary to administer this transfer and the investment of the reserves of the funds electing the transfer and the recovery of the associated costs of investing these reserves.

(40 ILCS 5/7-205) (from Ch. 108 1/2, par. 7-205)

Sec. 7-205. Reserves for annuities. Appropriate reserves shall be created for payment of all annuities granted under this Article at the time such annuities are granted and in amounts determined to be necessary under actuarial tables adopted by the Board upon recommendation of the actuary of the fund. All annuities payable shall be charged to the annuity reserve.

1. Amounts credited to annuity reserves shall be derived by transfer of all the employee credits from the appropriate employee reserves and by charges to the municipality reserve of those municipalities in which the retiring employee has accumulated service. If a retiring employee has accumulated service in more than one participating municipality or participating instrumentality, ~~the aggregate~~ municipality charges for non-concurrent service shall be calculated as follows:

(A) for purposes of calculating the annuity reserve, an annuity will be calculated based on service and adjusted earnings with each employer (without regard to the vesting requirement contained in subsection (a) of Section 7-142); and

(B) the difference between the municipality charges for the actual annuity granted and the aggregation of the municipality charges based upon the ratio of each from those calculations to the aggregated total from paragraph (A) of this item 1.

Aggregate municipality charges for concurrent service shall be prorated based on the employee's earnings. The municipality charges for retirement annuities calculated under subparagraph a. of paragraph 1. of subsection (a) of Section 7-142 shall be prorated based on actual contributions prorated on a basis of the employee's earnings in case of concurrent service and creditable service in other cases.

2. Supplemental annuities shall be handled as a separate annuity and amounts to be credited to the annuity reserve therefor shall be derived in the same manner as a regular annuity.

3. When a retirement annuity is granted to an employee with a spouse eligible for a surviving spouse annuity, there shall be credited to the annuity reserve an amount to fund the cost of both the retirement and surviving spouse annuity as a joint and survivors annuity.

4. Beginning January 1, 1989, when a retirement annuity is awarded, an amount equal to the present value of the \$3,000 death benefit payable upon the death of the annuitant shall be transferred to the annuity reserve from the appropriate municipality reserves in the same manner as the transfer for annuities.

5. All annuity reserves shall be revalued annually as of December 31. Beginning as of December 31, 1973, adjustment required therein by such revaluation shall be charged or credited to the earnings and experience variation reserve.

6. There shall be credited to the annuity reserve all of the payments made by annuitants under Section 7-144.2, plus an additional amount from the earnings and experience variation reserve to fund the cost of the incremental annuities granted to annuitants making these payments.

7. As of December 31, 1972, the excess in the annuity reserve shall be transferred to the municipality reserves. An amount equal to the deficiency in the reserve of participating municipalities and participating instrumentalities which have no participating employees shall be allocated to their reserves. The remainder shall be allocated in amounts proportionate to the present value, as of January 1, 1972, of annuities of annuitants of the remaining participating municipalities and participating instrumentalities.

(Source: P.A. 89-136, eff. 7-14-95.)

(40 ILCS 5/7-225 new)

Sec. 7-225. Increases in earnings; pension impact statement. Before increasing the earnings of an officer, executive, or manager by 12% or more:

(1) the authorities of the respective employer who are authorizing the increase must contact the Illinois Municipal Retirement Fund as to the effect of that increase in salary on the pension benefits of that participant;

(2) the Illinois Municipal Retirement Fund must respond with a written "Pension Impact Statement" stating the effect of that increase in salary on the pension benefits of that participant, and any other

relevant effect of the increase, including payment of the present value of the increase in benefits resulting from the portion of any increase in salary that is in excess of 6% as provided under subsection (k) of Section 7-172, if applicable;

(3) the authorities authorizing this increase must sign the pension impact statement, acknowledging receipt and understanding of the effects of the increase; and

(4) the employer must pay the costs associated with the pension impact statement.

The provisions of this Section do not apply to any of the following: increases attributable to standard employment promotions resulting in increased responsibility and workloads; earnings increases paid to individuals under contracts or collective bargaining agreements entered into, amended, or renewed before January 1, 2012; earnings increases paid to members who are 10 years or more from retirement eligibility; or earnings increases resulting from an increase in the number of hours required to be worked.

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

Sec. 14-103.05. Employee.

(a) Any person employed by a Department who receives salary for personal services rendered to the Department on a warrant issued pursuant to a payroll voucher certified by a Department and drawn by the State Comptroller upon the State Treasurer, including an elected official described in subparagraph (d) of Section 14-104, shall become an employee for purpose of membership in the Retirement System on the first day of such employment.

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

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

A person employed by the Chicago Metropolitan Agency for Planning on the effective date of this amendatory Act of the 95th General Assembly who was a member of this System as an employee of the Chicago Area Transportation Study and makes an election under Section 14-104.13 to participate in this System for his or her employment with the Chicago Metropolitan Agency for Planning.

The qualifying period of 6 months of service is not applicable to: (1) a person who has been granted credit for service in a position covered by the State Universities Retirement System, the Teachers' Retirement System of the State of Illinois, the General Assembly Retirement System, or the Judges Retirement System of Illinois unless that service has been forfeited under the laws of those systems; (2) a person entering service on or after July 1, 1991 in a noncovered position; (3) a person to whom Section 14-108.2a or 14-108.2b applies; or (4) a person to whom subsection (a-5) of this Section applies.

(a-5) A person entering service on or after December 1, 2010 shall become a member as a condition of employment and shall begin making contributions as of the first day of employment. A person serving in the qualifying period on December 1, 2010 will become a member on December 1, 2010 and shall begin making contributions as of December 1, 2010.

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

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

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

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

(3.1) any person serving as a commissioner of an ethics commission created under the State Officials and Employees Ethics Act unless that person elects to participate in this system with respect to that service as a commissioner;

(3.2) any person serving as a part-time employee in any of the following positions: Legislative Inspector General, Special Legislative Inspector General, employee of the Office of the Legislative Inspector General, Executive Director of the Legislative Ethics Commission, or staff of the Legislative Ethics Commission, regardless of whether he or she is in active service on or after July 8, 2004 (the effective date of Public Act 93-685), unless that person elects to participate in this System with respect to that service; in this item (3.2), a "part-time employee" is a person who is not required to work at least 35 hours per week;

(3.3) any person who has made an election under Section 1-123 and who is serving either as legal counsel in the Office of the Governor or as Chief Deputy Attorney General;

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

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

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

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

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

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

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

(10) any person who is a member of the Illinois Health Care Cost Containment Council, and receives per diem compensation rather than a salary, notwithstanding that such per diem compensation is paid by warrant issued pursuant to a payroll voucher; such persons have never been included in the membership of this System, and this amendatory Act of 1987 is not intended to effect any change in the status of such persons;

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

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

(13) any person who first becomes a member of the Civil Service Commission on or after January 1, 2012;

(14) any person, other than the Director of Employment Security, who first becomes a member of the Board of Review of the Department of Employment Security on or after January 1, 2012;

(15) any person who first becomes a member of the Civil Service Commission on or after January 1, 2012;

(16) any person who first becomes a member of the Illinois Liquor Control Commission on or after January 1, 2012;

(17) any person who first becomes a member of the Secretary of State Merit Commission on or after January 1, 2012;

(18) any person who first becomes a member of the Human Rights Commission on or after January 1, 2012;

(19) any person who first becomes a member of the State Mining Board on or after January 1, 2012;

(20) any person who first becomes a member of the Property Tax Appeal Board on or after January 1, 2012;

(21) any person who first becomes a member of the Illinois Racing Board on or after January 1, 2012;

(22) any person who first becomes a member of the Department of State Police Merit Board on or after January 1, 2012;

(23) any person who first becomes a member of the Illinois State Toll Highway Authority on or after January 1, 2012; or

(24) any person who first becomes a member of the Illinois State Board of Elections on or after January 1, 2012.

(c) An individual who represents or is employed as an officer or employee of a statewide labor organization that represents members of this System may participate in the System and shall be deemed an employee, provided that (1) the individual has previously earned creditable service under this Article, (2) the individual files with the System an irrevocable election to become a participant within 6 months after the effective date of this amendatory Act of the 94th General Assembly, and (3) the individual does not receive credit for that employment under any other provisions of this Code. An employee under this

subsection (c) is responsible for paying to the System both (i) employee contributions based on the actual compensation received for service with the labor organization and (ii) employer contributions based on the percentage of payroll certified by the board; all or any part of these contributions may be paid on the employee's behalf or picked up for tax purposes (if authorized under federal law) by the labor organization.

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

(Source: P.A. 95-677, eff. 10-11-07; 96-1490, eff. 1-1-11.)

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

Sec. 22-101. Retirement Plan for Chicago Transit Authority Employees.

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

Provisions shall be made by the Board for all officers, except those who first become members on or after January 1, 2012, and employees of the Authority appointed pursuant to the "Metropolitan Transit Authority Act" to become, subject to reasonable rules and regulations, participants of the pension or retirement system with uniform rights, privileges, obligations and status as to the class in which such officers and employees belong. The terms, conditions and provisions of any pension or retirement system or of any amendment or modification thereof affecting employees who are members of any labor organization may be established, amended or modified by agreement with such labor organization, provided the terms, conditions and provisions must be consistent with this Act, the annual funding levels for the retirement system established by law must be met and the benefits paid to future participants in the system may not exceed the benefit ceilings set for future participants under this Act and the contribution levels required by the Authority and its employees may not be less than the contribution levels established under this Act.

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

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

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

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

these investments when so requested by the Board of Trustees.

Notwithstanding any other provision of this Article or any law to the contrary, any person who first becomes a member of the Chicago Transit Board on or after January 1, 2012 shall not be eligible to participate in this Retirement Plan.

(c) All individuals who were previously participants in the Retirement Plan for Chicago Transit Authority Employees shall remain participants, and shall receive the same benefits established by the Retirement Plan for Chicago Transit Authority Employees, except as provided in this amendatory Act or by subsequent legislative enactment or amendment to the Retirement Plan. For Authority employees hired on or after the effective date of this amendatory Act of the 95th General Assembly, the Retirement Plan for Chicago Transit Authority Employees shall be the exclusive retirement plan and such employees shall not be eligible for any supplemental plan, except for a deferred compensation plan funded only by employee contributions.

For all Authority employees who are first hired on or after the effective date of this amendatory Act of the 95th General Assembly and are participants in the Retirement Plan for Chicago Transit Authority Employees, the following terms, conditions and provisions with respect to retirement shall be applicable:

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

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

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

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

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

(2) For the period ending December 31, 2040, the amount paid by the Authority in any year with respect to debt service on bonds issued for the purposes of funding a contribution to the Retirement Plan under Section 12c of the Metropolitan Transit Authority Act, other than debt service paid with the proceeds of bonds or notes issued by the Authority for any year after calendar year 2008, shall be treated as a credit against the amount of required contribution to the Retirement Plan by the Authority under subsection (e)(1) for the following year up to an amount not to exceed 6% of compensation paid by the Authority in that following year.

(3) By September 15 of each year beginning in 2009 and ending on December 31, 2039, on the basis of a report prepared by an enrolled actuary retained by the Plan, the Board of Trustees of the Retirement Plan shall determine the estimated funded ratio of the total assets of the Retirement Plan to its total actuarially determined liabilities. A report containing that determination and the actuarial assumptions on which it is based shall be filed with the Authority, the representatives of its participating employees, the Auditor General of the State of Illinois, and the Regional Transportation Authority. If the funded ratio is projected to decline below 60% in any year before 2040, the Board of Trustees shall also determine the increased contribution required each year as a level percentage of payroll over the years remaining until 2040 using the projected unit credit actuarial cost method so the funded ratio does not decline below 60% and include that determination in its report. If the actual funded ratio declines below 60% in any year prior to 2040, the Board of Trustees shall also determine the increased contribution required each year as a level percentage of payroll during the years after the then current year using the projected unit credit actuarial cost method so the funded ratio is projected to reach at least 60% no later than 10 years after the then current year and include that determination in its report. Within 60 days after receiving the report, the Auditor General shall review the



determination and the assumptions on which it is based, and if he finds that the determination and the assumptions on which it is based are unreasonable in the aggregate, he shall issue a new determination of the funded ratio, the assumptions on which it is based and the increased contribution required each year as a level percentage of payroll over the years remaining until 2040 using the projected unit credit actuarial cost method so the funded ratio does not decline below 60%, or, in the event of an actual decline below 60%, so the funded ratio is projected to reach 60% by no later than 10 years after the then current year. If the Board of Trustees or the Auditor General determine that an increased contribution is required to meet the funded ratio required by the subsection, effective January 1 following the determination or 30 days after such determination, whichever is later, one-third of the increased contribution shall be paid by participating employees and two-thirds by the Authority, in addition to the contributions required by this subsection (1).

(4) For the period beginning 2040, the minimum contribution to the Retirement Plan for each fiscal year shall be an amount determined by the Board of Trustees of the Retirement Plan to be sufficient to bring the total assets of the Retirement Plan up to 90% of its total actuarial liabilities by the end of 2059. Participating employees shall be responsible for one-third of the required contribution and the Authority shall be responsible for two-thirds of the required contribution. In making these determinations, the Board of Trustees shall calculate the required contribution each year as a level percentage of payroll over the years remaining to and including fiscal year 2059 using the projected unit credit actuarial cost method. A report containing that determination and the actuarial assumptions on which it is based shall be filed by September 15 of each year with the Authority, the representatives of its participating employees, the Auditor General of the State of Illinois and the Regional Transportation Authority. If the funded ratio is projected to fail to reach 90% by December 31, 2059, the Board of Trustees shall also determine the increased contribution required each year as a level percentage of payroll over the years remaining until December 31, 2059 using the projected unit credit actuarial cost method so the funded ratio will meet 90% by December 31, 2059 and include that determination in its report. Within 60 days after receiving the report, the Auditor General shall review the determination and the assumptions on which it is based and if he finds that the determination and the assumptions on which it is based are unreasonable in the aggregate, he shall issue a new determination of the funded ratio, the assumptions on which it is based and the increased contribution required each year as a level percentage of payroll over the years remaining until December 31, 2059 using the projected unit credit actuarial cost method so the funded ratio reaches no less than 90% by December 31, 2059. If the Board of Trustees or the Auditor General determine that an increased contribution is required to meet the funded ratio required by this subsection, effective January 1 following the determination or 30 days after such determination, whichever is later, one-third of the increased contribution shall be paid by participating employees and two-thirds by the Authority, in addition to the contributions required by subsection (e)(1).

(5) Beginning in 2060, the minimum contribution for each year shall be the amount needed to maintain the total assets of the Retirement Plan at 90% of the total actuarial liabilities of the Plan, and the contribution shall be funded two-thirds by the Authority and one-third by the participating employees in accordance with this subsection.

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

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

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

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

(B) One and seventy-five hundredths percent (1.75%) of his "Average Annual Compensation in the highest four (4) completed Plan Years" for each year (including fractions thereof to completed calendar months) of continuous service as provided for in the Retirement Plan for Chicago Transit Authority Employees.

Provided, however that:

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

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

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

Provided, however that:

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

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

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

Provided, however that:

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

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

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

Provided, however that:

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

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

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

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

(i) Early retirement incentive plan; funded ratio.

(1) Beginning on the effective date of this Section, no early retirement incentive shall be offered to participants of the Plan unless the Funded Ratio of the Plan is at least 80% or more.

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

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

(Source: P.A. 94-839, eff. 6-6-06; 95-708, eff. 1-18-08.)

(40 ILCS 5/22-103)

Sec. 22-103. Regional Transportation Authority and related pension plans.

(a) As used in this Section:

"Affected pension plan" means a defined-benefit pension plan supported in whole or in part by employer contributions and maintained by the Regional Transportation Authority, the Suburban Bus Division, or the Commuter Rail Division, or any combination thereof, under the general authority of the Regional Transportation Authority Act, including but not limited to any such plan that has been established under or is subject to a collective bargaining agreement or is limited to employees covered by a collective bargaining agreement. "Affected pension plan" does not include any pension fund or retirement system subject to Section 22-101 of this Section.

"Authority" means the Regional Transportation Authority created under the Regional Transportation Authority Act.

"Contributing employer" means an employer that is required to make contributions to an affected pension plan under the terms of that plan.

"Funding ratio" means the ratio of an affected pension plan's assets to the present value of its actuarial liabilities, as determined at its latest actuarial valuation in accordance with applicable actuarial assumptions and recommendations.

"Under-funded pension plan" or "under-funded" means an affected pension plan that, at the time of its last actuarial valuation, has a funding ratio of less than 90%.

(b) The contributing employers of each affected pension plan have a general duty to make the required employer contributions to the affected pension plan in a timely manner in accordance with the terms of the plan. A contributing employer must make contributions to the affected pension plan as required under this subsection and, if applicable, subsection (c); a contributing employer may make any additional contributions provided for by the board of the employer or collective bargaining agreement.

(c) In the case of an affected pension plan that is under-funded on January 1, 2009 or becomes under-funded at any time after that date, the contributing employers shall contribute to the affected pension plan, in addition to all amounts otherwise required, amounts sufficient to bring the funding ratio of the affected pension plan up to 90% in accordance with an amortization schedule adopted jointly by the contributing employers and the trustee of the affected pension plan. The amortization schedule may extend for any period up to a maximum of 50 years and shall provide for additional employer contributions in substantially equal annual amounts over the selected period. If the contributing employers and the trustee of the affected pension plan do not agree on an appropriate period for the amortization schedule within 6 months of the date of determination that the plan is under-funded, then the amortization schedule shall be based on a period of 50 years.

In the case of an affected pension plan that has more than one contributing employer, each contributing employer's share of the total additional employer contributions required under this subsection shall be determined: (i) in proportion to the amounts, if any, by which the respective contributing employers have failed to meet their contribution obligations under the terms of the affected pension plan; or (ii) if all of the contributing employers have met their contribution obligations under the terms of the affected pension plan, then in the same proportion as they are required to contribute under the terms of that plan. In the case of an affected pension plan that has only one contributing employer, that contributing employer is responsible for all of the additional employer contributions required under this subsection.

If an under-funded pension plan is determined to have achieved a funding ratio of at least 90% during the period when an amortization schedule is in force under this Section, the contributing employers and the trustee of the affected pension plan, acting jointly, may cancel the amortization schedule and the contributing employers may cease making additional contributions under this subsection for as long as the affected pension plan retains a funding ratio of at least 90%.

(d) Beginning January 1, 2009, if the Authority fails to pay to an affected pension fund within 30 days after it is due (i) any employer contribution that it is required to make as a contributing employer, (ii) any additional employer contribution that it is required to pay under subsection (c), or (iii) any payment that it is required to make under Section 4.02a or 4.02b of the Regional Transportation Authority Act,

the trustee of the affected pension fund shall promptly so notify the Commission on Government Forecasting and Accountability, the Mayor of Chicago, the Governor, and the General Assembly.

(e) For purposes of determining employer contributions, assets, and actuarial liabilities under this subsection, contributions, assets, and liabilities relating to health care benefits shall not be included.

(f) This amendatory Act of the 94th General Assembly does not affect or impair the right of any contributing employer or its employees to collectively bargain the amount or level of employee contributions to an affected pension plan, to the extent that the plan includes employees subject to collective bargaining.

(g) Notwithstanding any other provision of this Article or any law to the contrary, a person who, on or after the effective date of this amendatory Act of the 97th General Assembly, first becomes a director on the Suburban Bus Board, the Commuter Rail Board, or the Board of Directors of the Regional Transportation Authority shall not be eligible to participate in an affected pension plan.

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

Section 15. The State Mandates Act is amended by adding Section 8.35 as follows:  
(30 ILCS 805/8.35 new)

Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 97th General Assembly.

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

#### AMENDMENT NO. 3 TO SENATE BILL 1831

AMENDMENT NO. 3. Amend Senate Bill 1831, AS AMENDED, in Section 10, in the introductory clause, by replacing "Sections 3-140.2, 4-129.2, 7-199.4, and 7-225" with "Section 7-225"; and

in Section 10, by deleting Sec. 3-140.2, Sec. 4-129.2, and Sec. 7-199.4; and

by replacing Section 99 with the following:

"Section 99. Effective date. This Section and the changes made to Sections 7-109, 7-141.1, 7-142.1, and 7-145.1 take effect upon becoming law. The remainder of this Act takes effect on January 1, 2012."

Under the rules, the foregoing **Senate Bill No. 1831**, 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. 1852

A bill for AN ACT concerning public health.

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

House Amendment No. 3 to SENATE BILL NO. 1852

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 3 TO SENATE BILL 1852

AMENDMENT NO. 3. Amend Senate Bill 1852 as follows:

on page 3, line 12, by replacing "23" with "24"; and

on page 4, by replacing lines 9 through 14 with the following:

"(10) a representative of an association representing public health administrators appointed by the Director;

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(11) a representative of an organization of public health departments that serve the City of Chicago and the counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, Will, and Winnebago appointed by the Director;

(12) a representative of a general public health association appointed by the Director;"; and

on page 4, line 16, by deleting "and"; and

on page 4, by replacing lines 17 and 18 with the following:

"(14) the Lieutenant Governor or his or her designee; and

(15) five farmers who sell their farm products at farmers' markets appointed by the Lieutenant Governor or his or her designee."

Under the rules, the foregoing **Senate Bill No. 1852**, with House Amendment No. 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. 1918

A bill for AN ACT concerning State government.

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

House Amendment No. 2 to SENATE BILL NO. 1918

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

#### **AMENDMENT NO. 2 TO SENATE BILL 1918**

AMENDMENT NO. 2. Amend Senate Bill 1918 by replacing everything after the enacting clause with the following:

"Section 5. The Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is amended by changing Sections 605-705 and 605-707 as follows:

(20 ILCS 605/605-705) (was 20 ILCS 605/46.6a)

Sec. 605-705. Grants to local tourism and convention bureaus.

(a) To establish a grant program for local tourism and convention bureaus. The Department will develop and implement a program for the use of funds, as authorized under this Act, by local tourism and convention bureaus. For the purposes of this Act, bureaus eligible to receive funds are those local tourism and convention bureaus that are (i) either units of local government or incorporated as not-for-profit organizations; (ii) in legal existence for a minimum of 2 years before July 1, 2001; (iii) operating with a paid, full-time staff whose sole purpose is to promote tourism in the designated service area; and (iv) affiliated with one or more municipalities or counties that support the bureau with local hotel-motel taxes. After July 1, 2001, bureaus requesting certification in order to receive funds for the first time must be local tourism and convention bureaus that are (i) either units of local government or incorporated as not-for-profit organizations; (ii) in legal existence for a minimum of 2 years before the request for certification; (iii) operating with a paid, full-time staff whose sole purpose is to promote tourism in the designated service area; and (iv) affiliated with multiple municipalities or counties that support the bureau with local hotel-motel taxes. Each bureau receiving funds under this Act will be certified by the Department as the designated recipient to serve an area of the State. Notwithstanding the criteria set forth in this subsection (a), or any rule adopted under this subsection (a), the Director of the Department may provide for the award of grant funds to one or more entities if in the Department's judgment that action is necessary in order to prevent a loss of funding critical to promoting tourism in a designated geographic area of the State.

(b) To distribute grants to local tourism and convention bureaus from appropriations made from the Local Tourism Fund for that purpose. Of the amounts appropriated annually to the Department for expenditure under this Section prior to July 1, 2011, one-third of those monies shall be used for grants to convention and tourism bureaus in cities with a population greater than 500,000. The remaining two-thirds of the annual appropriation prior to July 1, 2011 shall be used for grants to convention and

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tourism bureaus in the remainder of the State, in accordance with a formula based upon the population served. Of the amounts appropriated annually to the Department for expenditure under this Section beginning July 1, 2011, 18% of such moneys shall be used for grants to convention and tourism bureaus in cities with a population greater than 500,000. Of the amounts appropriated annually to the Department for expenditure under this Section beginning July 1, 2011, 82% of such moneys shall be used for grants to convention bureaus in the remainder of the State, in accordance with a formula based upon the population served. The Department may reserve up to 10% of total local tourism funds available for costs of administering the program to conduct audits of grants, to provide incentive funds to those bureaus that will conduct promotional activities designed to further the Department's statewide advertising campaign, to fund special statewide promotional activities, and to fund promotional activities that support an increased use of the State's parks or historic sites.

(Source: P.A. 92-16, eff. 6-28-01; 92-38, eff. 6-28-01; 92-524, eff. 2-8-02; 93-25, eff. 6-20-03.)

(20 ILCS 605/605-707) (was 20 ILCS 605/46.6d)

Sec. 605-707. International Tourism Program.

(a) The Department of Commerce and Economic Opportunity must establish a program for international tourism. The Department shall develop and implement the program on January 1, 2000 by rule. As part of the program, the Department may work in cooperation with local convention and tourism bureaus in Illinois in the coordination of international tourism efforts at the State and local level. The Department may (i) work in cooperation with local convention and tourism bureaus for efficient use of their international tourism marketing resources, (ii) promote Illinois in international meetings and tourism markets, (iii) work with convention and tourism bureaus throughout the State to increase the number of international tourists to Illinois, (iv) provide training, research, technical support, and grants to certified convention and tourism bureaus, (v) provide staff, administration, and related support required to manage the programs under this Section, and (vi) provide grants for the development of or the enhancement of international tourism attractions.

(b) The Department shall make grants for expenses related to international tourism and pay for the staffing, administration, and related support from the International Tourism Fund, a special fund created in the State Treasury. Of the amounts deposited into the Fund in fiscal year 2000 after January 1, 2000 through fiscal year 2011, 55% shall be used for grants to convention and tourism bureaus in Chicago (other than the City of Chicago's Office of Tourism) and 45% shall be used for development of international tourism in areas outside of Chicago. Of the amounts deposited into the Fund in fiscal year 2001 and thereafter, 55% shall be used for grants to convention and tourism bureaus in Chicago, and of that amount not less than 27.5% shall be used for grants to convention and tourism bureaus in Chicago other than the City of Chicago's Office of Tourism, and 45% shall be used for administrative expenses and grants authorized under this Section and development of international tourism in areas outside of Chicago, of which not less than \$1,000,000 shall be used annually to make grants to convention and tourism bureaus in cities other than Chicago that demonstrate their international tourism appeal and request to develop or expand their international tourism marketing program, and may also be used to provide grants under item (vi) of subsection (a) of this Section. All of the amounts deposited into the Fund in fiscal year 2012 and thereafter shall be used for administrative expenses and grants authorized under this Section and development of international tourism in areas outside of Chicago, of which not less than \$1,000,000 shall be used annually to make grants to convention and tourism bureaus in cities other than Chicago that demonstrate their international tourism appeal and request to develop or expand their international tourism marketing program, and may also be used to provide grants under item (vi) of subsection (a) of this Section. Amounts appropriated to the State Comptroller for administrative expenses and grants authorized by the Illinois Global Partnership Act are payable from the International Tourism Fund.

(c) A convention and tourism bureau is eligible to receive grant moneys under this Section if the bureau is certified to receive funds under Title 14 of the Illinois Administrative Code, Section 550.35. To be eligible for a grant, a convention and tourism bureau must provide matching funds equal to the grant amount. In certain circumstances as determined by the Director of Commerce and Economic Opportunity, however, the City of Chicago's Office of Tourism or any other convention and tourism bureau may provide matching funds equal to no less than 50% of the grant amount to be eligible to receive the grant. One-half of this 50% may be provided through in-kind contributions. Grants received by the City of Chicago's Office of Tourism and by convention and tourism bureaus in Chicago may be expended for the general purposes of promoting conventions and tourism.

(Source: P.A. 94-91, eff. 7-1-05.)

(20 ILCS 605/605-725 rep.)

Section 10. The Department of Commerce and Economic Opportunity Law of the Civil

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Administrative Code of Illinois is amended by repealing Section 605-725.

Section 12. The State Finance Act is amended by adding Section 5.786 as follows:  
(30 ILCS 105/5.786 new)

Sec. 5.786. The Chicago Travel Industry Promotion Fund.

Section 15. The Hotel Operators' Occupation Tax Act is amended by changing Section 6 as follows:  
(35 ILCS 145/6) (from Ch. 120, par. 481b.36)

Sec. 6. Except as provided hereinafter in this Section, on or before the last day of each calendar month, every person engaged in the business of renting, leasing or letting rooms in a hotel in this State during the preceding calendar month shall file a return with the Department, stating:

1. The name of the operator;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of renting, leasing or letting rooms in a hotel in this State;
3. Total amount of rental receipts received by him during the preceding calendar month from renting, leasing or letting rooms during such preceding calendar month;
4. Total amount of rental receipts received by him during the preceding calendar month from renting, leasing or letting rooms to permanent residents during such preceding calendar month;
5. Total amount of other exclusions from gross rental receipts allowed by this Act;
6. Gross rental receipts which were received by him during the preceding calendar month and upon the basis of which the tax is imposed;
7. The amount of tax due;
8. Such other reasonable information as the Department may require.

If the operator's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 30 of such year; with the return for April, May and June of a given year being due by July 31 of such year; with the return for July, August and September of a given year being due by October 31 of such year, and with the return for October, November and December of a given year being due by January 31 of the following year.

If the operator's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 31 of the following year.

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

Notwithstanding any other provision in this Act concerning the time within which an operator may file his return, in the case of any operator who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such operator shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Where the same person has more than 1 business registered with the Department under separate registrations under this Act, such person shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

In his return, the operator shall determine the value of any consideration other than money received by him in connection with the renting, leasing or letting of rooms in the course of his business and he shall include such value in his return. Such determination shall be subject to review and revision by the Department in the manner hereinafter provided for the correction of returns.

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

The person filing the return herein provided for shall, at the time of filing such return, pay to the Department the amount of tax herein imposed. The operator filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% or \$25 per calendar year, whichever is greater, which is allowed to reimburse the operator for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request.

There shall be deposited in the Build Illinois Fund in the State Treasury for each State fiscal year 40% of the amount of total net proceeds from the tax imposed by subsection (a) of Section 3. Of the remaining 60%, \$5,000,000 shall be deposited in the Illinois Sports Facilities Fund and credited to the Subsidy Account each fiscal year by making monthly deposits in the amount of 1/8 of \$5,000,000 plus

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cumulative deficiencies in such deposits for prior months, and an additional \$8,000,000 shall be deposited in the Illinois Sports Facilities Fund and credited to the Advance Account each fiscal year by making monthly deposits in the amount of 1/8 of \$8,000,000 plus any cumulative deficiencies in such deposits for prior months; provided, that for fiscal years ending after June 30, 2001, the amount to be so deposited into the Illinois Sports Facilities Fund and credited to the Advance Account each fiscal year shall be increased from \$8,000,000 to the then applicable Advance Amount and the required monthly deposits beginning with July 2001 shall be in the amount of 1/8 of the then applicable Advance Amount plus any cumulative deficiencies in those deposits for prior months. (The deposits of the additional \$8,000,000 or the then applicable Advance Amount, as applicable, during each fiscal year shall be treated as advances of funds to the Illinois Sports Facilities Authority for its corporate purposes to the extent paid to the Authority or its trustee and shall be repaid into the General Revenue Fund in the State Treasury by the State Treasurer on behalf of the Authority pursuant to Section 19 of the Illinois Sports Facilities Authority Act, as amended. If in any fiscal year the full amount of the then applicable Advance Amount is not repaid into the General Revenue Fund, then the deficiency shall be paid from the amount in the Local Government Distributive Fund that would otherwise be allocated to the City of Chicago under the State Revenue Sharing Act.)

For purposes of the foregoing paragraph, the term "Advance Amount" means, for fiscal year 2002, \$22,179,000, and for subsequent fiscal years through fiscal year 2032, 105.615% of the Advance Amount for the immediately preceding fiscal year, rounded up to the nearest \$1,000.

Of the remaining 60% of the amount of total net proceeds prior to August 1, 2011 from the tax imposed by subsection (a) of Section 3 after all required deposits in the Illinois Sports Facilities Fund, the amount equal to 8% of the net revenue realized from this the Hotel Operators' Occupation Tax Act plus an amount equal to 8% of the net revenue realized from any tax imposed under Section 4.05 of the Chicago World's Fair-1992 Authority Act during the preceding month shall be deposited in the Local Tourism Fund each month for purposes authorized by Section 605-705 of the Department of Commerce and Economic Opportunity Law (20 ILCS 605/605-705) . Of the remaining 60% of the amount of total net proceeds beginning on August 1, 2011 from the tax imposed by subsection (a) of Section 3 after all required deposits in the Illinois Sports Facilities Fund, an amount equal to 8% of the net revenue realized from this Act plus an amount equal to 8% of the net revenue realized from any tax imposed under Section 4.05 of the Chicago World's Fair-1992 Authority Act during the preceding month shall be deposited as follows: 18% of such amount shall be deposited into the Chicago Travel Industry Promotion Fund for the purposes described in subsection (n) of Section 5 of the Metropolitan Pier and Exposition Authority Act and the remaining 82% of such amount shall be deposited into the Local Tourism Fund each month for purposes authorized by Section 605-705 of the Department of Commerce and Economic Opportunity Law. Beginning on , and beginning August 1, 1999 and ending on July 31, 2011, an the amount equal to 4.5% of the net revenue realized from the Hotel Operators' Occupation Tax Act during the preceding month shall be deposited into the International Tourism Fund for the purposes authorized in Section 605-707 of the Department of Commerce and Economic Opportunity Law. Beginning on August 1, 2011, an amount equal to 4.5% of the net revenue realized from this Act during the preceding month shall be deposited as follows: 55% of such amount shall be deposited into the Chicago Travel Industry Promotion Fund for the purposes described in subsection (n) of Section 5 of the Metropolitan Pier and Exposition Authority Act and the remaining 45% of such amount deposited into the International Tourism Fund for the purposes authorized in Section 605-707 of the Department of Commerce and Economic Opportunity Law. "Net revenue realized for a month" means the revenue collected by the State under that Act during the previous month less the amount paid out during that same month as refunds to taxpayers for overpayment of liability under that Act.

After making all these deposits, all other proceeds of the tax imposed under subsection (a) of Section 3 shall be deposited in the General Revenue Fund in the State Treasury. All moneys received by the Department from the additional tax imposed under subsection (b) of Section 3 shall be deposited into the Build Illinois Fund in the State Treasury.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the operator's last State income tax return. If the total receipts of the business as reported in the State income tax return do not agree with the gross receipts reported to the Department for the same period, the operator shall attach to his annual information return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The operator's annual information return to the Department shall also disclose pay roll information of the operator's business during the year covered by such return and any additional

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reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual tax returns by such operator as hereinbefore provided for in this Section.

If the annual information return required by this Section is not filed when and as required the taxpayer shall be liable for a penalty in an amount determined in accordance with Section 3-4 of the Uniform Penalty and Interest Act until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

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

The foregoing portion of this Section concerning the filing of an annual information return shall not apply to an operator who is not required to file an income tax return with the United States Government. (Source: P.A. 95-331, eff. 8-21-07.)

Section 20. The Metropolitan Pier and Exposition Authority Act is amended by changing Section 5 as follows:

(70 ILCS 210/5) (from Ch. 85, par. 1225)

Sec. 5. The Metropolitan Pier and Exposition Authority shall also have the following rights and powers:

(a) To accept from Chicago Park Fair, a corporation, an assignment of whatever sums of money it may have received from the Fair and Exposition Fund, allocated by the Department of Agriculture of the State of Illinois, and Chicago Park Fair is hereby authorized to assign, set over and transfer any of those funds to the Metropolitan Pier and Exposition Authority. The Authority has the right and power hereafter to receive sums as may be distributed to it by the Department of Agriculture of the State of Illinois from the Fair and Exposition Fund pursuant to the provisions of Sections 5, 6i, and 28 of the State Finance Act. All sums received by the Authority shall be held in the sole custody of the secretary-treasurer of the Metropolitan Pier and Exposition Board.

(b) To accept the assignment of, assume and execute any contracts heretofore entered into by Chicago Park Fair.

(c) To acquire, own, construct, equip, lease, operate and maintain grounds, buildings and facilities to carry out its corporate purposes and duties, and to carry out or otherwise provide for the recreational, cultural, commercial or residential development of Navy Pier, and to fix and collect just, reasonable and nondiscriminatory charges for the use thereof. The charges so collected shall be made available to defray the reasonable expenses of the Authority and to pay the principal of and the interest upon any revenue bonds issued by the Authority. The Authority shall be subject to and comply with the Lake Michigan and Chicago Lakefront Protection Ordinance, the Chicago Building Code, the Chicago Zoning Ordinance, and all ordinances and regulations of the City of Chicago contained in the following Titles of the Municipal Code of Chicago: Businesses, Occupations and Consumer Protection; Health and Safety; Fire Prevention; Public Peace, Morals and Welfare; Utilities and Environmental Protection; Streets, Public Ways, Parks, Airports and Harbors; Electrical Equipment and Installation; Housing and Economic Development (only Chapter 5-4 thereof); and Revenue and Finance (only so far as such Title pertains to the Authority's duty to collect taxes on behalf of the City of Chicago).

(d) To enter into contracts treating in any manner with the objects and purposes of this Act.

(e) To lease any buildings to the Adjutant General of the State of Illinois for the use of the Illinois National Guard or the Illinois Naval Militia.

(f) To exercise the right of eminent domain by condemnation proceedings in the manner provided by the Eminent Domain Act, including, with respect to Site B only, the authority to exercise quick take condemnation by immediate vesting of title under Article 20 of the Eminent Domain Act, to acquire any privately owned real or personal property and, with respect to Site B only, public property used for rail transportation purposes (but no such taking of such public property shall, in the reasonable judgment of the owner, interfere with such rail transportation) for the lawful purposes of the Authority in Site A, at Navy Pier, and at Site B. Just compensation for property taken or acquired under this paragraph shall be paid in money or, notwithstanding any other provision of this Act and with the agreement of the owner of the property to be taken or acquired, the Authority may convey substitute property or interests in property or enter into agreements with the property owner, including

leases, licenses, or concessions, with respect to any property owned by the Authority, or may provide for other lawful forms of just compensation to the owner. Any property acquired in condemnation proceedings shall be used only as provided in this Act. Except as otherwise provided by law, the City of Chicago shall have a right of first refusal prior to any sale of any such property by the Authority to a third party other than substitute property. The Authority shall develop and implement a relocation plan for businesses displaced as a result of the Authority's acquisition of property. The relocation plan shall be substantially similar to provisions of the Uniform Relocation Assistance and Real Property Acquisition Act and regulations promulgated under that Act relating to assistance to displaced businesses. To implement the relocation plan the Authority may acquire property by purchase or gift or may exercise the powers authorized in this subsection (f), except the immediate vesting of title under Article 20 of the Eminent Domain Act, to acquire substitute private property within one mile of Site B for the benefit of displaced businesses located on property being acquired by the Authority. However, no such substitute property may be acquired by the Authority unless the mayor of the municipality in which the property is located certifies in writing that the acquisition is consistent with the municipality's land use and economic development policies and goals. The acquisition of substitute property is declared to be for public use. In exercising the powers authorized in this subsection (f), the Authority shall use its best efforts to relocate businesses within the area of McCormick Place or, failing that, within the City of Chicago.

(g) To enter into contracts relating to construction projects which provide for the delivery by the contractor of a completed project, structure, improvement, or specific portion thereof, for a fixed maximum price, which contract may provide that the delivery of the project, structure, improvement, or specific portion thereof, for the fixed maximum price is insured or guaranteed by a third party capable of completing the construction.

(h) To enter into agreements with any person with respect to the use and occupancy of the grounds, buildings, and facilities of the Authority, including concession, license, and lease agreements on terms and conditions as the Authority determines. Notwithstanding Section 24, agreements with respect to the use and occupancy of the grounds, buildings, and facilities of the Authority for a term of more than one year shall be entered into in accordance with the procurement process provided for in Section 25.1.

(i) To enter into agreements with any person with respect to the operation and management of the grounds, buildings, and facilities of the Authority or the provision of goods and services on terms and conditions as the Authority determines.

(j) After conducting the procurement process provided for in Section 25.1, to enter into one or more contracts to provide for the design and construction of all or part of the Authority's Expansion Project grounds, buildings, and facilities. Any contract for design and construction of the Expansion Project shall be in the form authorized by subsection (g), shall be for a fixed maximum price not in excess of the funds that are authorized to be made available for those purposes during the term of the contract, and shall be entered into before commencement of construction.

(k) To enter into agreements, including project agreements with labor unions, that the Authority deems necessary to complete the Expansion Project or any other construction or improvement project in the most timely and efficient manner and without strikes, picketing, or other actions that might cause disruption or delay and thereby add to the cost of the project.

(l) To provide incentives to organizations and entities that agree to make use of the grounds, buildings, and facilities of the Authority for conventions, meetings, or trade shows. The incentives may take the form of discounts from regular fees charged by the Authority, subsidies for or assumption of the costs incurred with respect to the convention, meeting, or trade show, or other inducements. The Authority shall award ~~be reimbursed by the Department of Commerce and Economic Opportunity for~~ incentives to attract large conventions, meetings, and trade shows to its facilities that qualify under the terms set forth in this subsection (l) from amounts appropriated to the Authority from the Metropolitan Pier and Exposition Authority Incentive Fund for this purpose ~~provisions of Section 605-725 of the Civil Administrative Code of Illinois.~~

No later than May ~~February~~ 15 of each year, the Chief Executive Officer ~~Chairman~~ of the Metropolitan Pier and Exposition Authority shall certify to ~~the Department of Commerce and Economic Opportunity,~~ the State Comptroller, and the State Treasurer the amounts of incentive grant funds used ~~provided~~ during the current fiscal ~~previous calendar year~~ to provide as incentives for conventions, meetings, or trade shows that (i) have been approved by the Authority, in consultation with an organization meeting the qualifications set out in Section 5.6 of this Act, provided the Authority has entered into a marketing agreement with such an organization, ~~and the Department of Commerce and Economic Opportunity,~~ (ii) demonstrate

registered attendance in excess of 5,000 individuals or in excess of 10,000 individuals, as appropriate, and (iii) but for the incentive, would not have used the facilities of the Authority for the convention, meeting, or trade show. The State Comptroller Department of Commerce and Economic Opportunity may request that the Auditor General conduct an audit of the accuracy of the certification. If the State Comptroller determines by this process of certification that incentive funds, in whole or in part, were disbursed by the Authority by means other than in accordance with the standards of this subsection (1), then any amount transferred to the Metropolitan Pier and Exposition Authority Incentive Fund shall be reduced during the next subsequent transfer in direct proportion to that amount determined to be in violation of the terms set forth in this subsection (1).

On July 15, 2012, Subject to appropriation, on July 15 of each year the Comptroller shall order transferred, and the Treasurer shall transfer, into the

Metropolitan Pier and Exposition Authority Incentive Fund from the General Revenue Fund the sum of \$7,500,000 plus an amount equal to the incentive grant funds certified by the Chief Executive Officer as having been lawfully paid under the provisions of this Section in the previous 2 fiscal years that have not otherwise been transferred into the Metropolitan Pier and Exposition Authority Incentive Fund, provided that transfers in excess of \$15,000,000 shall not be made in any fiscal year the lesser of the amount certified by the Chairman or \$15,000,000.

On July 15, 2013, the Comptroller shall order transferred, and the Treasurer shall transfer, into the Metropolitan Pier and Exposition Authority Incentive Fund from the General Revenue Fund the sum of \$7,500,000 plus an amount equal to the incentive grant funds certified by the Chief Executive Officer as having been lawfully paid under the provisions of this Section in the previous fiscal year that have not otherwise been transferred into the Metropolitan Pier and Exposition Authority Incentive Fund, provided that transfers in excess of \$15,000,000 shall not be made in any fiscal year.

On July 15, 2014, and every year thereafter, the Comptroller shall order transferred, and the Treasurer shall transfer, into the Metropolitan Pier and Exposition Authority Incentive Fund from the General Revenue Fund an amount equal to the incentive grant funds certified by the Chief Executive Officer as having been lawfully paid under the provisions of this Section in the previous fiscal year that have not otherwise been transferred into the Metropolitan Pier and Exposition Authority Incentive Fund, provided that transfers in excess of \$15,000,000 shall not be made in any fiscal year.

After a transfer has been made under this subsection (1), the Chief Executive Officer shall file a request for payment with the Comptroller evidencing that the incentive grants have been made and the Comptroller shall thereafter order paid, and the Treasurer shall pay, the requested amounts to the Metropolitan Pier and Exposition Authority.

In no case shall more than \$5,000,000 be used in any one year by the Authority for to reimburse incentives granted

conventions, meetings, or trade shows with a registered attendance of more than 5,000 and less than 10,000. Amounts No later than 30 days after the transfer, amounts in the Metropolitan Pier and Exposition Authority Incentive Fund shall only be used by the Authority paid by the Department of Commerce and Economic Opportunity to the Authority to reimburse the Authority for incentives paid to attract large conventions, meetings, and trade shows to its facilities in the previous calendar year as provided in this subsection (1) Section 605-725 of the Civil Administrative Code of Illinois. Provided that all amounts certified by the Authority have been paid, on the last day of each fiscal year moneys remaining in the Fund shall be transferred to the General Revenue Fund.

(1-5) The Village of Rosemont shall provide incentives from amounts transferred into the Convention Center Support Fund to retain and attract conventions, meetings, or trade shows to the Donald E. Stephens Convention Center under the terms set forth in this subsection (1-5).

No later than May 15 of each year, the Mayor of the Village of Rosemont or his or her designee shall certify to the State Comptroller, and the State Treasurer the amounts of incentive grant funds used during the previous fiscal year to provide incentives for conventions, meetings, or trade shows that (1) have been approved by the Village, (2) demonstrate registered attendance in excess of 5,000 individuals, and (3) but for the incentive, would not have used the Donald E. Stephens Convention Center facilities for the convention, meeting, or trade show. The State Comptroller may request that the Auditor General conduct an audit of the accuracy of the certification.

If the State Comptroller determines by this process of certification that incentive funds, in whole or in part, were disbursed by the Village by means other than in accordance with the standards of this subsection (1-5), then the amount transferred to the Convention Center Support Fund shall be reduced during the next subsequent transfer in direct proportion to that amount determined to be in violation of the terms set forth in this subsection (1-5).

On July 15, 2012, and each year thereafter, the Comptroller shall order transferred, and the

Treasurer shall transfer, into the Convention Center Support Fund from the General Revenue Fund the amount of \$5,000,000 for incentives to attract large conventions, meetings, and trade shows to the Donald E. Stephens Convention Center. No later than 30 days after the transfer, the Comptroller shall order paid, and the Treasurer shall pay, to the Village of Rosemont the amounts transferred.

(m) To enter into contracts with any person conveying the naming rights or other intellectual property rights with respect to the grounds, buildings, and facilities of the Authority.

(n) To enter into grant agreements with the Chicago Convention and Tourism Bureau providing for the marketing of the convention facilities to large and small conventions, meetings, and trade shows and the promotion of the travel industry in the City of Chicago, provided such agreements meet the requirements of Section 5.6 of this Act. Receipts of the Authority from the increase in the airport departure tax authorized by Section 13(f) of this amendatory Act of the 96th General Assembly and, subject to appropriation to the Authority, funds deposited in the Chicago Travel Industry Promotion Fund pursuant to Section 6 of the Hotel Operators' Occupation Tax Act shall be granted to the Bureau for such purposes.

Nothing in this Act shall be construed to authorize the Authority to spend the proceeds of any bonds or notes issued under Section 13.2 or any taxes levied under Section 13 to construct a stadium to be leased to or used by professional sports teams.

(Source: P.A. 96-739, eff. 1-1-10; 96-898, eff. 5-27-10.)

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

Under the rules, the foregoing **Senate Bill No. 1918**, with House Amendment No. 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

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

SENATE BILL NO. 2168

A bill for AN ACT concerning revenue.

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

House Amendment No. 2 to SENATE BILL NO. 2168

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 2 TO SENATE BILL 2168**

AMENDMENT NO. 2. Amend Senate Bill 2168 by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by adding Section 5.786 as follows:

(30 ILCS 105/5.786 new)

Sec. 5.786. The Historic Property Administrative Fund.

Section 10. The Illinois Income Tax Act is amended by adding Section 221 as follows:

(35 ILCS 5/221 new)

Sec. 221. Rehabilitation costs; qualified historic properties; River Edge Redevelopment Zone.

(a) For taxable years beginning on or after January 1, 2012 and ending prior to January 1, 2017, there shall be allowed a tax credit against the tax imposed by subsections (a) and (b) of Section 201 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 located in a River Edge Redevelopment Zone 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.

(b) To obtain a tax credit pursuant to this Section, the taxpayer must apply with the Department of Commerce and Economic Opportunity. The Department of Commerce and Economic Opportunity, in consultation with the Historic Preservation Agency, shall determine the amount of eligible rehabilitation costs and expenses. The Historic Preservation Agency shall determine whether the rehabilitation is

[May 31, 2011]

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 of Commerce and Economic Opportunity 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 provisions of this Section. If collected, this issuance fee shall be deposited into the Historic Property Administrative Fund, a special fund created in the State treasury. Subject to appropriation, moneys in the Historic Property Administrative Fund shall be evenly divided between the Department of Commerce and Economic Opportunity and the Historic Preservation Agency to reimburse the Department of Commerce and Economic Opportunity and the Historic Preservation Agency for the costs associated with administering this Section. The taxpayer must attach the certificate to the tax return on which the credits are to be claimed. The Department of Commerce and Economic Opportunity may adopt rules to implement this Section.

(c) The tax credit under this Section may not reduce the taxpayer's liability to less than zero.

(d) As used in this Section, the following terms have the following meanings.

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

"Qualified historic structure" means a certified historic structure as defined under Section 47 (c)(3) of the federal Internal Revenue Code.

"Qualified rehabilitation plan" means a project that is approved by the Historic Preservation Agency as being consistent with the standards in effect on the effective date of this amendatory Act of the 97th General Assembly for rehabilitation as adopted by the federal Secretary of the Interior.

"Qualified taxpayer" means the owner of the qualified historic structure or any other person who qualifies for the federal rehabilitation credit allowed by Section 47 of the federal Internal Revenue Code with respect to that qualified historic structure. Partners, shareholders of subchapter S corporations, and owners of limited liability companies (if the limited liability company is treated as a partnership for purposes of federal and State income taxation) are entitled to a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 703 and subchapter S of the Internal Revenue Code, provided that 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. The River Edge Redevelopment Zone Act is amended by changing Sections 10-2 and 10-5.3 as follows:

(65 ILCS 115/10-2)

Sec. 10-2. Findings. The General Assembly finds and declares that those municipalities adjacent to or surrounding river areas often lack critical tools to safely revive and redevelop environmentally-challenged properties that will stimulate economic revitalization and create jobs in Illinois. Environmentally-challenged properties adjacent to or surrounding Illinois rivers are a threat to the health, safety, and welfare of the people of this State. Many of these environmentally-challenged properties adjacent to or surrounding rivers were former industrial areas that now, subject to appropriate environmental clean-up and remediation, would be ideal for office, residential, retail, hospitality, commercial, recreational, warehouse and distribution, and other economically productive uses. The cost of the cleaning and remediation of these environmentally-challenged properties is often the primary obstacle to returning these properties to a safe and economically productive use.

Cooperative and continuous partnership among the State, through the Department of Commerce and Economic Opportunity and the Environmental Protection Agency, municipalities adjacent to or surrounding rivers, and the private sector is necessary to appropriately encourage the cost-effective cleaning and remediation of these environmentally-challenged properties in order to bring about a safe and economically productive use of the properties.

Therefore, it is declared to be the purpose of this Act to identify and initiate 3 pilot River Edge Redevelopment Zones to stimulate the safe and cost-effective re-use of environmentally-challenged properties adjacent to or surrounding rivers by means of tax incentives or grants. On or after the effective date of this amendatory Act of the 97th General Assembly, the Department may certify an additional pilot River Edge Redevelopment Zone in the City of Peoria.

(Source: P.A. 94-1021, eff. 7-12-06; 94-1022, eff. 7-12-06.)

(65 ILCS 115/10-5.3)

Sec. 10-5.3. Certification of River Edge Redevelopment Zones.

- (a) Approval of designated River Edge Redevelopment Zones shall be made by the Department by certification of the designating ordinance. The Department shall promptly issue a certificate for each zone upon its approval. The certificate shall be signed by the Director of the Department, shall make specific reference to the designating ordinance, which shall be attached thereto, and shall be filed in the office of the Secretary of State. A certified copy of the River Edge Redevelopment Zone Certificate, or a duplicate original thereof, shall be recorded in the office of the recorder of deeds of the county in which the River Edge Redevelopment Zone lies.
- (b) A River Edge Redevelopment Zone shall be effective upon its certification. The Department shall transmit a copy of the certification to the Department of Revenue, and to the designating municipality. Upon certification of a River Edge Redevelopment Zone, the terms and provisions of the designating ordinance shall be in effect, and may not be amended or repealed except in accordance with Section 10-5.4.
- (c) A River Edge Redevelopment Zone shall be in effect for the period stated in the certificate, which shall in no event exceed 30 calendar years. Zones shall terminate at midnight of December 31 of the final calendar year of the certified term, except as provided in Section 10-5.4.
- (d) In calendar years 2006 and 2007, the Department may certify one pilot River Edge Redevelopment Zone in the City of East St. Louis, one pilot River Edge Redevelopment Zone in the City of Rockford, and one pilot River Edge Redevelopment Zone in the City of Aurora.

In calendar year 2009, the Department may certify one pilot River Edge Redevelopment Zone in the City of Elgin.

On or after the effective date of this amendatory Act of the 97th General Assembly, the Department may certify one additional pilot River Edge Redevelopment Zone in the City of Peoria.

Thereafter the Department may not certify any additional River Edge Redevelopment Zones, but may amend and rescind certifications of existing River Edge Redevelopment Zones in accordance with Section 10-5.4.

(e) A municipality in which a River Edge Redevelopment Zone has been certified must submit to the Department, within 60 days after the certification, a plan for encouraging the participation by minority persons, females, persons with disabilities, and veterans in the zone. The Department may assist the municipality in developing and implementing the plan. The terms "minority person", "female", and "person with a disability" have the meanings set forth under Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. "Veteran" means an Illinois resident who is a veteran as defined in subsection (h) of Section 1491 of Title 10 of the United States Code. (Source: P.A. 96-37, eff. 7-13-09.)

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

Under the rules, the foregoing **Senate Bill No. 2168**, with House Amendment No. 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

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

SENATE BILL NO. 673

A bill for AN ACT concerning regulation.

Passed the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

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

SENATE BILL NO. 1651

A bill for AN ACT concerning civil law.

SENATE BILL NO. 1782

A bill for AN ACT concerning liquor.

Passed the House, May 31, 2011.

[May 31, 2011]

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 143

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 143

Concurred in by the House, May 31, 2011.

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 242

A bill for AN ACT concerning local government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 242

Concurred in by the House, May 31, 2011.

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 263

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 4 to HOUSE BILL NO. 263

Concurred in by the House, May 31, 2011.

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 277

A bill for AN ACT concerning sex offenders.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 277

Concurred in by the House, May 31, 2011.

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 299

A bill for AN ACT concerning public health.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 299

Concurred in by the House, May 31, 2011.

[May 31, 2011]

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 653

A bill for AN ACT concerning regulation.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 653

Senate Amendment No. 2 to HOUSE BILL NO. 653

Concurred in by the House, May 31, 2011.

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 880

A bill for AN ACT concerning transportation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 880

Concurred in by the House, May 31, 2011.

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 1069

A bill for AN ACT concerning local government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1069

Concurred in by the House, May 31, 2011.

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 1518

A bill for AN ACT concerning revenue.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1518

Concurred in by the House, May 31, 2011.

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 3005

A bill for AN ACT concerning parentage.

Which amendment is as follows:

[May 31, 2011]



Senate Amendment No. 1 to HOUSE BILL NO. 3005  
 Concurred in by the House, May 31, 2011.

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 Amendment 1 to Senate Bill 107  
 Motion to Concur in House Amendments 2 and 3 to Senate Bill 270  
 Motion to Concur in House Amendments 3, 4 and 5 to Senate Bill 540  
 Motion to Concur in House Amendment 1 to Senate Bill 675  
 Motion to Concur in House Amendment 1 to Senate Bill 745  
 Motion to Concur in House Amendment 1 to Senate Bill 1228  
 Motion to Concur in House Amendment 1 to Senate Bill 1672  
 Motion to Concur in House Amendments 1 and 3 to Senate Bill 1831  
 Motion to Concur in House Amendment 3 to Senate Bill 1852  
 Motion to Concur in House Amendment 2 to Senate Bill 1918

### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Haime, **Senate Bill No. 109**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Haime moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None; Present 3.

The following voted in the affirmative:

Althoff	Hutchinson	Maloney	Sandoval
Bomke	Jacobs	Martinez	Schmidt
Clayborne	Johnson, C.	McCann	Schoenberg
Crotty	Johnson, T.	Meeks	Silverstein
Cultra	Jones, E.	Millner	Steans
Dillard	Jones, J.	Mulroe	Sullivan
Duffy	Koehler	Muñoz	Syverson
Forby	Kotowski	Murphy	Trotter
Frerichs	LaHood	Noland	Wilhelmi
Garrett	Landek	Pankau	Mr. President
Haime	Lauzen	Raoul	
Harmon	Lightford	Rezin	
Holmes	Link	Righter	
Hunter	Luechtefeld	Sandack	

The following voted present:

Bivins  
 Delgado  
 McCarter

The motion prevailed.

[May 31, 2011]

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 109**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 123**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 57; NAYS None; Present 1.

The following voted in the affirmative:

Althoff	Haine	Lightford	Righter
Bivins	Harmon	Link	Sandack
Bomke	Holmes	Luechtefeld	Sandoval
Brady	Hunter	Maloney	Schmidt
Clayborne	Hutchinson	Martinez	Schoenberg
Collins, A.	Jacobs	McCann	Silverstein
Collins, J.	Johnson, C.	Meeks	Steans
Crotty	Johnson, T.	Millner	Sullivan
Cultra	Jones, E.	Mulroe	Syverson
Delgado	Jones, J.	Muñoz	Trotter
Dillard	Koehler	Murphy	Wilhelmi
Duffy	Kotowski	Noland	Mr. President
Forby	LaHood	Pankau	
Frerichs	Landek	Radogno	
Garrett	Lauzen	Rezin	

The following voted present:

Raoul

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 123**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Sandoval, **Senate Bill No. 122**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Sandoval moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 47; NAYS 11.

The following voted in the affirmative:

Althoff	Haine	Link	Radogno
Bomke	Harmon	Luechtefeld	Raoul
Brady	Holmes	Maloney	Sandack
Clayborne	Hunter	Martinez	Sandoval
Collins, A.	Hutchinson	McCann	Schoenberg
Collins, J.	Jacobs	Meeks	Silverstein
Crotty	Johnson, T.	Millner	Steans
Delgado	Jones, E.	Mulroe	Sullivan
Dillard	Koehler	Muñoz	Trotter
Forby	Kotowski	Murphy	Wilhelmi

[May 31, 2011]

Frerichs Garrett	Landek Lightford	Noland Pankau	Mr. President
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The following voted in the negative:

Bivins Cultra Duffy	Johnson, C. Jones, J. LaHood	Lauzen McCarter Rezin	Righter Schmidt
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The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 122**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Luechtefeld asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the negative on **Senate Bill No. 122**.

On motion of Senator Steans, **Senate Bill No. 145**, with House Amendments numbered 2, 3 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 33; NAYS 24.

The following voted in the affirmative:

Clayborne Collins, A. Collins, J. Delgado Forby Frerichs Garrett Haine Harmon	Holmes Hutchinson Jacobs Jones, E. Koehler Kotowski Landek Lightford Link	Martinez Meeks Mulroe Muñoz Noland Raoul Sandoval Schoenberg Silverstein	Steans Sullivan Sylverson Trotter Wilhelmi Mr. President
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The following voted in the negative:

Althoff Bivins Bomke Crotty Cultra Dillard Duffy	Johnson, C. Johnson, T. Jones, J. LaHood Lauzen Luechtefeld Maloney	McCann McCarter Millner Murphy Pankau Radogno Rezin	Righter Sandack Schmidt
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The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2, 3 and 4 to **Senate Bill No. 145**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **Senate Bill No. 1178**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Raoul moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 34; NAYS 25.

The following voted in the affirmative:

Clayborne	Harmon	Lightford	Schoenberg
Collins, A.	Holmes	Link	Silverstein
Collins, J.	Hunter	Maloney	Steans
Crotty	Hutchinson	Martinez	Sullivan
Delgado	Jacobs	Meeks	Trotter
Forby	Jones, E.	Mulroe	Wilhelmi
Frerichs	Koehler	Muñoz	Mr. President
Garrett	Kotowski	Raoul	
Haine	Landek	Sandoval	

The following voted in the negative:

Althoff	Johnson, C.	McCarter	Righter
Bivins	Johnson, T.	Millner	Sandack
Bomke	Jones, J.	Murphy	Schmidt
Brady	LaHood	Noland	Syverson
Cultra	Lauzen	Pankau	
Dillard	Luechtefeld	Radogno	
Duffy	McCann	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 1178**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **Senate Bill No. 1179**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Raoul moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS 4.

The following voted in the affirmative:

Althoff	Garrett	Lightford	Rezin
Bivins	Haine	Link	Sandack
Bomke	Harmon	Maloney	Sandoval
Brady	Holmes	Martinez	Schmidt
Clayborne	Hunter	McCann	Schoenberg
Collins, A.	Hutchinson	Meeks	Silverstein
Collins, J.	Jacobs	Millner	Steans
Crotty	Jones, E.	Mulroe	Sullivan
Cultra	Jones, J.	Muñoz	Trotter
Delgado	Koehler	Murphy	Wilhelmi
Dillard	Kotowski	Noland	Mr. President
Duffy	LaHood	Pankau	
Forby	Landek	Radogno	
Frerichs	Lauzen	Raoul	

The following voted in the negative:

Johnson, C.	Righter
McCarter	Syverson

The motion prevailed.

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And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1179**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Murphy asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

At the hour of 2:14 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

#### AFTER RECESS

At the hour of 3:29 o'clock p.m., the Senate resumed consideration of business.  
Senator Sullivan, presiding.

#### MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mahoney, Clerk:

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

SENATE BILL NO. 1802

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. 2 to SENATE BILL NO. 1802

House Amendment No. 4 to SENATE BILL NO. 1802

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 2 TO SENATE BILL 1802

AMENDMENT NO. 2. Amend Senate Bill 1802 by replacing everything after the enacting clause with the following:

"Section 1. The Department of Human Services Act is amended by adding Section 10-66 as follows:  
(20 ILCS 1305/10-66 new)

Sec. 10-66. Rate reductions. For State fiscal year 2012, rates for medical services purchased by the Divisions of Alcohol and Substance Abuse, Community Health and Prevention, Developmentally Disabilities, Mental Health, or Rehabilitation Services within the Department of Human Services shall not be reduced below the rates calculated on April 1, 2011 unless the Department of Human Services promulgates rules and rules are implemented authorizing rate reductions.

Section 2. The Civil Administrative Code of Illinois is amended by changing Section 2310-315 as follows:

(20 ILCS 2310/2310-315) (was 20 ILCS 2310/55.41)

Sec. 2310-315. Prevention and treatment of AIDS. To perform the following in relation to the prevention and treatment of acquired immunodeficiency syndrome (AIDS):

(1) Establish a State AIDS Control Unit within the Department as a separate administrative subdivision, to coordinate all State programs and services relating to the prevention, treatment, and amelioration of AIDS.

(2) Conduct a public information campaign for physicians, hospitals, health facilities, public health departments, law enforcement personnel, public employees, laboratories, and the general public on acquired immunodeficiency syndrome (AIDS) and promote necessary measures to reduce the incidence of AIDS and the mortality from AIDS. This program shall include, but not be limited to, the establishment of a statewide hotline and a State AIDS information clearinghouse that will provide periodic reports and releases to public officials, health professionals, community service organizations,

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and the general public regarding new developments or procedures concerning prevention and treatment of AIDS.

(3) (Blank).

(4) Establish alternative blood test services that are not operated by a blood bank, plasma center or hospital. The Department shall prescribe by rule minimum criteria, standards and procedures for the establishment and operation of such services, which shall include, but not be limited to requirements for the provision of information, counseling and referral services that ensure appropriate counseling and referral for persons whose blood is tested and shows evidence of exposure to the human immunodeficiency virus (HIV) or other identified causative agent of acquired immunodeficiency syndrome (AIDS).

(5) Establish regional and community service networks of public and private service providers or health care professionals who may be involved in AIDS research, prevention and treatment.

(6) Provide grants to individuals, organizations or facilities to support the following:

(A) Information, referral, and treatment services.

(B) Interdisciplinary workshops for professionals involved in research and treatment.

(C) Establishment and operation of a statewide hotline.

(D) Establishment and operation of alternative testing services.

(E) Research into detection, prevention, and treatment.

(F) Supplementation of other public and private resources.

(G) Implementation by long-term care facilities of Department standards and procedures for the care and treatment of persons with AIDS and the development of adequate numbers and types of placements for those persons.

(7) (Blank).

(8) Accept any gift, donation, bequest, or grant of funds from private or public agencies, including federal funds that may be provided for AIDS control efforts.

(9) Develop and implement, in consultation with the Long-Term Care Facility Advisory Board, standards and procedures for long-term care facilities that provide care and treatment of persons with AIDS, including appropriate infection control procedures. The Department shall work cooperatively with organizations representing those facilities to develop adequate numbers and types of placements for persons with AIDS and shall advise those facilities on proper implementation of its standards and procedures.

(10) The Department shall create and administer a training program for State employees who have a need for understanding matters relating to AIDS in order to deal with or advise the public. The training shall include information on the cause and effects of AIDS, the means of detecting it and preventing its transmission, the availability of related counseling and referral, and other matters that may be appropriate. The training may also be made available to employees of local governments, public service agencies, and private agencies that contract with the State; in those cases the Department may charge a reasonable fee to recover the cost of the training.

(11) Approve tests or testing procedures used in determining exposure to HIV or any other identified causative agent of AIDS.

(12) Provide prescription drug benefits counseling for persons with HIV or AIDS.

(13) Continue to administer the AIDS Drug Assistance Program that provides drugs to prolong the lives of low income Persons with Acquired Immunodeficiency Syndrome (AIDS) or Human Immunodeficiency Virus (HIV) infection who are not eligible under Article V of the Illinois Public Aid Code for Medical Assistance, as provided under Title 77, Chapter 1, Subchapter (k), Part 692, Section 692.10 of the Illinois Administrative Code, effective August 1, 2000, except that the financial qualification for that program shall be that the anticipated gross monthly income shall be at or below 500% of the most recent Federal Poverty Guidelines published annually by the United States Department of Health and Human Services for the size of the household. Notwithstanding the preceding sentence, the Department of Public Health may determine the income eligibility standard for the AIDS Drug Assistance Program each year and may set the standard at more than 500% of the Federal Poverty Guidelines for the size of the household, provided that moneys appropriated to the Department for the program are sufficient to cover the increased cost of implementing the higher income eligibility standard. Rulemaking authority to implement this amendatory Act of the 95th General Assembly, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized. If the Department reduces the financial qualification for new applicants while allowing currently enrolled individuals to remain on the program, the Department shall maintain a waiting list of applicants who would otherwise be eligible

except that they do not meet the financial qualifications. Upon determination that program finances are adequate, the Department shall permit qualified individuals who are on the waiting list to enroll in the program.

(14) In order to implement the provisions of Public Act 95-7, the Department must expand HIV testing in health care settings where undiagnosed individuals are likely to be identified. The Department must purchase rapid HIV kits and make grants for technical assistance, staff to conduct HIV testing and counseling, and related purposes. The Department must make grants to (i) facilities serving patients that are uninsured at high rates, (ii) facilities located in areas with a high prevalence of HIV or AIDS, (iii) facilities that have a high likelihood of identifying individuals who are undiagnosed with HIV or AIDS, or (iv) any combination of items (i), (ii), and (iii).

(Source: P.A. 94-909, eff. 6-23-06; 95-744, eff. 7-18-08; 95-1042, eff. 3-25-09.)

Section 3. The Disabled Persons Rehabilitation Act is amended by adding Section 10a as follows:  
(20 ILCS 2405/10a new)

Sec. 10a. Financial Participation of Students Attending the Illinois School for the Deaf and the Illinois School for the Visually Impaired.

(a) General. The Illinois School for the Deaf and the Illinois School for the Visually Impaired are required to provide eligible students with disabilities with a free and appropriate education. As part of the admission process to either school, the Department shall complete a financial analysis on each student attending the Illinois School for the Deaf or the Illinois School for the Visually Impaired and shall ask parents or guardians to participate, if applicable, in the cost of identified services or activities that are not education related.

(b) Completion of financial analysis. Prior to admission, and annually thereafter, a financial analysis shall be completed on each student attending the Illinois School for the Deaf or the Illinois School for the Visually Impaired. If at any time there is reason to believe there is a change in the student's financial situation that will affect their financial participation, a new financial analysis shall be completed.

(1) In completing the student's financial analysis, the income of the student's family shall be used. Proof of income must be provided and retained for each parent or guardian.

(2) Any funds that have been established on behalf of the student for completion of their primary or secondary education shall be considered when completing the financial analysis.

(3) Falsification of information used to complete the financial analysis may result in the Department taking action to recoup monies previously expended by the Department in providing services to the student.

(c) Financial Participation. Utilizing a sliding scale based on income standards developed by the Department, parents or guardians of students attending the Illinois School for the Deaf or the Illinois School for the Visually Impaired shall be asked to financially participate in the following fees for services or activities provided at the schools:

(1) Registration.

(2) Books, labs, and supplies (fees may vary depending on the classes in which a student participates).

(3) Room and board for residential students.

(4) Meals for day students.

(5) Athletic or extracurricular activities (students participating in multiple activities will not be required to pay for more than 2 activities).

(6) Driver's education (if applicable).

(7) Graduation.

(8) Yearbook (optional).

(9) Activities (field trips or other leisure activities).

(10) Other activities or services identified by the Department.

Students, parents, or guardians who are receiving Medicaid or Temporary Assistance for Needy Families (TANF) shall not be required to financially participate in the fees established in this subsection (c).

Exceptions may be granted to parents or guardians who are unable to meet the financial participation obligations due to extenuating circumstances. Requests for exceptions must be made in writing and must be submitted to the Director of the Division of Rehabilitation Services for review.

Section 5. The State Prompt Payment Act is amended by changing Section 3-2 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

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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 90 60 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-day 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 90-day 60-day period, until final payment is made. Any bill, except a bill for pharmacy or nursing facility services or goods, 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. Any bill for pharmacy or nursing facility services or goods 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 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 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.

(3) The provisions of Public Act 96-1501 ~~this amendatory Act of the 96th General Assembly~~

reducing the interest rate on pharmacy claims under Article V of the Illinois Public Aid Code to 1.0% per month shall apply to any pharmacy bills for services and goods under Article V of the Illinois Public Aid Code received on or after the date 60 days before January 25, 2011 (the effective date of Public Act 96-1501) until the effective date of this amendatory Act of the 97th General Assembly ~~this amendatory Act of the 96th General Assembly~~.

(Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10; 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff. 1-25-11; 96-1530, eff. 2-16-11; revised 2-22-11.)

Section 10. The Children's Health Insurance Program Act is amended by changing Section 30 as follows:

(215 ILCS 106/30)

Sec. 30. Cost sharing.

(a) Children enrolled in a health benefits program pursuant to subdivision (a)(2) of Section 25 and persons enrolled in a health benefits waiver program pursuant to Section 40 shall be subject to the following cost sharing requirements:

(1) There shall be no co-payment required for well-baby or well-child care, including age-appropriate immunizations as required under federal law.

(2) Health insurance premiums for family members, either children or adults, in families whose household income is above 150% of the federal poverty level shall be payable monthly, subject

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to rules promulgated by the Department for grace periods and advance payments, and shall be as follows:

- (A) \$15 per month for one family member.
- (B) \$25 per month for 2 family members.
- (C) \$30 per month for 3 family members.
- (D) \$35 per month for 4 family members.
- (E) \$40 per month for 5 or more family members.

(3) Co-payments for children or adults in families whose income is at or below 150% of the federal poverty level, at a minimum and to the extent permitted under federal law, shall be \$2 for all medical visits and prescriptions provided under this Act and up to \$10 for emergency room use for a non-emergency situation as defined by the Department by rule and subject to federal approval.

(4) Co-payments for children or adults in families whose income is above 150% of the federal poverty level, at a minimum and to the extent permitted under federal law shall be as follows:

- (A) \$5 for medical visits.
- (B) \$3 for generic prescriptions and \$5 for brand name prescriptions.
- (C) \$25 for emergency room use for a non-emergency situation as defined by the Department by rule.

(5) ~~(Blank) The maximum amount of out of pocket expenses for co-payments shall be \$100 per family per year.~~

(6) Co-payments shall be maximized to the extent permitted by federal law and are subject to federal approval.

(b) Individuals enrolled in a privately sponsored health insurance plan pursuant to subdivision (a)(1) of Section 25 shall be subject to the cost sharing provisions as stated in the privately sponsored health insurance plan.

(Source: P.A. 94-48, eff. 7-1-05.)

Section 15. The Illinois Public Aid Code is amended by changing Sections 5-2, 5-4.1, 5-5.12, and 5A-10, as follows:

(305 ILCS 5/5-2) (from Ch. 23, par. 5-2)

Sec. 5-2. Classes of Persons Eligible. Medical assistance under this Article shall be available to any of the following classes of persons in respect to whom a plan for coverage has been submitted to the Governor by the Illinois Department and approved by him:

1. Recipients of basic maintenance grants under Articles III and IV.

2. Persons otherwise eligible for basic maintenance under Articles III and IV, excluding any eligibility requirements that are inconsistent with any federal law or federal regulation, as interpreted by the U.S. Department of Health and Human Services, but who fail to qualify thereunder on the basis of need or who qualify but are not receiving basic maintenance under Article IV, and who have insufficient income and resources to meet the costs of necessary medical care, including but not limited to the following:

(a) All persons otherwise eligible for basic maintenance under Article III but who fail to qualify under that Article on the basis of need and who meet either of the following requirements:

(i) their income, as determined by the Illinois Department in accordance with any federal requirements, is equal to or less than 70% in fiscal year 2001, equal to or less than 85% in fiscal year 2002 and until a date to be determined by the Department by rule, and equal to or less than 100% beginning on the date determined by the Department by rule, of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget and revised annually in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to families of the same size; or

(ii) their income, after the deduction of costs incurred for medical care and for other types of remedial care, is equal to or less than 70% in fiscal year 2001, equal to or less than 85% in fiscal year 2002 and until a date to be determined by the Department by rule, and equal to or less than 100% beginning on the date determined by the Department by rule, of the nonfarm income official poverty line, as defined in item (i) of this subparagraph (a).

(b) All persons who, excluding any eligibility requirements that are inconsistent with any federal law or federal regulation, as interpreted by the U.S. Department of Health and Human Services, would be determined eligible for such basic maintenance under Article IV by disregarding the maximum earned income permitted by federal law.

3. Persons who would otherwise qualify for Aid to the Medically Indigent under Article

## VII.

4. Persons not eligible under any of the preceding paragraphs who fall sick, are injured, or die, not having sufficient money, property or other resources to meet the costs of necessary medical care or funeral and burial expenses.

5. (a) Women during pregnancy, after the fact of pregnancy has been determined by medical diagnosis, and during the 60-day period beginning on the last day of the pregnancy, together with their infants and children born after September 30, 1983, whose income and resources are insufficient to meet the costs of necessary medical care to the maximum extent possible under Title XIX of the Federal Social Security Act.

(b) The Illinois Department and the Governor shall provide a plan for coverage of the persons eligible under paragraph 5(a) by April 1, 1990. Such plan shall provide ambulatory prenatal care to pregnant women during a presumptive eligibility period and establish an income eligibility standard that is equal to 133% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget and revised annually in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to families of the same size, provided that costs incurred for medical care are not taken into account in determining such income eligibility.

(c) The Illinois Department may conduct a demonstration in at least one county that will provide medical assistance to pregnant women, together with their infants and children up to one year of age, where the income eligibility standard is set up to 185% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget. The Illinois Department shall seek and obtain necessary authorization provided under federal law to implement such a demonstration. Such demonstration may establish resource standards that are not more restrictive than those established under Article IV of this Code.

6. Persons under the age of 18 who fail to qualify as dependent under Article IV and who have insufficient income and resources to meet the costs of necessary medical care to the maximum extent permitted under Title XIX of the Federal Social Security Act.

7. Persons who are under 21 years of age and would qualify as disabled as defined under the Federal Supplemental Security Income Program, provided medical service for such persons would be eligible for Federal Financial Participation, and provided the Illinois Department determines that:

(a) the person requires a level of care provided by a hospital, skilled nursing facility, or intermediate care facility, as determined by a physician licensed to practice medicine in all its branches;

(b) it is appropriate to provide such care outside of an institution, as determined by a physician licensed to practice medicine in all its branches;

(c) the estimated amount which would be expended for care outside the institution is not greater than the estimated amount which would be expended in an institution.

8. Persons who become ineligible for basic maintenance assistance under Article IV of this Code in programs administered by the Illinois Department due to employment earnings and persons in assistance units comprised of adults and children who become ineligible for basic maintenance assistance under Article VI of this Code due to employment earnings. The plan for coverage for this class of persons shall:

(a) extend the medical assistance coverage for up to 12 months following termination of basic maintenance assistance; and

(b) offer persons who have initially received 6 months of the coverage provided in paragraph (a) above, the option of receiving an additional 6 months of coverage, subject to the following:

(i) such coverage shall be pursuant to provisions of the federal Social Security Act;

(ii) such coverage shall include all services covered while the person was eligible for basic maintenance assistance;

(iii) no premium shall be charged for such coverage; and

(iv) such coverage shall be suspended in the event of a person's failure without good cause to file in a timely fashion reports required for this coverage under the Social Security Act and coverage shall be reinstated upon the filing of such reports if the person remains otherwise eligible.

9. Persons with acquired immunodeficiency syndrome (AIDS) or with AIDS-related conditions with respect to whom there has been a determination that but for home or community-based services such individuals would require the level of care provided in an inpatient hospital, skilled nursing facility or intermediate care facility the cost of which is reimbursed under this

Article. Assistance shall be provided to such persons to the maximum extent permitted under Title XIX of the Federal Social Security Act.

10. Participants in the long-term care insurance partnership program established under the Illinois Long-Term Care Partnership Program Act who meet the qualifications for protection of resources described in Section 15 of that Act.

11. Persons with disabilities who are employed and eligible for Medicaid, pursuant to Section 1902(a)(10)(A)(ii)(xv) of the Social Security Act, and, subject to federal approval, persons with a medically improved disability who are employed and eligible for Medicaid pursuant to Section 1902(a)(10)(A)(ii)(xvi) of the Social Security Act, as provided by the Illinois Department by rule. In establishing eligibility standards under this paragraph 11, the Department shall, subject to federal approval:

(a) set the income eligibility standard at not lower than 350% of the federal poverty level;

(b) exempt retirement accounts that the person cannot access without penalty before the age of 59 1/2, and medical savings accounts established pursuant to 26 U.S.C. 220;

(c) allow non-exempt assets up to \$25,000 as to those assets accumulated during periods of eligibility under this paragraph 11; and

(d) continue to apply subparagraphs (b) and (c) in determining the eligibility of the person under this Article even if the person loses eligibility under this paragraph 11.

12. Subject to federal approval, persons who are eligible for medical assistance coverage under applicable provisions of the federal Social Security Act and the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. Those eligible persons are defined to include, but not be limited to, the following persons:

(1) persons who have been screened for breast or cervical cancer under the U.S.

Centers for Disease Control and Prevention Breast and Cervical Cancer Program established under Title XV of the federal Public Health Services Act in accordance with the requirements of Section 1504 of that Act as administered by the Illinois Department of Public Health; and

(2) persons whose screenings under the above program were funded in whole or in part by funds appropriated to the Illinois Department of Public Health for breast or cervical cancer screening.

"Medical assistance" under this paragraph 12 shall be identical to the benefits provided under the State's approved plan under Title XIX of the Social Security Act. The Department must request federal approval of the coverage under this paragraph 12 within 30 days after the effective date of this amendatory Act of the 92nd General Assembly.

In addition to the persons who are eligible for medical assistance pursuant to subparagraphs (1) and (2) of this paragraph 12, and to be paid from funds appropriated to the Department for its medical programs, any uninsured person as defined by the Department in rules residing in Illinois who is younger than 65 years of age, who has been screened for breast and cervical cancer in accordance with standards and procedures adopted by the Department of Public Health for screening, and who is referred to the Department by the Department of Public Health as being in need of treatment for breast or cervical cancer is eligible for medical assistance benefits that are consistent with the benefits provided to those persons described in subparagraphs (1) and (2). Medical assistance coverage for the persons who are eligible under the preceding sentence is not dependent on federal approval, but federal moneys may be used to pay for services provided under that coverage upon federal approval.

13. Subject to appropriation and to federal approval, persons living with HIV/AIDS who are not otherwise eligible under this Article and who qualify for services covered under Section 5-5.04 as provided by the Illinois Department by rule.

14. Subject to the availability of funds for this purpose, the Department may provide coverage under this Article to persons who reside in Illinois who are not eligible under any of the preceding paragraphs and who meet the income guidelines of paragraph 2(a) of this Section and (i) have an application for asylum pending before the federal Department of Homeland Security or on appeal before a court of competent jurisdiction and are represented either by counsel or by an advocate accredited by the federal Department of Homeland Security and employed by a not-for-profit organization in regard to that application or appeal, or (ii) are receiving services through a federally funded torture treatment center. Medical coverage under this paragraph 14 may be provided for up to 24 continuous months from the initial eligibility date so long as an individual continues to satisfy the criteria of this paragraph 14. If an individual has an appeal pending regarding an application for asylum before the Department of Homeland Security, eligibility under this

paragraph 14 may be extended until a final decision is rendered on the appeal. The Department may adopt rules governing the implementation of this paragraph 14.

15. Family Care Eligibility.

(a) Through December 31, 2013, a caretaker relative who is 19 years of age or older when countable income is at

or below 185% of the Federal Poverty Level Guidelines, as published annually in the Federal Register, for the appropriate family size. Beginning January 1, 2014, a caretaker relative who is 19 years of age or older when countable income is at or below 133% of the Federal Poverty Level Guidelines, as published annually in the Federal Register, for the appropriate family size. A person may not spend down to become eligible under this paragraph 15.

(b) Eligibility shall be reviewed annually.

(c) Caretaker relatives enrolled under this paragraph 15 in families with countable income above 150% and at or below 185% of the Federal Poverty Level Guidelines shall be counted as family members and pay premiums as established under the Children's Health Insurance Program Act.

(d) Premiums shall be billed by and payable to the Department or its authorized agent, on a monthly basis.

(e) The premium due date is the last day of the month preceding the month of coverage.

(f) Individuals shall have a grace period through 30 days of coverage to pay the premium.

(g) Failure to pay the full monthly premium by the last day of the grace period shall result in termination of coverage.

(h) Partial premium payments shall not be refunded.

(i) Following termination of an individual's coverage under this paragraph 15, the following action is required before the individual can be re-enrolled:

(1) A new application must be completed and the individual must be determined otherwise eligible.

(2) There must be full payment of premiums due under this Code, the Children's Health Insurance Program Act, the Covering ALL KIDS Health Insurance Act, or any other healthcare program administered by the Department for periods in which a premium was owed and not paid for the individual.

(3) The first month's premium must be paid if there was an unpaid premium on the date the individual's previous coverage was canceled.

The Department is authorized to implement the provisions of this amendatory Act of the 95th General Assembly by adopting the medical assistance rules in effect as of October 1, 2007, at 89 Ill. Admin. Code 125, and at 89 Ill. Admin. Code 120.32 along with only those changes necessary to conform to federal Medicaid requirements, federal laws, and federal regulations, including but not limited to Section 1931 of the Social Security Act (42 U.S.C. Sec. 1396u-1), as interpreted by the U.S. Department of Health and Human Services, and the countable income eligibility standard authorized by this paragraph 15. The Department may not otherwise adopt any rule to implement this increase except as authorized by law, to meet the eligibility standards authorized by the federal government in the Medicaid State Plan or the Title XXI Plan, or to meet an order from the federal government or any court.

16. Subject to appropriation, uninsured persons who are not otherwise eligible under this Section who have been certified and referred by the Department of Public Health as having been screened and found to need diagnostic evaluation or treatment, or both diagnostic evaluation and treatment, for prostate or testicular cancer. For the purposes of this paragraph 16, uninsured persons are those who do not have creditable coverage, as defined under the Health Insurance Portability and Accountability Act, or have otherwise exhausted any insurance benefits they may have had, for prostate or testicular cancer diagnostic evaluation or treatment, or both diagnostic evaluation and treatment. To be eligible, a person must furnish a Social Security number. A person's assets are exempt from consideration in determining eligibility under this paragraph 16. Such persons shall be eligible for medical assistance under this paragraph 16 for so long as they need treatment for the cancer. A person shall be considered to need treatment if, in the opinion of the person's treating physician, the person requires therapy directed toward cure or palliation of prostate or testicular cancer, including recurrent metastatic cancer that is a known or presumed complication of prostate or testicular cancer and complications resulting from the treatment modalities themselves. Persons who require only routine monitoring services are not considered to need treatment. "Medical assistance"

under this paragraph 16 shall be identical to the benefits provided under the State's approved plan under Title XIX of the Social Security Act. Notwithstanding any other provision of law, the Department (i) does not have a claim against the estate of a deceased recipient of services under this paragraph 16 and (ii) does not have a lien against any homestead property or other legal or equitable real property interest owned by a recipient of services under this paragraph 16.

In implementing the provisions of Public Act 96-20, the Department is authorized to adopt only those rules necessary, including emergency rules. Nothing in Public Act 96-20 permits the Department to adopt rules or issue a decision that expands eligibility for the FamilyCare Program to a person whose income exceeds 185% of the Federal Poverty Level as determined from time to time by the U.S. Department of Health and Human Services, unless the Department is provided with express statutory authority.

The Illinois Department and the Governor shall provide a plan for coverage of the persons eligible under paragraph 7 as soon as possible after July 1, 1984.

The eligibility of any such person for medical assistance under this Article is not affected by the payment of any grant under the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act or any distributions or items of income described under subparagraph (X) of paragraph (2) of subsection (a) of Section 203 of the Illinois Income Tax Act. The Department shall by rule establish the amounts of assets to be disregarded in determining eligibility for medical assistance, which shall at a minimum equal the amounts to be disregarded under the Federal Supplemental Security Income Program. The amount of assets of a single person to be disregarded shall not be less than \$2,000, and the amount of assets of a married couple to be disregarded shall not be less than \$3,000.

To the extent permitted under federal law, any person found guilty of a second violation of Article VIIIA shall be ineligible for medical assistance under this Article, as provided in Section 8A-8.

The eligibility of any person for medical assistance under this Article shall not be affected by the receipt by the person of donations or benefits from fundraisers held for the person in cases of serious illness, as long as neither the person nor members of the person's family have actual control over the donations or benefits or the disbursement of the donations or benefits.

(Source: P.A. 95-546, eff. 8-29-07; 95-1055, eff. 4-10-09; 96-20, eff. 6-30-09; 96-181, eff. 8-10-09; 96-328, eff. 8-11-09; 96-567, eff. 1-1-10; 96-1000, eff. 7-2-10; 96-1123, eff. 1-1-11; 96-1270, eff. 7-26-10; revised 9-16-10.)

(305 ILCS 5/5-4.1) (from Ch. 23, par. 5-4.1)

Sec. 5-4.1. Co-payments. The Department may by rule provide that recipients under any Article of this Code shall pay a fee as a co-payment for services. Co-payments shall be maximized to the extent permitted by federal law. Provided, however, that any such rule must provide that no co-payment requirement can exist for renal dialysis, radiation therapy, cancer chemotherapy, or insulin, and other products necessary on a recurring basis, the absence of which would be life threatening, or where co-payment expenditures for required services and/or medications for chronic diseases that the Illinois Department shall by rule designate shall cause an extensive financial burden on the recipient, and provided no co-payment shall exist for emergency room encounters which are for medical emergencies. The Department shall seek approval of a State plan amendment that allows pharmacies to refuse to dispense drugs in circumstances where the recipient does not pay the required co-payment. In the event the State plan amendment is rejected, co-payments may not exceed \$3 for brand name drugs, \$1 for other pharmacy services other than for generic drugs, and \$2 for physician services, dental services, optical services and supplies, chiropractic services, podiatry services, and encounter rate clinic services. There shall be no co-payment for generic drugs. Co-payments may not exceed \$10 for emergency room use for a non-emergency situation as defined by the Department by rule and subject to federal approval. ~~Co-payments may not exceed \$3 for hospital outpatient and clinic services.~~

(Source: P.A. 96-1501, eff. 1-25-11.)

(305 ILCS 5/5-5.12) (from Ch. 23, par. 5-5.12)

Sec. 5-5.12. Pharmacy payments.

(a) Every request submitted by a pharmacy for reimbursement under this Article for prescription drugs provided to a recipient of aid under this Article shall include the name of the prescriber or an acceptable identification number as established by the Department.

(b) Pharmacies providing prescription drugs under this Article shall be reimbursed at a rate which shall include a professional dispensing fee as determined by the Illinois Department, plus the current acquisition cost of the prescription drug dispensed. The Illinois Department shall update its information on the acquisition costs of all prescription drugs no less frequently than every 30 days. However, the Illinois Department may set the rate of reimbursement for the acquisition cost, by rule, at a percentage of the current average wholesale acquisition cost.

(c) (Blank).

(d) The Department shall not impose requirements for prior approval based on a preferred drug list for anti-retroviral, anti-hemophilic factor concentrates, or any atypical antipsychotics, conventional antipsychotics, or anticonvulsants used for the treatment of serious mental illnesses until 30 days after it has conducted a study of the impact of such requirements on patient care and submitted a report to the Speaker of the House of Representatives and the President of the Senate. The Department shall review utilization of narcotic medications in the medical assistance program and impose utilization controls that protect against abuse.

(e) When making determinations as to which drugs shall be on a prior approval list, the Department shall include as part of the analysis for this determination, the degree to which a drug may affect individuals in different ways based on factors including the gender of the person taking the medication.

(f) The Department shall cooperate with the Department of Public Health and the Department of Human Services Division of Mental Health in identifying psychotropic medications that, when given in a particular form, manner, duration, or frequency (including "as needed") in a dosage, or in conjunction with other psychotropic medications to a nursing home resident, may constitute a chemical restraint or an "unnecessary drug" as defined by the Nursing Home Care Act or Titles XVIII and XIX of the Social Security Act and the implementing rules and regulations. The Department shall require prior approval for any such medication prescribed for a nursing home resident that appears to be a chemical restraint or an unnecessary drug. The Department shall consult with the Department of Human Services Division of Mental Health in developing a protocol and criteria for deciding whether to grant such prior approval.

(g) The Department may by rule provide for reimbursement of the dispensing of a 90-day supply of a generic, non-narcotic maintenance medication in circumstances where it is cost effective.

(h) Effective July 1, 2011, the Department shall discontinue coverage of select over-the-counter drugs, including analgesics and cough and cold and allergy medications.

(i) The Department shall seek any necessary waiver from the federal government in order to establish a program limiting the pharmacies eligible to dispense specialty drugs and shall issue a Request for Proposals in order to maximize savings on these drugs. The Department shall by rule establish the drugs required to be dispensed in this program.

(Source: P.A. 96-1269, eff. 7-26-10; 96-1372, eff. 7-29-10; 96-1501, eff. 1-25-11.)

(305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

Sec. 5A-10. Applicability.

(a) The assessment imposed by Section 5A-2 shall not take effect or shall cease to be imposed, and any moneys remaining in the Fund shall be refunded to hospital providers in proportion to the amounts paid by them, if:

(1) The sum of the appropriations for State fiscal years 2004 and 2005 from the General Revenue Fund for hospital payments under the medical assistance program is less than \$4,500,000,000 or the appropriation for each of State fiscal years 2006, 2007 and 2008 from the General Revenue Fund for hospital payments under the medical assistance program is less than \$2,500,000,000 increased annually to reflect any increase in the number of recipients, or the annual appropriation for State fiscal years 2009, 2010, 2011, 2013, and 2014 ~~through 2014~~, from the General Revenue Fund combined with the Hospital Provider Fund as authorized in Section 5A-8 for hospital payments under the medical assistance program, is less than the amount appropriated for State fiscal year 2009, adjusted annually to reflect any change in the number of recipients, excluding State fiscal year 2009 supplemental appropriations made necessary by the enactment of the American Recovery and Reinvestment Act of 2009; or

(2) For State fiscal years prior to State fiscal year 2009, the Department of Healthcare and Family Services (formerly Department of Public Aid) makes changes in its rules that reduce the hospital inpatient or outpatient payment rates, including adjustment payment rates, in effect on October 1, 2004, except for hospitals described in subsection (b) of Section 5A-3 and except for changes in the methodology for calculating outlier payments to hospitals for exceptionally costly stays, so long as those changes do not reduce aggregate expenditures below the amount expended in State fiscal year 2005 for such services; or

(2.1) For State fiscal years 2009 through 2014, the Department of Healthcare and Family Services adopts any administrative rule change to reduce payment rates or alters any payment methodology that reduces any payment rates made to operating hospitals under the approved Title XIX or Title XXI State plan in effect January 1, 2008 except for:

(A) any changes for hospitals described in subsection (b) of Section 5A-3; or

(B) any rates for payments made under this Article V-A; or

(C) any changes proposed in State plan amendment transmittal numbers 08-01, 08-02,

08-04, 08-06, and 08-07; or

(D) in relation to any admissions on or after January 1, 2011, a modification in the methodology for calculating outlier payments to hospitals for exceptionally costly stays, for hospitals reimbursed under the diagnosis-related grouping methodology; provided that the Department shall be limited to one such modification during the 36-month period after the effective date of this amendatory Act of the 96th General Assembly; or

(3) The payments to hospitals required under Section 5A-12 or Section 5A-12.2 are changed or are not eligible for federal matching funds under Title XIX or XXI of the Social Security Act.

(b) The assessment imposed by Section 5A-2 shall not take effect or shall cease to be imposed if the assessment is determined to be an impermissible tax under Title XIX of the Social Security Act. Moneys in the Hospital Provider Fund derived from assessments imposed prior thereto shall be disbursed in accordance with Section 5A-8 to the extent federal financial participation is not reduced due to the impermissibility of the assessments, and any remaining moneys shall be refunded to hospital providers in proportion to the amounts paid by them.

(Source: P.A. 95-331, eff. 8-21-07; 95-859, eff. 8-19-08; 96-8, eff. 4-28-09; 96-1530, eff. 2-16-11.)

Section 20. The Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act is amended by changing Section 4 as follows:

(320 ILCS 25/4) (from Ch. 67 1/2, par. 404)

Sec. 4. Amount of Grant.

(a) In general. Any individual 65 years or older or any individual who will become 65 years old during the calendar year in which a claim is filed, and any surviving spouse of such a claimant, who at the time of death received or was entitled to receive a grant pursuant to this Section, which surviving spouse will become 65 years of age within the 24 months immediately following the death of such claimant and which surviving spouse but for his or her age is otherwise qualified to receive a grant pursuant to this Section, and any disabled person whose annual household income is less than the income eligibility limitation, as defined in subsection (a-5) and whose household is liable for payment of property taxes accrued or has paid rent constituting property taxes accrued and is domiciled in this State at the time he or she files his or her claim is entitled to claim a grant under this Act. With respect to claims filed by individuals who will become 65 years old during the calendar year in which a claim is filed, the amount of any grant to which that household is entitled shall be an amount equal to 1/12 of the amount to which the claimant would otherwise be entitled as provided in this Section, multiplied by the number of months in which the claimant was 65 in the calendar year in which the claim is filed.

(a-5) Income eligibility limitation. For purposes of this Section, "income eligibility limitation" means an amount for grant years 2008 and thereafter:

- (1) less than \$22,218 for a household containing one person;
- (2) less than \$29,480 for a household containing 2 persons; or
- (3) less than \$36,740 for a household containing 3 or more persons.

For 2009 claim year applications submitted during calendar year 2010, a household must have annual household income of less than \$27,610 for a household containing one person; less than \$36,635 for a household containing 2 persons; or less than \$45,657 for a household containing 3 or more persons.

The Department on Aging may adopt rules such that on January 1, 2011, and thereafter, the foregoing household income eligibility limits may be changed to reflect the annual cost of living adjustment in Social Security and Supplemental Security Income benefits that are applicable to the year for which those benefits are being reported as income on an application.

If a person files as a surviving spouse, then only his or her income shall be counted in determining his or her household income.

(b) Limitation. Except as otherwise provided in subsections (a) and (f) of this Section, the maximum amount of grant which a claimant is entitled to claim is the amount by which the property taxes accrued which were paid or payable during the last preceding tax year or rent constituting property taxes accrued upon the claimant's residence for the last preceding taxable year exceeds 3 1/2% of the claimant's household income for that year but in no event is the grant to exceed (i) \$700 less 4.5% of household income for that year for those with a household income of \$14,000 or less or (ii) \$70 if household income for that year is more than \$14,000.

(c) Public aid recipients. If household income in one or more months during a year includes cash assistance in excess of \$55 per month from the Department of Healthcare and Family Services or the Department of Human Services (acting as successor to the Department of Public Aid under the Department of Human Services Act) which was determined under regulations of that Department on a

measure of need that included an allowance for actual rent or property taxes paid by the recipient of that assistance, the amount of grant to which that household is entitled, except as otherwise provided in subsection (a), shall be the product of (1) the maximum amount computed as specified in subsection (b) of this Section and (2) the ratio of the number of months in which household income did not include such cash assistance over \$55 to the number twelve. If household income did not include such cash assistance over \$55 for any months during the year, the amount of the grant to which the household is entitled shall be the maximum amount computed as specified in subsection (b) of this Section. For purposes of this paragraph (c), "cash assistance" does not include any amount received under the federal Supplemental Security Income (SSI) program.

(d) Joint ownership. If title to the residence is held jointly by the claimant with a person who is not a member of his or her household, the amount of property taxes accrued used in computing the amount of grant to which he or she is entitled shall be the same percentage of property taxes accrued as is the percentage of ownership held by the claimant in the residence.

(e) More than one residence. If a claimant has occupied more than one residence in the taxable year, he or she may claim only one residence for any part of a month. In the case of property taxes accrued, he or she shall prorate 1/12 of the total property taxes accrued on his or her residence to each month that he or she owned and occupied that residence; and, in the case of rent constituting property taxes accrued, shall prorate each month's rent payments to the residence actually occupied during that month.

(f) (Blank).

(g) Effective January 1, 2006, there is hereby established a program of pharmaceutical assistance to the aged and disabled, entitled the Illinois Seniors and Disabled Drug Coverage Program, which shall be administered by the Department of Healthcare and Family Services and the Department on Aging in accordance with this subsection, to consist of coverage of specified prescription drugs on behalf of beneficiaries of the program as set forth in this subsection.

To become a beneficiary under the program established under this subsection, a person must:

- (1) be (i) 65 years of age or older or (ii) disabled; and
- (2) be domiciled in this State; and
- (3) enroll with a qualified Medicare Part D Prescription Drug Plan if eligible and apply for all available subsidies under Medicare Part D; and
- (4) for the 2006 and 2007 claim years, have a maximum household income of (i) less than \$21,218 for a household containing one person, (ii) less than \$28,480 for a household containing 2 persons, or (iii) less than \$35,740 for a household containing 3 or more persons; and
- (5) for the 2008 claim year, have a maximum household income of (i) less than \$22,218 for a household containing one person, (ii) \$29,480 for a household containing 2 persons, or (iii) \$36,740 for a household containing 3 or more persons; and
- (6) for 2009 claim year applications submitted during calendar year 2010, have annual household income of less than (i) \$27,610 for a household containing one person; (ii) less than \$36,635 for a household containing 2 persons; or (iii) less than \$45,657 for a household containing 3 or more persons; and -
- (7) as of September 1, 2011, have a maximum household income at or below 200% of the federal poverty level.

~~The Department of Healthcare and Family Services may adopt rules such that on January 1, 2011, and thereafter, the foregoing household income eligibility limits may be changed to reflect the annual cost of living adjustment in Social Security and Supplemental Security Income benefits that are applicable to the year for which those benefits are being reported as income on an application.~~

All individuals enrolled as of December 31, 2005, in the pharmaceutical assistance program operated pursuant to subsection (f) of this Section and all individuals enrolled as of December 31, 2005, in the SeniorCare Medicaid waiver program operated pursuant to Section 5-5.12a of the Illinois Public Aid Code shall be automatically enrolled in the program established by this subsection for the first year of operation without the need for further application, except that they must apply for Medicare Part D and the Low Income Subsidy under Medicare Part D. A person enrolled in the pharmaceutical assistance program operated pursuant to subsection (f) of this Section as of December 31, 2005, shall not lose eligibility in future years due only to the fact that they have not reached the age of 65.

To the extent permitted by federal law, the Department may act as an authorized representative of a beneficiary in order to enroll the beneficiary in a Medicare Part D Prescription Drug Plan if the beneficiary has failed to choose a plan and, where possible, to enroll beneficiaries in the low-income subsidy program under Medicare Part D or assist them in enrolling in that program. Beneficiaries under the program established under this subsection shall be divided into the



following 4 eligibility groups:

(A) Eligibility Group 1 shall consist of beneficiaries who are not eligible for Medicare Part D coverage and who are:

(i) disabled and under age 65; or

(ii) age 65 or older, with incomes over 200% of the Federal Poverty Level; or

(iii) age 65 or older, with incomes at or below 200% of the Federal Poverty Level and not eligible for federally funded means-tested benefits due to immigration status.

(B) Eligibility Group 2 shall consist of beneficiaries who are eligible for Medicare Part D coverage.

(C) Eligibility Group 3 shall consist of beneficiaries age 65 or older, with incomes at or below 200% of the Federal Poverty Level, who are not barred from receiving federally funded means-tested benefits due to immigration status and are not eligible for Medicare Part D coverage.

If the State applies and receives federal approval for a waiver under Title XIX of the Social Security Act, persons in Eligibility Group 3 shall continue to receive benefits through the approved waiver, and Eligibility Group 3 may be expanded to include disabled persons under age 65 with incomes under 200% of the Federal Poverty Level who are not eligible for Medicare and who are not barred from receiving federally funded means-tested benefits due to immigration status.

(D) Eligibility Group 4 shall consist of beneficiaries who are otherwise described in Eligibility Group 2 who have a diagnosis of HIV or AIDS.

The program established under this subsection shall cover the cost of covered prescription drugs in excess of the beneficiary cost-sharing amounts set forth in this paragraph that are not covered by Medicare. The Department of Healthcare and Family Services may establish by emergency rule changes in cost-sharing necessary to conform the cost of the program to the amounts appropriated for State fiscal year 2012 and future fiscal years except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 of the Illinois Administrative Procedure Act shall 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. In 2006, beneficiaries shall pay a co-payment of \$2 for each prescription of a generic drug and \$5 for each prescription of a brand name drug. In future years, beneficiaries shall pay co-payments equal to the co-payments required under Medicare Part D for "other low income subsidy eligible individuals" pursuant to 42 CFR 423.782(b). For individuals in Eligibility Groups 1, 2, and 3, once the program established under this subsection and Medicare combined have paid \$1,750 in a year for covered prescription drugs, the beneficiary shall pay 20% of the cost of each prescription in addition to the co-payments set forth in this paragraph. For individuals in Eligibility Group 4, once the program established under this subsection and Medicare combined have paid \$1,750 in a year for covered prescription drugs, the beneficiary shall pay 20% of the cost of each prescription in addition to the co-payments set forth in this paragraph unless the drug is included in the formulary of the Illinois AIDS Drug Assistance Program operated by the Illinois Department of Public Health and covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled. If the drug is included in the formulary of the Illinois AIDS Drug Assistance Program and covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled, individuals in Eligibility Group 4 shall continue to pay the co-payments set forth in this paragraph after the program established under this subsection and Medicare combined have paid \$1,750 in a year for covered prescription drugs.

For beneficiaries eligible for Medicare Part D coverage, the program established under this subsection shall pay 100% of the premiums charged by a qualified Medicare Part D Prescription Drug Plan for Medicare Part D basic prescription drug coverage, not including any late enrollment penalties. Qualified Medicare Part D Prescription Drug Plans may be limited by the Department of Healthcare and Family Services to those plans that sign a coordination agreement with the Department.

For Notwithstanding Section 3-15, for purposes of the program established under this subsection, the term "covered prescription

drug" has the following meanings:

For Eligibility Group 1, "covered prescription drug" means: (1) any cardiovascular agent or drug; (2) any insulin or other prescription drug used in the treatment of diabetes, including syringe and needles used to administer the insulin; (3) any prescription drug used in the treatment of arthritis; (4) any prescription drug used in the treatment of cancer; (5) any prescription drug used in the treatment of Alzheimer's disease; (6) any prescription drug used in the treatment of Parkinson's disease; (7) any prescription drug used in the treatment of glaucoma; (8) any prescription drug used in the treatment of lung disease and smoking-related illnesses; (9) any prescription drug used in the

treatment of osteoporosis; and (10) any prescription drug used in the treatment of multiple sclerosis. The Department may add additional therapeutic classes by rule. The Department may adopt a preferred drug list within any of the classes of drugs described in items (1) through (10) of this paragraph. The specific drugs or therapeutic classes of covered prescription drugs shall be indicated by rule.

For Eligibility Group 2, "covered prescription drug" means those drugs covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled.

For Eligibility Group 3, "covered prescription drug" means those drugs covered by the Medical Assistance Program under Article V of the Illinois Public Aid Code.

For Eligibility Group 4, "covered prescription drug" means those drugs covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled.

~~An individual in Eligibility Group 1, 2, 3, or 4 may opt to receive a \$25 monthly payment in lieu of the direct coverage described in this subsection.~~

Any person otherwise eligible for pharmaceutical assistance under this subsection whose covered drugs are covered by any public program is ineligible for assistance under this subsection to the extent that the cost of those drugs is covered by the other program.

The Department of Healthcare and Family Services shall establish by rule the methods by which it will provide for the coverage called for in this subsection. Those methods may include direct reimbursement to pharmacies or the payment of a capitated amount to Medicare Part D Prescription Drug Plans.

For a pharmacy to be reimbursed under the program established under this subsection, it must comply with rules adopted by the Department of Healthcare and Family Services regarding coordination of benefits with Medicare Part D Prescription Drug Plans. A pharmacy may not charge a Medicare-enrolled beneficiary of the program established under this subsection more for a covered prescription drug than the appropriate Medicare cost-sharing less any payment from or on behalf of the Department of Healthcare and Family Services.

The Department of Healthcare and Family Services or the Department on Aging, as appropriate, may adopt rules regarding applications, counting of income, proof of Medicare status, mandatory generic policies, and pharmacy reimbursement rates and any other rules necessary for the cost-efficient operation of the program established under this subsection.

(h) A qualified individual is not entitled to duplicate benefits in a coverage period as a result of the changes made by this amendatory Act of the 96th General Assembly.

(Source: P.A. 95-208, eff. 8-16-07; 95-644, eff. 10-12-07; 95-876, eff. 8-21-08; 96-804, eff. 1-1-10; revised 9-16-10.)

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

#### **AMENDMENT NO. 4 TO SENATE BILL 1802**

AMENDMENT NO. 4. Amend Senate Bill 1802 by replacing everything after the enacting clause with the following:

"Section 1. The Department of Human Services Act is amended by adding Section 10-66 as follows:  
(20 ILCS 1305/10-66 new)

Sec. 10-66. Rate reductions. Rates for medical services purchased by the Divisions of Alcohol and Substance Abuse, Community Health and Prevention, Developmentally Disabilities, Mental Health, or Rehabilitation Services within the Department of Human Services shall not be reduced below the rates calculated on April 1, 2011 unless the Department of Human Services promulgates rules and rules are implemented authorizing rate reductions.

Section 2. The Civil Administrative Code of Illinois is amended by changing Section 2310-315 as follows:

(20 ILCS 2310/2310-315) (was 20 ILCS 2310/55.41)

Sec. 2310-315. Prevention and treatment of AIDS. To perform the following in relation to the prevention and treatment of acquired immunodeficiency syndrome (AIDS):

(1) Establish a State AIDS Control Unit within the Department as a separate administrative subdivision, to coordinate all State programs and services relating to the prevention, treatment, and amelioration of AIDS.

(2) Conduct a public information campaign for physicians, hospitals, health facilities, public health departments, law enforcement personnel, public employees, laboratories, and the general public on

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acquired immunodeficiency syndrome (AIDS) and promote necessary measures to reduce the incidence of AIDS and the mortality from AIDS. This program shall include, but not be limited to, the establishment of a statewide hotline and a State AIDS information clearinghouse that will provide periodic reports and releases to public officials, health professionals, community service organizations, and the general public regarding new developments or procedures concerning prevention and treatment of AIDS.

(3) (Blank).

(4) Establish alternative blood test services that are not operated by a blood bank, plasma center or hospital. The Department shall prescribe by rule minimum criteria, standards and procedures for the establishment and operation of such services, which shall include, but not be limited to requirements for the provision of information, counseling and referral services that ensure appropriate counseling and referral for persons whose blood is tested and shows evidence of exposure to the human immunodeficiency virus (HIV) or other identified causative agent of acquired immunodeficiency syndrome (AIDS).

(5) Establish regional and community service networks of public and private service providers or health care professionals who may be involved in AIDS research, prevention and treatment.

(6) Provide grants to individuals, organizations or facilities to support the following:

(A) Information, referral, and treatment services.

(B) Interdisciplinary workshops for professionals involved in research and treatment.

(C) Establishment and operation of a statewide hotline.

(D) Establishment and operation of alternative testing services.

(E) Research into detection, prevention, and treatment.

(F) Supplementation of other public and private resources.

(G) Implementation by long-term care facilities of Department standards and procedures for the care and treatment of persons with AIDS and the development of adequate numbers and types of placements for those persons.

(7) (Blank).

(8) Accept any gift, donation, bequest, or grant of funds from private or public agencies, including federal funds that may be provided for AIDS control efforts.

(9) Develop and implement, in consultation with the Long-Term Care Facility Advisory Board, standards and procedures for long-term care facilities that provide care and treatment of persons with AIDS, including appropriate infection control procedures. The Department shall work cooperatively with organizations representing those facilities to develop adequate numbers and types of placements for persons with AIDS and shall advise those facilities on proper implementation of its standards and procedures.

(10) The Department shall create and administer a training program for State employees who have a need for understanding matters relating to AIDS in order to deal with or advise the public. The training shall include information on the cause and effects of AIDS, the means of detecting it and preventing its transmission, the availability of related counseling and referral, and other matters that may be appropriate. The training may also be made available to employees of local governments, public service agencies, and private agencies that contract with the State; in those cases the Department may charge a reasonable fee to recover the cost of the training.

(11) Approve tests or testing procedures used in determining exposure to HIV or any other identified causative agent of AIDS.

(12) Provide prescription drug benefits counseling for persons with HIV or AIDS.

(13) Continue to administer the AIDS Drug Assistance Program that provides drugs to prolong the lives of low income Persons with Acquired Immunodeficiency Syndrome (AIDS) or Human Immunodeficiency Virus (HIV) infection who are not eligible under Article V of the Illinois Public Aid Code for Medical Assistance, as provided under Title 77, Chapter 1, Subchapter (k), Part 692, Section 692.10 of the Illinois Administrative Code, effective August 1, 2000, except that the financial qualification for that program shall be that the anticipated gross monthly income shall be at or below 500% of the most recent Federal Poverty Guidelines published annually by the United States Department of Health and Human Services for the size of the household. Notwithstanding the preceding sentence, the Department of Public Health may determine the income eligibility standard for the AIDS Drug Assistance Program each year and may set the standard at more than 500% of the Federal Poverty Guidelines for the size of the household, provided that moneys appropriated to the Department for the program are sufficient to cover the increased cost of implementing the higher income eligibility standard. Rulemaking authority to implement this amendatory Act of the 95th General Assembly, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative

Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized. If the Department reduces the financial qualification for new applicants while allowing currently enrolled individuals to remain on the program, the Department shall maintain a waiting list of applicants who would otherwise be eligible except that they do not meet the financial qualifications. Upon determination that program finances are adequate, the Department shall permit qualified individuals who are on the waiting list to enroll in the program.

(14) In order to implement the provisions of Public Act 95-7, the Department must expand HIV testing in health care settings where undiagnosed individuals are likely to be identified. The Department must purchase rapid HIV kits and make grants for technical assistance, staff to conduct HIV testing and counseling, and related purposes. The Department must make grants to (i) facilities serving patients that are uninsured at high rates, (ii) facilities located in areas with a high prevalence of HIV or AIDS, (iii) facilities that have a high likelihood of identifying individuals who are undiagnosed with HIV or AIDS, or (iv) any combination of items (i), (ii), and (iii).

(Source: P.A. 94-909, eff. 6-23-06; 95-744, eff. 7-18-08; 95-1042, eff. 3-25-09.)

Section 3. The Disabled Persons Rehabilitation Act is amended by adding Section 10a as follows:

(20 ILCS 2405/10a new)

Sec. 10a. Financial Participation of Students Attending the Illinois School for the Deaf and the Illinois School for the Visually Impaired.

(a) General. The Illinois School for the Deaf and the Illinois School for the Visually Impaired are required to provide eligible students with disabilities with a free and appropriate education. As part of the admission process to either school, the Department shall complete a financial analysis on each student attending the Illinois School for the Deaf or the Illinois School for the Visually Impaired and shall ask parents or guardians to participate, if applicable, in the cost of identified services or activities that are not education related.

(b) Completion of financial analysis. Prior to admission, and annually thereafter, a financial analysis shall be completed on each student attending the Illinois School for the Deaf or the Illinois School for the Visually Impaired. If at any time there is reason to believe there is a change in the student's financial situation that will affect their financial participation, a new financial analysis shall be completed.

(1) In completing the student's financial analysis, the income of the student's family shall be used. Proof of income must be provided and retained for each parent or guardian.

(2) Any funds that have been established on behalf of the student for completion of their primary or secondary education shall be considered when completing the financial analysis.

(3) Falsification of information used to complete the financial analysis may result in the Department taking action to recoup monies previously expended by the Department in providing services to the student.

(c) Financial Participation. Utilizing a sliding scale based on income standards developed by rule by the Department with input from the superintendent of each school, parents or guardians of students attending the Illinois School for the Deaf or the Illinois School for the Visually Impaired may be asked to financially participate in the following fees for services or activities provided at the schools:

(1) Registration.

(2) Books, labs, and supplies (fees may vary depending on the classes in which a student participates).

(3) Room and board for residential students.

(4) Meals for day students.

(5) Athletic or extracurricular activities (students participating in multiple activities will not be required to pay for more than 2 activities).

(6) Driver's education (if applicable).

(7) Graduation.

(8) Yearbook (optional).

(9) Activities (field trips or other leisure activities).

(10) Other activities or services identified by the Department.

Students, parents, or guardians who are receiving Medicaid or Temporary Assistance for Needy Families (TANF) shall not be required to financially participate in the fees established in this subsection (c).

Exceptions may be granted to parents or guardians who are unable to meet the financial participation obligations due to extenuating circumstances. Requests for exceptions must be made in writing and must be submitted to the superintendent for initial recommendation with a final determination by the Director

of the Division of Rehabilitation Services.

Any fees collected under this subsection (c) shall be held locally by the school and used exclusively for the purpose for which the fee was assessed.

Section 5. The State Prompt Payment Act is amended by changing Section 3-2 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 and except as provided under paragraph (1.05) of this Section,

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 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 60 day~~ period, until final payment is made. Any bill, except a bill for pharmacy or nursing facility services or goods and except as provided under paragraph (1.05) of this Section, 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. Any bill for pharmacy or nursing facility services or goods submitted under Article V of the Illinois Public Aid Code, except as provided under paragraph (1.05) of this Section, 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 ~~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 ~~60 day~~ period, until final payment is made.

(1.05) For State fiscal year 2012 and future fiscal years, any bill approved for payment under this Section must be paid or the payment issued to the payee within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-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 90-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.

(3) ~~The provisions of Public Act 96-1501 this amendatory Act of the 96th General Assembly~~ reducing the interest rate on pharmacy claims under Article V of the Illinois Public Aid Code to 1.0% per month shall apply to any pharmacy bills for services and goods under Article V of the Illinois Public Aid Code received on or after the date 60 days before January 25, 2011 (the effective date of Public Act 96-1501) except as provided under paragraph (1.05) of this Section ~~this amendatory Act of the 96th General Assembly.~~

[May 31, 2011]

(Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10; 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff. 1-25-11; 96-1530, eff. 2-16-11; revised 2-22-11.)

Section 10. The Children's Health Insurance Program Act is amended by changing Section 30 as follows:

(215 ILCS 106/30)

Sec. 30. Cost sharing.

(a) Children enrolled in a health benefits program pursuant to subdivision (a)(2) of Section 25 and persons enrolled in a health benefits waiver program pursuant to Section 40 shall be subject to the following cost sharing requirements:

(1) There shall be no co-payment required for well-baby or well-child care, including age-appropriate immunizations as required under federal law.

(2) Health insurance premiums for family members, either children or adults, in families whose household income is above 150% of the federal poverty level shall be payable monthly, subject to rules promulgated by the Department for grace periods and advance payments, and shall be as follows:

(A) \$15 per month for one family member.

(B) \$25 per month for 2 family members.

(C) \$30 per month for 3 family members.

(D) \$35 per month for 4 family members.

(E) \$40 per month for 5 or more family members.

(3) Co-payments for children or adults in families whose income is at or below 150% of the federal poverty level, at a minimum and to the extent permitted under federal law, shall be \$2 for all medical visits and prescriptions provided under this Act and up to \$10 for emergency room use for a non-emergency situation as defined by the Department by rule and subject to federal approval.

(4) Co-payments for children or adults in families whose income is above 150% of the federal poverty level, at a minimum and to the extent permitted under federal law shall be as follows:

(A) \$5 for medical visits.

(B) \$3 for generic prescriptions and \$5 for brand name prescriptions.

(C) \$25 for emergency room use for a non-emergency situation as defined by the Department by rule.

(5) ~~(Blank) The maximum amount of out of pocket expenses for co payments shall be \$100 per family per year.~~

(6) Co-payments shall be maximized to the extent permitted by federal law and are subject to federal approval.

(b) Individuals enrolled in a privately sponsored health insurance plan pursuant to subdivision (a)(1) of Section 25 shall be subject to the cost sharing provisions as stated in the privately sponsored health insurance plan.

(Source: P.A. 94-48, eff. 7-1-05.)

Section 15. The Illinois Public Aid Code is amended by changing Sections 5-2, 5-4.1, 5-5.12, and 5A-10, as follows:

(305 ILCS 5/5-2) (from Ch. 23, par. 5-2)

Sec. 5-2. Classes of Persons Eligible. Medical assistance under this Article shall be available to any of the following classes of persons in respect to whom a plan for coverage has been submitted to the Governor by the Illinois Department and approved by him:

1. Recipients of basic maintenance grants under Articles III and IV.

2. Persons otherwise eligible for basic maintenance under Articles III and IV, excluding any eligibility requirements that are inconsistent with any federal law or federal regulation, as interpreted by the U.S. Department of Health and Human Services, but who fail to qualify thereunder on the basis of need or who qualify but are not receiving basic maintenance under Article IV, and who have insufficient income and resources to meet the costs of necessary medical care, including but not limited to the following:

(a) All persons otherwise eligible for basic maintenance under Article III but who fail to qualify under that Article on the basis of need and who meet either of the following requirements:

(i) their income, as determined by the Illinois Department in accordance with any federal requirements, is equal to or less than 70% in fiscal year 2001, equal to or less than 85% in fiscal year 2002 and until a date to be determined by the Department by rule, and equal to

or less than 100% beginning on the date determined by the Department by rule, of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget and revised annually in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to families of the same size; or

(ii) their income, after the deduction of costs incurred for medical care and for other types of remedial care, is equal to or less than 70% in fiscal year 2001, equal to or less than 85% in fiscal year 2002 and until a date to be determined by the Department by rule, and equal to or less than 100% beginning on the date determined by the Department by rule, of the nonfarm income official poverty line, as defined in item (i) of this subparagraph (a).

(b) All persons who, excluding any eligibility requirements that are inconsistent with any federal law or federal regulation, as interpreted by the U.S. Department of Health and Human Services, would be determined eligible for such basic maintenance under Article IV by disregarding the maximum earned income permitted by federal law.

3. Persons who would otherwise qualify for Aid to the Medically Indigent under Article VII.

4. Persons not eligible under any of the preceding paragraphs who fall sick, are injured, or die, not having sufficient money, property or other resources to meet the costs of necessary medical care or funeral and burial expenses.

5.(a) Women during pregnancy, after the fact of pregnancy has been determined by medical diagnosis, and during the 60-day period beginning on the last day of the pregnancy, together with their infants and children born after September 30, 1983, whose income and resources are insufficient to meet the costs of necessary medical care to the maximum extent possible under Title XIX of the Federal Social Security Act.

(b) The Illinois Department and the Governor shall provide a plan for coverage of the persons eligible under paragraph 5(a) by April 1, 1990. Such plan shall provide ambulatory prenatal care to pregnant women during a presumptive eligibility period and establish an income eligibility standard that is equal to 133% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget and revised annually in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to families of the same size, provided that costs incurred for medical care are not taken into account in determining such income eligibility.

(c) The Illinois Department may conduct a demonstration in at least one county that will provide medical assistance to pregnant women, together with their infants and children up to one year of age, where the income eligibility standard is set up to 185% of the nonfarm income official poverty line, as defined by the federal Office of Management and Budget. The Illinois Department shall seek and obtain necessary authorization provided under federal law to implement such a demonstration. Such demonstration may establish resource standards that are not more restrictive than those established under Article IV of this Code.

6. Persons under the age of 18 who fail to qualify as dependent under Article IV and who have insufficient income and resources to meet the costs of necessary medical care to the maximum extent permitted under Title XIX of the Federal Social Security Act.

7. Persons who are under 21 years of age and would qualify as disabled as defined under the Federal Supplemental Security Income Program, provided medical service for such persons would be eligible for Federal Financial Participation, and provided the Illinois Department determines that:

(a) the person requires a level of care provided by a hospital, skilled nursing facility, or intermediate care facility, as determined by a physician licensed to practice medicine in all its branches;

(b) it is appropriate to provide such care outside of an institution, as determined by a physician licensed to practice medicine in all its branches;

(c) the estimated amount which would be expended for care outside the institution is not greater than the estimated amount which would be expended in an institution.

8. Persons who become ineligible for basic maintenance assistance under Article IV of this Code in programs administered by the Illinois Department due to employment earnings and persons in assistance units comprised of adults and children who become ineligible for basic maintenance assistance under Article VI of this Code due to employment earnings. The plan for coverage for this class of persons shall:

(a) extend the medical assistance coverage for up to 12 months following termination of basic maintenance assistance; and

(b) offer persons who have initially received 6 months of the coverage provided in paragraph (a) above, the option of receiving an additional 6 months of coverage, subject to the

following:

- (i) such coverage shall be pursuant to provisions of the federal Social Security Act;
- (ii) such coverage shall include all services covered while the person was eligible for basic maintenance assistance;
- (iii) no premium shall be charged for such coverage; and
- (iv) such coverage shall be suspended in the event of a person's failure without good cause to file in a timely fashion reports required for this coverage under the Social Security Act and coverage shall be reinstated upon the filing of such reports if the person remains otherwise eligible.

9. Persons with acquired immunodeficiency syndrome (AIDS) or with AIDS-related conditions with respect to whom there has been a determination that but for home or community-based services such individuals would require the level of care provided in an inpatient hospital, skilled nursing facility or intermediate care facility the cost of which is reimbursed under this Article. Assistance shall be provided to such persons to the maximum extent permitted under Title XIX of the Federal Social Security Act.

10. Participants in the long-term care insurance partnership program established under the Illinois Long-Term Care Partnership Program Act who meet the qualifications for protection of resources described in Section 15 of that Act.

11. Persons with disabilities who are employed and eligible for Medicaid, pursuant to Section 902(a)(10)(A)(ii)(xv) of the Social Security Act, and, subject to federal approval, persons with a medically improved disability who are employed and eligible for Medicaid pursuant to Section 902(a)(10)(A)(ii)(xvi) of the Social Security Act, as provided by the Illinois Department by rule. In establishing eligibility standards under this paragraph 11, the Department shall, subject to federal approval:

- (a) set the income eligibility standard at not lower than 350% of the federal poverty level;
- (b) exempt retirement accounts that the person cannot access without penalty before the age of 59 1/2, and medical savings accounts established pursuant to 26 U.S.C. 220;
- (c) allow non-exempt assets up to \$25,000 as to those assets accumulated during periods of eligibility under this paragraph 11; and
- (d) continue to apply subparagraphs (b) and (c) in determining the eligibility of the person under this Article even if the person loses eligibility under this paragraph 11.

12. Subject to federal approval, persons who are eligible for medical assistance coverage under applicable provisions of the federal Social Security Act and the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. Those eligible persons are defined to include, but not be limited to, the following persons:

- (1) persons who have been screened for breast or cervical cancer under the U.S. Centers for Disease Control and Prevention Breast and Cervical Cancer Program established under Title XV of the federal Public Health Services Act in accordance with the requirements of Section 1504 of that Act as administered by the Illinois Department of Public Health; and
- (2) persons whose screenings under the above program were funded in whole or in part by funds appropriated to the Illinois Department of Public Health for breast or cervical cancer screening.

"Medical assistance" under this paragraph 12 shall be identical to the benefits provided under the State's approved plan under Title XIX of the Social Security Act. The Department must request federal approval of the coverage under this paragraph 12 within 30 days after the effective date of this amendatory Act of the 92nd General Assembly.

In addition to the persons who are eligible for medical assistance pursuant to subparagraphs (1) and (2) of this paragraph 12, and to be paid from funds appropriated to the Department for its medical programs, any uninsured person as defined by the Department in rules residing in Illinois who is younger than 65 years of age, who has been screened for breast and cervical cancer in accordance with standards and procedures adopted by the Department of Public Health for screening, and who is referred to the Department by the Department of Public Health as being in need of treatment for breast or cervical cancer is eligible for medical assistance benefits that are consistent with the benefits provided to those persons described in subparagraphs (1) and (2). Medical assistance coverage for the persons who are eligible under the preceding sentence is not dependent on federal approval, but federal moneys may be used to pay for services provided under that coverage upon federal approval.



13. Subject to appropriation and to federal approval, persons living with HIV/AIDS who are not otherwise eligible under this Article and who qualify for services covered under Section 5-5.04 as provided by the Illinois Department by rule.

14. Subject to the availability of funds for this purpose, the Department may provide coverage under this Article to persons who reside in Illinois who are not eligible under any of the preceding paragraphs and who meet the income guidelines of paragraph 2(a) of this Section and (i) have an application for asylum pending before the federal Department of Homeland Security or on appeal before a court of competent jurisdiction and are represented either by counsel or by an advocate accredited by the federal Department of Homeland Security and employed by a not-for-profit organization in regard to that application or appeal, or (ii) are receiving services through a federally funded torture treatment center. Medical coverage under this paragraph 14 may be provided for up to 24 continuous months from the initial eligibility date so long as an individual continues to satisfy the criteria of this paragraph 14. If an individual has an appeal pending regarding an application for asylum before the Department of Homeland Security, eligibility under this paragraph 14 may be extended until a final decision is rendered on the appeal. The Department may adopt rules governing the implementation of this paragraph 14.

15. Family Care Eligibility.

(a) Through December 31, 2013, a ~~A~~ caretaker relative who is 19 years of age or older when countable income is at

or below 185% of the Federal Poverty Level Guidelines, as published annually in the Federal Register, for the appropriate family size. Beginning January 1, 2014, a caretaker relative who is 19 years of age or older when countable income is at or below 133% of the Federal Poverty Level Guidelines, as published annually in the Federal Register, for the appropriate family size. A person may not spend down to become eligible under this paragraph 15.

(b) Eligibility shall be reviewed annually.

(c) Caretaker relatives enrolled under this paragraph 15 in families with countable income above 150% and at or below 185% of the Federal Poverty Level Guidelines shall be counted as family members and pay premiums as established under the Children's Health Insurance Program Act.

(d) Premiums shall be billed by and payable to the Department or its authorized agent, on a monthly basis.

(e) The premium due date is the last day of the month preceding the month of coverage.

(f) Individuals shall have a grace period through 30 days of coverage to pay the premium.

(g) Failure to pay the full monthly premium by the last day of the grace period shall result in termination of coverage.

(h) Partial premium payments shall not be refunded.

(i) Following termination of an individual's coverage under this paragraph 15, the following action is required before the individual can be re-enrolled:

(1) A new application must be completed and the individual must be determined otherwise eligible.

(2) There must be full payment of premiums due under this Code, the Children's Health Insurance Program Act, the Covering ALL KIDS Health Insurance Act, or any other healthcare program administered by the Department for periods in which a premium was owed and not paid for the individual.

(3) The first month's premium must be paid if there was an unpaid premium on the date the individual's previous coverage was canceled.

The Department is authorized to implement the provisions of this amendatory Act of the 95th General Assembly by adopting the medical assistance rules in effect as of October 1, 2007, at 89 Ill. Admin. Code 125, and at 89 Ill. Admin. Code 120.32 along with only those changes necessary to conform to federal Medicaid requirements, federal laws, and federal regulations, including but not limited to Section 1931 of the Social Security Act (42 U.S.C. Sec. 1396u-1), as interpreted by the U.S. Department of Health and Human Services, and the countable income eligibility standard authorized by this paragraph 15. The Department may not otherwise adopt any rule to implement this increase except as authorized by law, to meet the eligibility standards authorized by the federal government in the Medicaid State Plan or the Title XXI Plan, or to meet an order from the federal government or any court.

16. Subject to appropriation, uninsured persons who are not otherwise eligible under

this Section who have been certified and referred by the Department of Public Health as having been screened and found to need diagnostic evaluation or treatment, or both diagnostic evaluation and treatment, for prostate or testicular cancer. For the purposes of this paragraph 16, uninsured persons are those who do not have creditable coverage, as defined under the Health Insurance Portability and Accountability Act, or have otherwise exhausted any insurance benefits they may have had, for prostate or testicular cancer diagnostic evaluation or treatment, or both diagnostic evaluation and treatment. To be eligible, a person must furnish a Social Security number. A person's assets are exempt from consideration in determining eligibility under this paragraph 16. Such persons shall be eligible for medical assistance under this paragraph 16 for so long as they need treatment for the cancer. A person shall be considered to need treatment if, in the opinion of the person's treating physician, the person requires therapy directed toward cure or palliation of prostate or testicular cancer, including recurrent metastatic cancer that is a known or presumed complication of prostate or testicular cancer and complications resulting from the treatment modalities themselves. Persons who require only routine monitoring services are not considered to need treatment. "Medical assistance" under this paragraph 16 shall be identical to the benefits provided under the State's approved plan under Title XIX of the Social Security Act. Notwithstanding any other provision of law, the Department (i) does not have a claim against the estate of a deceased recipient of services under this paragraph 16 and (ii) does not have a lien against any homestead property or other legal or equitable real property interest owned by a recipient of services under this paragraph 16.

In implementing the provisions of Public Act 96-20, the Department is authorized to adopt only those rules necessary, including emergency rules. Nothing in Public Act 96-20 permits the Department to adopt rules or issue a decision that expands eligibility for the FamilyCare Program to a person whose income exceeds 185% of the Federal Poverty Level as determined from time to time by the U.S. Department of Health and Human Services, unless the Department is provided with express statutory authority.

The Illinois Department and the Governor shall provide a plan for coverage of the persons eligible under paragraph 7 as soon as possible after July 1, 1984.

The eligibility of any such person for medical assistance under this Article is not affected by the payment of any grant under the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act or any distributions or items of income described under subparagraph (X) of paragraph (2) of subsection (a) of Section 203 of the Illinois Income Tax Act. The Department shall by rule establish the amounts of assets to be disregarded in determining eligibility for medical assistance, which shall at a minimum equal the amounts to be disregarded under the Federal Supplemental Security Income Program. The amount of assets of a single person to be disregarded shall not be less than \$2,000, and the amount of assets of a married couple to be disregarded shall not be less than \$3,000.

To the extent permitted under federal law, any person found guilty of a second violation of Article VIIIA shall be ineligible for medical assistance under this Article, as provided in Section 8A-8.

The eligibility of any person for medical assistance under this Article shall not be affected by the receipt by the person of donations or benefits from fundraisers held for the person in cases of serious illness, as long as neither the person nor members of the person's family have actual control over the donations or benefits or the disbursement of the donations or benefits.

(Source: P.A. 95-546, eff. 8-29-07; 95-1055, eff. 4-10-09; 96-20, eff. 6-30-09; 96-181, eff. 8-10-09; 96-328, eff. 8-11-09; 96-567, eff. 1-1-10; 96-1000, eff. 7-2-10; 96-1123, eff. 1-1-11; 96-1270, eff. 7-26-10; revised 9-16-10.)

(305 ILCS 5/5-4.1) (from Ch. 23, par. 5-4.1)

Sec. 5-4.1. Co-payments. The Department may by rule provide that recipients under any Article of this Code shall pay a fee as a co-payment for services. Co-payments shall be maximized to the extent permitted by federal law. Provided, however, that any such rule must provide that no co-payment requirement can exist for renal dialysis, radiation therapy, cancer chemotherapy, or insulin, and other products necessary on a recurring basis, the absence of which would be life threatening, or where co-payment expenditures for required services and/or medications for chronic diseases that the Illinois Department shall by rule designate shall cause an extensive financial burden on the recipient, and provided no co-payment shall exist for emergency room encounters which are for medical emergencies. The Department shall seek approval of a State plan amendment that allows pharmacies to refuse to dispense drugs in circumstances where the recipient does not pay the required co-payment. In the event the State plan amendment is rejected, co-payments may not exceed \$3 for brand name drugs, \$1 for other pharmacy services other than for generic drugs, and \$2 for physician services, dental services, optical services and supplies, chiropractic services, podiatry services, and encounter rate clinic services. There shall be no co-payment for generic drugs. Co-payments may not exceed \$10 for emergency room

use for a non-emergency situation as defined by the Department by rule and subject to federal approval. Co-payments may not exceed \$3 for hospital outpatient and clinic services.

(Source: P.A. 96-1501, eff. 1-25-11.)

(305 ILCS 5/5-5.12) (from Ch. 23, par. 5-5.12)

Sec. 5-5.12. Pharmacy payments.

(a) Every request submitted by a pharmacy for reimbursement under this Article for prescription drugs provided to a recipient of aid under this Article shall include the name of the prescriber or an acceptable identification number as established by the Department.

(b) Pharmacies providing prescription drugs under this Article shall be reimbursed at a rate which shall include a professional dispensing fee as determined by the Illinois Department, plus the current acquisition cost of the prescription drug dispensed. The Illinois Department shall update its information on the acquisition costs of all prescription drugs no less frequently than every 30 days. However, the Illinois Department may set the rate of reimbursement for the acquisition cost, by rule, at a percentage of the current average wholesale acquisition cost.

(c) (Blank).

(d) The Department shall not impose requirements for prior approval based on a preferred drug list for anti-retroviral, anti-hemophilic factor concentrates, or any atypical antipsychotics, conventional antipsychotics, or anticonvulsants used for the treatment of serious mental illnesses until 30 days after it has conducted a study of the impact of such requirements on patient care and submitted a report to the Speaker of the House of Representatives and the President of the Senate. The Department shall review utilization of narcotic medications in the medical assistance program and impose utilization controls that protect against abuse.

(e) When making determinations as to which drugs shall be on a prior approval list, the Department shall include as part of the analysis for this determination, the degree to which a drug may affect individuals in different ways based on factors including the gender of the person taking the medication.

(f) The Department shall cooperate with the Department of Public Health and the Department of Human Services Division of Mental Health in identifying psychotropic medications that, when given in a particular form, manner, duration, or frequency (including "as needed") in a dosage, or in conjunction with other psychotropic medications to a nursing home resident, may constitute a chemical restraint or an "unnecessary drug" as defined by the Nursing Home Care Act or Titles XVIII and XIX of the Social Security Act and the implementing rules and regulations. The Department shall require prior approval for any such medication prescribed for a nursing home resident that appears to be a chemical restraint or an unnecessary drug. The Department shall consult with the Department of Human Services Division of Mental Health in developing a protocol and criteria for deciding whether to grant such prior approval.

(g) The Department may by rule provide for reimbursement of the dispensing of a 90-day supply of a generic, non-narcotic maintenance medication in circumstances where it is cost effective.

(h) Effective July 1, 2011, the Department shall discontinue coverage of select over-the-counter drugs, including analgesics and cough and cold and allergy medications.

(i) The Department shall seek any necessary waiver from the federal government in order to establish a program limiting the pharmacies eligible to dispense specialty drugs and shall issue a Request for Proposals in order to maximize savings on these drugs. The Department shall by rule establish the drugs required to be dispensed in this program.

(Source: P.A. 96-1269, eff. 7-26-10; 96-1372, eff. 7-29-10; 96-1501, eff. 1-25-11.)

(305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

Sec. 5A-10. Applicability.

(a) The assessment imposed by Section 5A-2 shall not take effect or shall cease to be imposed, and any moneys remaining in the Fund shall be refunded to hospital providers in proportion to the amounts paid by them, if:

(1) The sum of the appropriations for State fiscal years 2004 and 2005 from the General

Revenue Fund for hospital payments under the medical assistance program is less than \$4,500,000,000 or the appropriation for each of State fiscal years 2006, 2007 and 2008 from the General Revenue Fund for hospital payments under the medical assistance program is less than \$2,500,000,000 increased annually to reflect any increase in the number of recipients, or the annual appropriation for State fiscal years 2009, 2010, 2011, 2013, and 2014 through 2014, from the General Revenue Fund combined with the Hospital Provider Fund as authorized in Section 5A-8 for hospital payments under the medical assistance program, is less than the amount appropriated for State fiscal year 2009, adjusted annually to reflect any change in the number of recipients, excluding State fiscal year 2009 supplemental appropriations made necessary by the enactment of the American Recovery and Reinvestment Act of 2009; or

(2) For State fiscal years prior to State fiscal year 2009, the Department of Healthcare and Family Services (formerly Department of Public Aid) makes changes in its rules that reduce the hospital inpatient or outpatient payment rates, including adjustment payment rates, in effect on October 1, 2004, except for hospitals described in subsection (b) of Section 5A-3 and except for changes in the methodology for calculating outlier payments to hospitals for exceptionally costly stays, so long as those changes do not reduce aggregate expenditures below the amount expended in State fiscal year 2005 for such services; or

(2.1) For State fiscal years 2009 through 2014, the Department of Healthcare and Family Services adopts any administrative rule change to reduce payment rates or alters any payment methodology that reduces any payment rates made to operating hospitals under the approved Title XIX or Title XXI State plan in effect January 1, 2008 except for:

(A) any changes for hospitals described in subsection (b) of Section 5A-3; or

(B) any rates for payments made under this Article V-A; or

(C) any changes proposed in State plan amendment transmittal numbers 08-01, 08-02, 08-04, 08-06, and 08-07; or

(D) in relation to any admissions on or after January 1, 2011, a modification in the methodology for calculating outlier payments to hospitals for exceptionally costly stays, for hospitals reimbursed under the diagnosis-related grouping methodology; provided that the Department shall be limited to one such modification during the 36-month period after the effective date of this amendatory Act of the 96th General Assembly; or

(3) The payments to hospitals required under Section 5A-12 or Section 5A-12.2 are changed or are not eligible for federal matching funds under Title XIX or XXI of the Social Security Act.

(b) The assessment imposed by Section 5A-2 shall not take effect or shall cease to be imposed if the assessment is determined to be an impermissible tax under Title XIX of the Social Security Act. Moneys in the Hospital Provider Fund derived from assessments imposed prior thereto shall be disbursed in accordance with Section 5A-8 to the extent federal financial participation is not reduced due to the impermissibility of the assessments, and any remaining moneys shall be refunded to hospital providers in proportion to the amounts paid by them.

(Source: P.A. 95-331, eff. 8-21-07; 95-859, eff. 8-19-08; 96-8, eff. 4-28-09; 96-1530, eff. 2-16-11.)

Section 20. The Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act is amended by changing Section 4 as follows:

(320 ILCS 25/4) (from Ch. 67 1/2, par. 404)

Sec. 4. Amount of Grant.

(a) In general. Any individual 65 years or older or any individual who will become 65 years old during the calendar year in which a claim is filed, and any surviving spouse of such a claimant, who at the time of death received or was entitled to receive a grant pursuant to this Section, which surviving spouse will become 65 years of age within the 24 months immediately following the death of such claimant and which surviving spouse but for his or her age is otherwise qualified to receive a grant pursuant to this Section, and any disabled person whose annual household income is less than the income eligibility limitation, as defined in subsection (a-5) and whose household is liable for payment of property taxes accrued or has paid rent constituting property taxes accrued and is domiciled in this State at the time he or she files his or her claim is entitled to claim a grant under this Act. With respect to claims filed by individuals who will become 65 years old during the calendar year in which a claim is filed, the amount of any grant to which that household is entitled shall be an amount equal to 1/12 of the amount to which the claimant would otherwise be entitled as provided in this Section, multiplied by the number of months in which the claimant was 65 in the calendar year in which the claim is filed.

(a-5) Income eligibility limitation. For purposes of this Section, "income eligibility limitation" means an amount for grant years 2008 and thereafter:

(1) less than \$22,218 for a household containing one person;

(2) less than \$29,480 for a household containing 2 persons; or

(3) less than \$36,740 for a household containing 3 or more persons.

For 2009 claim year applications submitted during calendar year 2010, a household must have annual household income of less than \$27,610 for a household containing one person; less than \$36,635 for a household containing 2 persons; or less than \$45,657 for a household containing 3 or more persons.

The Department on Aging may adopt rules such that on January 1, 2011, and thereafter, the foregoing household income eligibility limits may be changed to reflect the annual cost of living adjustment in Social Security and Supplemental Security Income benefits that are applicable to the year for which

those benefits are being reported as income on an application.

If a person files as a surviving spouse, then only his or her income shall be counted in determining his or her household income.

(b) Limitation. Except as otherwise provided in subsections (a) and (f) of this Section, the maximum amount of grant which a claimant is entitled to claim is the amount by which the property taxes accrued which were paid or payable during the last preceding tax year or rent constituting property taxes accrued upon the claimant's residence for the last preceding taxable year exceeds 3 1/2% of the claimant's household income for that year but in no event is the grant to exceed (i) \$700 less 4.5% of household income for that year for those with a household income of \$14,000 or less or (ii) \$70 if household income for that year is more than \$14,000.

(c) Public aid recipients. If household income in one or more months during a year includes cash assistance in excess of \$55 per month from the Department of Healthcare and Family Services or the Department of Human Services (acting as successor to the Department of Public Aid under the Department of Human Services Act) which was determined under regulations of that Department on a measure of need that included an allowance for actual rent or property taxes paid by the recipient of that assistance, the amount of grant to which that household is entitled, except as otherwise provided in subsection (a), shall be the product of (1) the maximum amount computed as specified in subsection (b) of this Section and (2) the ratio of the number of months in which household income did not include such cash assistance over \$55 to the number twelve. If household income did not include such cash assistance over \$55 for any months during the year, the amount of the grant to which the household is entitled shall be the maximum amount computed as specified in subsection (b) of this Section. For purposes of this paragraph (c), "cash assistance" does not include any amount received under the federal Supplemental Security Income (SSI) program.

(d) Joint ownership. If title to the residence is held jointly by the claimant with a person who is not a member of his or her household, the amount of property taxes accrued used in computing the amount of grant to which he or she is entitled shall be the same percentage of property taxes accrued as is the percentage of ownership held by the claimant in the residence.

(e) More than one residence. If a claimant has occupied more than one residence in the taxable year, he or she may claim only one residence for any part of a month. In the case of property taxes accrued, he or she shall prorate 1/12 of the total property taxes accrued on his or her residence to each month that he or she owned and occupied that residence; and, in the case of rent constituting property taxes accrued, shall prorate each month's rent payments to the residence actually occupied during that month.

(f) (Blank).

(g) Effective January 1, 2006, there is hereby established a program of pharmaceutical assistance to the aged and disabled, entitled the Illinois Seniors and Disabled Drug Coverage Program, which shall be administered by the Department of Healthcare and Family Services and the Department on Aging in accordance with this subsection, to consist of coverage of specified prescription drugs on behalf of beneficiaries of the program as set forth in this subsection.

To become a beneficiary under the program established under this subsection, a person must:

- (1) be (i) 65 years of age or older or (ii) disabled; and
- (2) be domiciled in this State; and
- (3) enroll with a qualified Medicare Part D Prescription Drug Plan if eligible and apply for all available subsidies under Medicare Part D; and
- (4) for the 2006 and 2007 claim years, have a maximum household income of (i) less than \$21,218 for a household containing one person, (ii) less than \$28,480 for a household containing 2 persons, or (iii) less than \$35,740 for a household containing 3 or more persons; and
- (5) for the 2008 claim year, have a maximum household income of (i) less than \$22,218 for a household containing one person, (ii) \$29,480 for a household containing 2 persons, or (iii) \$36,740 for a household containing 3 or more persons; and
- (6) for 2009 claim year applications submitted during calendar year 2010, have annual household income of less than (i) \$27,610 for a household containing one person; (ii) less than \$36,635 for a household containing 2 persons; or (iii) less than \$45,657 for a household containing 3 or more persons; and -

(7) as of September 1, 2011, have a maximum household income at or below 200% of the federal poverty level.

~~The Department of Healthcare and Family Services may adopt rules such that on January 1, 2011, and thereafter, the foregoing household income eligibility limits may be changed to reflect the annual cost of living adjustment in Social Security and Supplemental Security Income benefits that are applicable to the year for which those benefits are being reported as income on an application.~~

All individuals enrolled as of December 31, 2005, in the pharmaceutical assistance program operated pursuant to subsection (f) of this Section and all individuals enrolled as of December 31, 2005, in the SeniorCare Medicaid waiver program operated pursuant to Section 5-5.12a of the Illinois Public Aid Code shall be automatically enrolled in the program established by this subsection for the first year of operation without the need for further application, except that they must apply for Medicare Part D and the Low Income Subsidy under Medicare Part D. A person enrolled in the pharmaceutical assistance program operated pursuant to subsection (f) of this Section as of December 31, 2005, shall not lose eligibility in future years due only to the fact that they have not reached the age of 65.

To the extent permitted by federal law, the Department may act as an authorized representative of a beneficiary in order to enroll the beneficiary in a Medicare Part D Prescription Drug Plan if the beneficiary has failed to choose a plan and, where possible, to enroll beneficiaries in the low-income subsidy program under Medicare Part D or assist them in enrolling in that program.

Beneficiaries under the program established under this subsection shall be divided into the following 4 eligibility groups:

(A) Eligibility Group 1 shall consist of beneficiaries who are not eligible for Medicare Part D coverage and who are:

(i) disabled and under age 65; or

(ii) age 65 or older, with incomes over 200% of the Federal Poverty Level; or

(iii) age 65 or older, with incomes at or below 200% of the Federal Poverty Level and not eligible for federally funded means-tested benefits due to immigration status.

(B) Eligibility Group 2 shall consist of beneficiaries who are eligible for Medicare Part D coverage.

(C) Eligibility Group 3 shall consist of beneficiaries age 65 or older, with incomes at or below 200% of the Federal Poverty Level, who are not barred from receiving federally funded means-tested benefits due to immigration status and are not eligible for Medicare Part D coverage.

If the State applies and receives federal approval for a waiver under Title XIX of the Social Security Act, persons in Eligibility Group 3 shall continue to receive benefits through the approved waiver, and Eligibility Group 3 may be expanded to include disabled persons under age 65 with incomes under 200% of the Federal Poverty Level who are not eligible for Medicare and who are not barred from receiving federally funded means-tested benefits due to immigration status.

(D) Eligibility Group 4 shall consist of beneficiaries who are otherwise described in Eligibility Group 2 who have a diagnosis of HIV or AIDS.

The program established under this subsection shall cover the cost of covered prescription drugs in excess of the beneficiary cost-sharing amounts set forth in this paragraph that are not covered by Medicare. The Department of Healthcare and Family Services may establish by emergency rule changes in cost-sharing necessary to conform the cost of the program to the amounts appropriated for State fiscal year 2012 and future fiscal years except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 of the Illinois Administrative Procedure Act shall 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. In 2006, beneficiaries shall pay a co-payment of \$2 for each prescription of a generic drug and \$5 for each prescription of a brand name drug. In future years, beneficiaries shall pay co-payments equal to the co-payments required under Medicare Part D for "other low-income subsidy eligible individuals" pursuant to 42 CFR 423.782(b). For individuals in Eligibility Groups 1, 2, and 3, once the program established under this subsection and Medicare combined have paid \$1,750 in a year for covered prescription drugs, the beneficiary shall pay 20% of the cost of each prescription in addition to the co-payments set forth in this paragraph. For individuals in Eligibility Group 4, once the program established under this subsection and Medicare combined have paid \$1,750 in a year for covered prescription drugs, the beneficiary shall pay 20% of the cost of each prescription in addition to the co-payments set forth in this paragraph unless the drug is included in the formulary of the Illinois AIDS Drug Assistance Program operated by the Illinois Department of Public Health and covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled. If the drug is included in the formulary of the Illinois AIDS Drug Assistance Program and covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled, individuals in Eligibility Group 4 shall continue to pay the co-payments set forth in this paragraph after the program established under this subsection and Medicare combined have paid \$1,750 in a year for covered prescription drugs.

For beneficiaries eligible for Medicare Part D coverage, the program established under this subsection

~~shall pay 100% of the premiums charged by a qualified Medicare Part D Prescription Drug Plan for Medicare Part D basic prescription drug coverage, not including any late enrollment penalties. Qualified Medicare Part D Prescription Drug Plans may be limited by the Department of Healthcare and Family Services to those plans that sign a coordination agreement with the Department.~~

~~For Notwithstanding Section 3-15, for purposes of the program established under this subsection, the term "covered prescription~~

~~drug" has the following meanings:~~

~~For Eligibility Group 1, "covered prescription drug" means: (1) any cardiovascular agent or drug; (2) any insulin or other prescription drug used in the treatment of diabetes, including syringe and needles used to administer the insulin; (3) any prescription drug used in the treatment of arthritis; (4) any prescription drug used in the treatment of cancer; (5) any prescription drug used in the treatment of Alzheimer's disease; (6) any prescription drug used in the treatment of Parkinson's disease; (7) any prescription drug used in the treatment of glaucoma; (8) any prescription drug used in the treatment of lung disease and smoking-related illnesses; (9) any prescription drug used in the treatment of osteoporosis; and (10) any prescription drug used in the treatment of multiple sclerosis. The Department may add additional therapeutic classes by rule. The Department may adopt a preferred drug list within any of the classes of drugs described in items (1) through (10) of this paragraph. The specific drugs or therapeutic classes of covered prescription drugs shall be indicated by rule.~~

~~For Eligibility Group 2, "covered prescription drug" means those drugs covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled.~~

~~For Eligibility Group 3, "covered prescription drug" means those drugs covered by the Medical Assistance Program under Article V of the Illinois Public Aid Code.~~

~~For Eligibility Group 4, "covered prescription drug" means those drugs covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled.~~

~~An individual in Eligibility Group 1, 2, 3, or 4 may opt to receive a \$25 monthly payment in lieu of the direct coverage described in this subsection.~~

~~Any person otherwise eligible for pharmaceutical assistance under this subsection whose covered drugs are covered by any public program is ineligible for assistance under this subsection to the extent that the cost of those drugs is covered by the other program.~~

~~The Department of Healthcare and Family Services shall establish by rule the methods by which it will provide for the coverage called for in this subsection. Those methods may include direct reimbursement to pharmacies or the payment of a capitated amount to Medicare Part D Prescription Drug Plans.~~

~~For a pharmacy to be reimbursed under the program established under this subsection, it must comply with rules adopted by the Department of Healthcare and Family Services regarding coordination of benefits with Medicare Part D Prescription Drug Plans. A pharmacy may not charge a Medicare-enrolled beneficiary of the program established under this subsection more for a covered prescription drug than the appropriate Medicare cost-sharing less any payment from or on behalf of the Department of Healthcare and Family Services.~~

~~The Department of Healthcare and Family Services or the Department on Aging, as appropriate, may adopt rules regarding applications, counting of income, proof of Medicare status, mandatory generic policies, and pharmacy reimbursement rates and any other rules necessary for the cost-efficient operation of the program established under this subsection.~~

~~(h) A qualified individual is not entitled to duplicate benefits in a coverage period as a result of the changes made by this amendatory Act of the 96th General Assembly.~~

~~(Source: P.A. 95-208, eff. 8-16-07; 95-644, eff. 10-12-07; 95-876, eff. 8-21-08; 96-804, eff. 1-1-10; revised 9-16-10.)~~

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

~~Under the rules, the foregoing **Senate Bill No. 1802**, with House Amendments numbered 2 and 4, was referred to the Secretary's Desk.~~

~~A message from the House by~~

~~Mr. Mahoney, Clerk:~~

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

~~SENATE BILL NO. 2407~~

[May 31, 2011]

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. 1 to SENATE BILL NO. 2407

House Amendment No. 2 to SENATE BILL NO. 2407

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 SENATE BILL 2407**

AMENDMENT NO. 1. Amend Senate Bill 2407 by replacing everything after the enacting clause with the following:

“Section 5. The amount of \$2, or so much of that amount as may be necessary, is appropriated from the General Revenue Fund to the Department on Aging for its ordinary and contingent expenses.

Section 99. Effective date. This Act takes effect July 1, 2011.”

**AMENDMENT NO. 2 SENATE BILL 2407**

AMENDMENT NO. 2. Amend Senate Bill 2407, by deleting everything after the enacting clause and inserting the following:

“Section 5. If and only if House Bill 3717 of the 97th General Assembly becomes law, then “AN ACT making appropriations” (House Bill 3717 of the 97th General Assembly) is amended by changing Section 15 of Article 6 as follows:

(097HB3717, Art. 6, Sec. 15)

Sec. 15. In addition to any amounts heretofore appropriated, the following named amounts, or so much thereof as may be necessary, respectively, are appropriated to the Department of Healthcare and Family Services for medical assistance:

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

Payable from General Revenue Fund:

For Physicians .....	794,882,700
For Dentists .....	295,731,400
For Optometrists .....	57,677,100
For Podiatrists .....	8,906,000
For Chiropractors .....	1,401,000
For Hospital In-Patient, Disproportionate Share and Ambulatory Care .....	2,260,976,500
For federally defined Institutions for Mental Diseases .....	106,675,600
For Supportive Living Facilities .....	108,185,100
For all other Skilled, Intermediate, and Other Related Long Term Care Services .....	654,147,100
For Community Health Centers .....	301,570,700
For Hospice Care .....	79,106,900
For Independent Laboratories .....	50,377,100
For Home Health Care, Therapy, and Nursing Services .....	82,106,300
For Appliances .....	77,762,200
For Transportation .....	64,690,500
For Other Related Medical Services, development, implementation, and operation of managed care and children's health programs, operating and administrative costs and related distributive purposes .....	126,047,400 <del>155,534,300</del>
For Medicare Part A Premiums .....	16,427,800
For Medicare Part B Premiums .....	349,232,100



For Medicare Part B Premiums for Qualified Individuals under the Federal Balanced Budget Act of 1997 .....	25,063,900
For Health Maintenance Organizations and Managed Care Entities.....	240,934,200
For Division of Specialized Care for Children.....	67,900,200
Total	<u>\$5,769,801,800</u> <del>\$5,799,288,700</del>

In addition to any amounts heretofore appropriated, the following named amounts, or so much thereof as may be necessary, are appropriated to the Department of Healthcare and Family Services for Medical Assistance under the Illinois Public Aid Code, the Children's Health Insurance Program Act, the Covering ALL KIDS Health Insurance Act, and the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act for Prescribed Drugs, including costs associated with the implementation and operation of the Illinois Cares Rx Program, and costs related to the operation of the Health Benefits for Workers with Disabilities Program:

Payable from:

General Revenue Fund .....	1,079,755,300
Drug Rebate Fund.....	600,000,000
Tobacco Settlement Recovery Fund.....	200,600,000
Medicaid Buy-In Program Revolving Fund.....	450,000
Total	\$1,885,962,900

(Source: 097HB3717)

Section 10. If and only if House Bill 3717 of the 97th General Assembly becomes law, then "AN ACT making appropriations" (House Bill 3717 of the 97th General Assembly) is amended by changing Section 70 of Article 9 as follows:

(097HB3717, Art. 9, Sec. 70)

Sec. 70. The following named sums, or so much thereof as may be necessary, respectively, for the purposes hereinafter named, are appropriated to the Department of Human Services for Grants-In-Aid and Purchased Care in its various regions pursuant to Sections 3 and 4 of the Community Services Act and the Community Mental Health Act:

**MENTAL HEALTH GRANTS AND PROGRAM SUPPORT  
GRANTS-IN-AID AND PURCHASED CARE**

For Community Service Grant Programs for

Persons with Mental Illness:

Payable from General Revenue Fund .....	<u>143,687,900</u> <del>114,201,000</del>
Payable from Community Mental Health Services Block Grant Fund.....	13,025,400

For Community Service Grant Programs for

Persons with Mental Illness including

administrative costs:

Payable from DHS Federal Projects Fund .....	16,000,000
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Payable from General Revenue Fund:

For all costs associated with Mental Health Transportation.....	742,500
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For Purchase of Care for Children and

Adolescents with Mental Illness approved through the Individual Care Grant Program.....	23,349,000
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For costs associated with the Purchase and

Disbursement of Psychotropic Medications for Mentally Ill Clients in the Community.....	1,980,000
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For costs associated with Mental

Health Community Transitions or State Operated Facilities.....	22,679,200
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For Supportive MI Housing .....	20,359,400
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For costs associated with Children and Adolescent Mental Health Programs.....	28,722,200
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Payable from Health and Human Services

Medicaid Trust Fund:

For diversion, transition, and Aftercare from institutional settings For persons with a mental illness .....	6,000,000
Payable from Community Mental Health Medicaid Trust Fund:	
For all costs and administrative expenses associated with Medicaid Services for Persons with Mental Illness, including prior year costs .....	115,689,900
For Community Service Grant Programs for Children and Adolescents with Mental Illness:	
Payable from Community Mental Health Services Block Grant Fund .....	4,341,800
Payable from Community Mental Health Services Block Grant Fund:	
For Teen Suicide Prevention Including Provisions Established in Public Act 85-0928 .....	206,400
Payable from Health and Human Services Medicaid Trust Fund:	
For Grants for Supporting Housing Services .....	3,382,500
(Source: 097HB3717)	

Section 999. Effective date. This Act takes effect July 1, 2011.”.

Under the rules, the foregoing **Senate Bill No. 2407**, 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. 269

A bill for AN ACT concerning State government.  
Passed the House, May 31, 2011.

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 78

A bill for AN ACT concerning education.  
Which amendments are as follows:  
Senate Amendment No. 1 to HOUSE BILL NO. 78  
Senate Amendment No. 2 to HOUSE BILL NO. 78  
Senate Amendment No. 3 to HOUSE BILL NO. 78  
Concurred in by the House, May 31, 2011.

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 147

A bill for AN ACT concerning transportation.  
Which amendment is as follows:

[May 31, 2011]

Senate Amendment No. 1 to HOUSE BILL NO. 147  
Concurred in by the House, May 31, 2011.

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 190

A bill for AN ACT concerning education.  
Which amendment is as follows:  
Senate Amendment No. 2 to HOUSE BILL NO. 190  
Concurred in by the House, May 31, 2011.

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 1095

A bill for AN ACT concerning State government.  
Which amendments are as follows:  
Senate Amendment No. 1 to HOUSE BILL NO. 1095  
Senate Amendment No. 2 to HOUSE BILL NO. 1095  
Concurred in by the House, May 31, 2011.

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 1153

A bill for AN ACT concerning civil law.  
Which amendment is as follows:  
Senate Amendment No. 1 to HOUSE BILL NO. 1153  
Concurred in by the House, May 31, 2011.

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 1193

A bill for AN ACT concerning insurance.  
Which amendment is as follows:  
Senate Amendment No. 1 to HOUSE BILL NO. 1193  
Concurred in by the House, May 31, 2011.

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 1197

[May 31, 2011]

A bill for AN ACT concerning education.  
 Which amendments are as follows:  
 Senate Amendment No. 1 to HOUSE BILL NO. 1197  
 Senate Amendment No. 2 to HOUSE BILL NO. 1197  
 Concurred in by the House, May 31, 2011.

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 1218

A bill for AN ACT concerning revenue.  
 Which amendment is as follows:  
 Senate Amendment No. 1 to HOUSE BILL NO. 1218  
 Concurred in by the House, May 31, 2011.

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 1297

A bill for AN ACT concerning safety.  
 Which amendments are as follows:  
 Senate Amendment No. 1 to HOUSE BILL NO. 1297  
 Senate Amendment No. 3 to HOUSE BILL NO. 1297  
 Concurred in by the House, May 31, 2011.

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 1490

A bill for AN ACT concerning regulation.  
 Which amendment is as follows:  
 Senate Amendment No. 2 to HOUSE BILL NO. 1490  
 Concurred in by the House, May 31, 2011.

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 1537

A bill for AN ACT concerning veterans.  
 Which amendment is as follows:  
 Senate Amendment No. 1 to HOUSE BILL NO. 1537  
 Concurred in by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

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

[May 31, 2011]

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 1576

A bill for AN ACT concerning local government.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1576

Senate Amendment No. 3 to HOUSE BILL NO. 1576

Concurred in by the House, May 31, 2011.

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 1908

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 1908

Concurred in by the House, May 31, 2011.

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 1973

A bill for AN ACT concerning State government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1973

Concurred in by the House, May 31, 2011.

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 2056

A bill for AN ACT concerning safety.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2056

Senate Amendment No. 2 to HOUSE BILL NO. 2056

Concurred in by the House, May 31, 2011.

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 2094

A bill for AN ACT concerning wildlife.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2094

Concurred in by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

[May 31, 2011]

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 2193

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 2193

Concurred in by the House, May 31, 2011.

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 2362

A bill for AN ACT concerning civil law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2362

Concurred in by the House, May 31, 2011.

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 2397

A bill for AN ACT concerning education.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2397

Concurred in by the House, May 31, 2011.

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 refused to concur with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3131

A bill for AN ACT concerning government.

Which amendment is as follows:

Senate Amendment No. 4 to HOUSE BILL NO. 3131

Non-concurred in by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

### **JOINT ACTION MOTION FILED**

The following Joint Action Motion to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendments 2 and 4 to Senate Bill 1802

[May 31, 2011]

**CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON  
SECRETARY'S DESK**

On motion of Senator Jacobs, **Senate Bill No. 1394**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Jacobs moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Harmon	Maloney	Sandack
Bivins	Holmes	Martinez	Sandoval
Bomke	Hunter	McCann	Schmidt
Brady	Hutchinson	McCarter	Schoenberg
Clayborne	Jacobs	Meeks	Silverstein
Collins, J.	Johnson, C.	Millner	Steans
Crotty	Johnson, T.	Mulroe	Sullivan
Cultra	Jones, E.	Muñoz	Trotter
Delgado	Jones, J.	Murphy	Wilhelmi
Dillard	Koehler	Noland	Mr. President
Forby	Kotowski	Pankau	
Frerichs	Lightford	Radogno	
Garrett	Link	Raoul	
Haine	Luechtefeld	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1394**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Clayborne, **Senate Bill No. 539**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Clayborne moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Lightford	Raoul
Bivins	Harmon	Link	Rezin
Bomke	Holmes	Luechtefeld	Righter
Brady	Hunter	Maloney	Sandack
Clayborne	Hutchinson	Martinez	Sandoval
Collins, A.	Jacobs	McCann	Schmidt
Collins, J.	Johnson, C.	McCarter	Schoenberg
Crotty	Johnson, T.	Meeks	Silverstein
Cultra	Jones, E.	Millner	Steans
Delgado	Jones, J.	Mulroe	Sullivan
Dillard	Koehler	Muñoz	Trotter
Duffy	Kotowski	Murphy	Wilhelmi
Forby	LaHood	Noland	Mr. President
Frerichs	Landek	Pankau	
Garrett	Laufen	Radogno	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 539**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 1799**, with House Amendments numbered 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Link	Rezin
Bivins	Harmon	Luechtefeld	Righter
Bomke	Holmes	Maloney	Sandack
Brady	Hunter	Martinez	Sandoval
Clayborne	Hutchinson	McCann	Schmidt
Collins, A.	Jacobs	McCarter	Schoenberg
Collins, J.	Johnson, C.	Meeks	Silverstein
Crotty	Johnson, T.	Millner	Steans
Cultra	Jones, E.	Mulroe	Sullivan
Delgado	Koehler	Muñoz	Syverson
Dillard	Kotowski	Murphy	Trotter
Duffy	LaHood	Noland	Wilhelmi
Forby	Landek	Pankau	Mr. President
Frerichs	Laufen	Radogno	
Garrett	Lightford	Raoul	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 3 to **Senate Bill No. 1799**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Millner, **Senate Bill No. 1835**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Millner moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAY 1.

The following voted in the affirmative:

Althoff	Haine	Lightford	Righter
Bivins	Harmon	Link	Sandack
Bomke	Holmes	Luechtefeld	Sandoval
Brady	Hunter	Maloney	Schmidt
Clayborne	Hutchinson	Martinez	Schoenberg
Collins, A.	Jacobs	McCann	Silverstein
Crotty	Johnson, C.	Millner	Steans
Cultra	Johnson, T.	Mulroe	Sullivan
Delgado	Jones, E.	Muñoz	Syverson
Dillard	Koehler	Noland	Trotter
Duffy	Kotowski	Pankau	Wilhelmi
Forby	LaHood	Radogno	Mr. President
Frerichs	Landek	Raoul	



Garrett

Lauzen

Rezin

The following voted in the negative:

Meeks

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1835**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Delgado, **Senate Bill No. 1943**, with House Amendments numbered 2, 3 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Delgado moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 59; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Lightford	Raoul
Bivins	Harmon	Link	Rezin
Bomke	Holmes	Luechtefeld	Righter
Brady	Hunter	Maloney	Sandack
Clayborne	Hutchinson	Martinez	Sandoval
Collins, A.	Jacobs	McCann	Schmidt
Collins, J.	Johnson, C.	McCarter	Schoenberg
Crotty	Johnson, T.	Meeks	Silverstein
Cultra	Jones, E.	Millner	Steans
Delgado	Jones, J.	Mulroe	Sullivan
Dillard	Koehler	Muñoz	Syverson
Duffy	Kotowski	Murphy	Trotter
Forby	LaHood	Noland	Wilhelmi
Frerichs	Landek	Pankau	Mr. President
Garrett	Lauzen	Radogno	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2, 3 and 4 to **Senate Bill No. 1943**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Crotty, **Senate Bill No. 2133**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Crotty moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 57; NAYS None.

The following voted in the affirmative:

Althoff	Harmon	Luechtefeld	Righter
Bivins	Holmes	Maloney	Sandack
Bomke	Hunter	Martinez	Sandoval
Brady	Hutchinson	McCann	Schmidt
Clayborne	Jacobs	McCarter	Schoenberg
Collins, A.	Johnson, C.	Meeks	Silverstein
Collins, J.	Johnson, T.	Millner	Steans

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Crotty	Jones, E.	Mulroe	Sullivan
Cultra	Koehler	Muñoz	Syverson
Delgado	Kotowski	Murphy	Trotter
Dillard	LaHood	Noland	Wilhelmi
Forby	Landek	Pankau	Mr. President
Frerichs	Lauzen	Radogno	
Garrett	Lightford	Raoul	
Haine	Link	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2133**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Link, **Senate Bill No. 744**, with House Amendments numbered 1, 2, 3, 4, 5, 6 and 7 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 30; NAYS 27; Present 2.

The following voted in the affirmative:

Bomke	Harmon	Maloney	Silverstein
Collins, A.	Hunter	Martinez	Steans
Crotty	Hutchinson	Mulroe	Sullivan
Delgado	Jones, E.	Muñoz	Syverson
Dillard	Landek	Murphy	Trotter
Forby	Lightford	Pankau	Mr. President
Frerichs	Link	Raoul	
Haine	Luechtefeld	Sandoval	

The following voted in the negative:

Althoff	Holmes	LaHood	Rezin
Bivins	Jacobs	Lauzen	Righter
Clayborne	Johnson, C.	McCann	Sandack
Collins, J.	Johnson, T.	McCarter	Schmidt
Cultra	Jones, J.	Meeks	Schoenberg
Duffy	Koehler	Millner	Wilhelmi
Garrett	Kotowski	Radogno	

The following voted present:

Brady  
Noland

This roll call verified.

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2, 3, 4, 5, 6 and 7 to **Senate Bill No. 744**.

Ordered that the Secretary inform the House of Representatives thereof.

#### MESSAGES FROM THE HOUSE

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

[May 31, 2011]

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. 2062

A bill for AN ACT concerning regulation.

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

House Amendment No. 1 to SENATE BILL NO. 2062

House Amendment No. 3 to SENATE BILL NO. 2062

House Amendment No. 4 to SENATE BILL NO. 2062

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 2062**

AMENDMENT NO. 1. Amend Senate Bill 2062 by replacing everything after the enacting clause with the following:

"Section 5. The Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004 is amended by changing Section 10-5 as follows:

(225 ILCS 447/10-5)

(Section scheduled to be repealed on January 1, 2014)

Sec. 10-5. Requirement of license.

(a) It is unlawful for a person to act as or provide ~~the~~ the functions of a private detective, private security contractor, private alarm contractor, fingerprint vendor, or locksmith or to advertise or to assume to act as any one of these, or to use these or any other title implying that the person is engaged in any of these activities unless licensed as such by the Department. An individual or sole proprietor who does not employ any employees other than himself or herself may operate under a "doing business as" or assumed name certification without having to obtain an agency license, so long as the assumed name is first registered with the Department.

(b) It is unlawful for a person, firm, corporation, or other legal entity to act as an agency licensed under this Act, to advertise, or to assume to act as a licensed agency or to use a title implying that the person, firm, or other entity is engaged in the practice as a private detective agency, private security contractor agency, private alarm contractor agency, fingerprint vendor agency, or locksmith agency unless licensed by the Department.

(c) No agency shall operate a branch office without first applying for and receiving a branch office license for each location.

(d) Beginning 12 months after the adoption of rules providing for the licensure of fingerprint vendors under this Act, it is unlawful for a person to operate live scan fingerprint equipment or other equipment designed to obtain fingerprint images for the purpose of providing fingerprint images and associated demographic data to the Department of State Police, unless he or she has successfully completed a fingerprint training course conducted or authorized by the Department of State Police and is licensed as a fingerprint vendor.

(e) Beginning 12 months after the adoption of rules providing for the licensure of canine handlers and canine trainers under this Act, no person shall operate a canine training facility unless licensed as a private detective agency or private security contractor agency under this Act, and no person shall act as a canine trainer unless he or she is licensed as a private detective or private security contractor or is a registered employee of a private detective agency or private security contractor agency approved by the Department.

(Source: P.A. 95-613, eff. 9-11-07)."

**AMENDMENT NO. 3 TO SENATE BILL 2062**

AMENDMENT NO. 3. Amend Senate Bill 2062, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Clean Coal FutureGen for Illinois Act of 2011.

Section 5. Purpose. Recognizing that the FutureGen Project is a first-of-a-kind research project to permanently sequester underground captured CO<sub>2</sub> emissions from: (1) a coal-fueled power plant that uses as its primary fuel source high volatile bituminous rank coal with greater than 1.7 pounds of sulfur

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per million btu content or (2) other approved and permitted captured CO<sub>2</sub> sources in the State of Illinois, and that such a project would have benefits to the economy and environment of Illinois, the purpose of this Act is to provide the non-profit FutureGen Alliance with adequate liability protection and permitting certainty to facilitate the siting of the FutureGen Project in the State of Illinois, to provide to the State of Illinois certain financial benefits from environmental attributes for the Project, and to help secure over \$1 billion in federal funding for the Project.

Section 10. Legislative findings. The General Assembly finds and determines that:

(1) human-induced greenhouse gas emissions have been identified as contributing to global warming, the effects of which pose a threat to public health and safety and the economy of the State of Illinois;

(2) in order to meet the energy needs of the State of Illinois, keep its economy strong and protect the environment while reducing its contribution to human-induced greenhouse gas emissions, the State of Illinois must be a leader in developing new low-carbon technologies;

(3) carbon capture and storage is a low-carbon technology that involves capturing the captured CO<sub>2</sub> from fossil fuel energy electric generating units and other industrial facilities and injecting it into secure geologic strata for permanent storage;

(4) the FutureGen Project is a public-private partnership between the Federal Department of Energy, the FutureGen Alliance, and other partners that proposes to use this new technology as part of a plan to transport and store captured CO<sub>2</sub> from a coal-fueled power plant that uses as its primary fuel source high-volatile bituminous rank coal with greater than 1.7 pounds of sulfur per million btu content and other captured CO<sub>2</sub> sources that are approved by the appropriate State of Illinois agency and permitted in the State of Illinois;

(5) the FutureGen Project will help ensure the long-term viability of Illinois Basin coal as a major energy source in the State of Illinois and throughout the nation and represents a significant step in the State of Illinois' efforts to become a self-sufficient, clean energy producer;

(6) the FutureGen Project provides an opportunity for the State of Illinois to partner with the Federal Department of Energy, the FutureGen Alliance, and other partners in the development of these innovative clean-coal technologies;

(7) the FutureGen Project will make the State of Illinois a center for developing and refining clean coal technology and carbon capture and storage, and will result in the development of new technologies designed to improve the efficiency of the energy industry that will be replicated world wide;

(8) the FutureGen Project is an important coal development and conversion project that will create jobs in the State of Illinois during the construction and operations phases, contribute to the overall economy of the State of Illinois and help reinvigorate the Illinois Basin coal industry; and

(9) the FutureGen Project and the property necessary for the FutureGen Project serve a substantial public purpose as its advanced clean-coal electricity generation, advanced emissions control and carbon capture and storage technologies will benefit the citizens of the State of Illinois.

Section 15. Definitions. For the purposes of this Act:

"Agency" means the Illinois Environmental Protection Agency or the United States Environmental Protection Agency depending upon which agency has primacy for the CO<sub>2</sub> injection permit.

"Captured CO<sub>2</sub>" means CO<sub>2</sub> and other trace chemical constituents approved by the Agency for injection into the Mount Simon Formation.

"Carbon capture and storage" means the process of collecting captured CO<sub>2</sub> from coal combustion by-products for the purpose of injecting and storing the captured CO<sub>2</sub> for permanent storage.

"Carbon dioxide" or "CO<sub>2</sub>" means a colorless, odorless gas in the form of one carbon and 2 oxygen atoms that is the principal greenhouse gas.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of Commerce and Economic Opportunity.

"Federal Department" means the federal Department of Energy.

"FutureGen Alliance" is a 501(c)(3) non-profit consortium of coal and energy producers created to benefit the public interest and the interest of science through the research, development, and demonstration of near zero-emission coal technology, with the cooperation of the Federal Department.

"FutureGen Project" means the public-private partnership between the Federal Department, the FutureGen Alliance, and other partners that will control captured CO<sub>2</sub> and will construct and operate a pipeline and storage field for captured CO<sub>2</sub>.

"Mount Simon Formation" means the deep sandstone reservoir into which the sequestered CO<sub>2</sub> is to be injected at a depth greater than 3,500 feet below ground surface and that is bounded by the granitic basement below and the Eau Claire Shale above.

"Operator" means the FutureGen Alliance and its member companies, including their parent companies, subsidiaries, affiliates, directors, officers, employees, and agents, or a not-for-profit successor-in-interest approved by the Department.

"Operations phase" means the period of time during which the Operator injects and simultaneously monitors CO<sub>2</sub> into the Mount Simon Formation in accordance with its permit approved by the Agency for the FutureGen Project.

"Post-injection" means after the captured CO<sub>2</sub> has been successfully injected into the wellhead at the point at which the captured CO<sub>2</sub> is transferred into the wellbore for carbon sequestration and storage into the Mount Simon Formation.

"Pre-injection" means all activities and occurrences prior to successful delivery into the wellhead at the point at which the captured CO<sub>2</sub> is transferred into the wellbore for carbon sequestration and storage into the Mount Simon Formation, including but not limited to, the operation of the FutureGen Project.

"Public liability" means any civil legal liability arising out of or resulting from the storage, escape, release, or migration of the sequestered CO<sub>2</sub> that was injected by the Operator. The term "public liability", however, does not include any legal liability arising out of or resulting from the construction, operation, or other pre-injection activity of the Operator or any other third party.

"Public liability action" or "action" means a written demand, lawsuit, or claim from any third party received by the Operator seeking a remedy or alleging liability on behalf of Operator resulting from any public liability and is limited to such written demands, claims, or lawsuits asserting claims for property damages, personal or bodily injury damages, environmental damages, or trespass.

"Sequestered CO<sub>2</sub>" means the captured CO<sub>2</sub> from the FutureGen Project operations that is injected into the Mount Simon Formation by the Operator.

Section 20. Title to sequestered CO<sub>2</sub>. If the FutureGen Alliance selects as its location for CO<sub>2</sub> storage a designated site or sites in the State of Illinois suitable for injection of captured CO<sub>2</sub> into the Mount Simon Formation, then the Operator shall retain all rights, title, and interest in and to and any liabilities associated with the pre-injection CO<sub>2</sub>. The Operator shall retain all rights, title, and interest, including any environmental benefits or credits, in and to and any liabilities associated with the sequestered CO<sub>2</sub> during the operations phase of the FutureGen Project, plus an additional 10-year period. Following the operations phase of the FutureGen Project, plus an additional 10-year period, and upon compliance with all applicable permits, the Operator shall transfer and convey and the State of Illinois shall accept and receive, with no payment due from the State of Illinois, all rights, title, and interest, including any future environmental benefits or credits, in and to and any liabilities associated with the sequestered CO<sub>2</sub>.

Section 25. Insurance against qualified losses.

(a) The Operator shall procure an insurance policy from a private insurance carrier or carriers, if and to the extent that such a policy is available at a reasonable cost, that insures the Operator against any qualified loss stemming from a public liability action. The coverage limits for such an insurance policy shall be at least \$25,000,000. Within every 10-year period after operations begin for the Project, the Operator and Department shall mutually agree on an independent third party, with appropriate insurance expertise, to conduct a risk-weighted analysis of the project, assess the appropriate level of insurance to protect the project from the financial consequences of public liability actions, and make a recommendation as to whether a greater amount of insurance coverage than the Operator has at the time is commercially available at a reasonable cost to the Operator. This analysis shall incorporate, and not be inconsistent with, results from similar risk-based analyses that may be required of the Operator by the agency permitting CO<sub>2</sub> injection as part of its financial assurance process. The Operator and the Department shall have an opportunity to review the draft analysis and any recommendations for narrowed or expanded levels of insurance coverage prior to finalization of the analysis. If the independent third party recommends that a greater amount of insurance coverage is commercially available at a reasonable cost to the Operator, then the Operator shall procure the recommended level of insurance, to the extent the insurance is commercially available and is recognized as a recoverable cost under the terms of any CO<sub>2</sub> services agreement or power purchase agreement that may be in place for the project at the time of the analysis. The cost of the independent third party shall be borne by the Operator.

(b) The protections provided by the State under this Act and the obligations on the Operator shall only apply after the Operator establishes a CO<sub>2</sub> Storage Trust Fund consistent with the purposes of this Act and pays a \$50,000,000 fee to the State, which is to be deposited into the CO<sub>2</sub> Storage Trust Fund. The

fee shall be considered a non-refundable expenditure to the Operator for immediate protections and benefits provided by the State.

The purpose of the CO<sub>2</sub> Storage Trust Fund shall be to complement commercially-available insurance products and to support the Operator's ability to satisfy financial assurance obligations that may be required by law or the terms of the Operator's permit issued by the Agency.

The funds in the CO<sub>2</sub> Storage Trust Fund may be used to satisfy any qualified loss stemming from a public liability action to the extent that such loss is not otherwise covered by an insurance policy. The funds may also be used to pay reasonable administrative costs associated with managing and resolving claims associated with the CO<sub>2</sub> Storage Trust Fund, except that during the operations phase, no payments from the CO<sub>2</sub> Storage Trust Fund may be used to pay legal fees associated with defending claims resulting from a public liability action. The funds may also be used for post-operations phase activities, including monitoring, CO<sub>2</sub> storage site maintenance, storage site staffing, insurance, well and site closure, or other activities for which a law or permit requires financial assurance.

The CO<sub>2</sub> Storage Trust Fund shall be funded in the following manner, toward a maximum amount of \$250,000,000 per 100 million metric tons of CO<sub>2</sub> storage site design capacity, unless the permit approved by the Agency requires a higher maximum amount:

(1) Subsequent future annual payments to the CO<sub>2</sub> Storage Trust Fund shall be made during the operations phase of the project at an initial rate of \$950,000 per million metric tons of CO<sub>2</sub> injected, with the rate for subsequent annual payments adjusted up or down in order to meet the financial requirements of the Agency's permit and to fulfill the requirements of the Act.

(2) The Operator shall deliver annually to the Department an audited financial report that includes CO<sub>2</sub> Storage Trust Fund balances, liabilities, projected balances, projected liabilities, and evidence that the financial health of the CO<sub>2</sub> Storage Trust Fund is sufficient for the purposes of this Act.

(3) The Operator shall select, subject to the approval of the Agency, an independent third-party trustee to administer the CO<sub>2</sub> Storage Trust Fund.

(4) The trustee shall administer the CO<sub>2</sub> Storage Trust Fund on behalf of the Operator during the operations phase of the Project plus an additional 10-year period, and on behalf of both the Operator and the State of Illinois after title to the CO<sub>2</sub> has been transferred to the State of Illinois, to ensure compliance with the Operator's permits and this Act.

(5) Once the permitting agency has issued a certificate of completion, or a comparable instrument indicating the site is safely closed, any surplus balance in the CO<sub>2</sub> Storage Trust Fund shall be distributed to the State. If the Federal Government provides liability protections that obviate, in part or in full, the purpose of the CO<sub>2</sub> Storage Trust Fund, then any surplus balance shall be distributed in accordance with this paragraph (5).

(c) The Operator shall maintain an absolute minimum level of financial assurances in the amount of \$100,000,000 against potential losses stemming from a public liability action, in the combination of insurance, CO<sub>2</sub> Storage Trust Fund balance, project assets, or cash or cash equivalents during the operations phase of the FutureGen Project, plus an additional 10-year period.

(d) Pursuant to Section 30 of this Act, the State shall indemnify and hold harmless the Operator against any qualified loss stemming from a public liability action to the extent that the qualified loss is greater than \$100,000,000 and is not covered by the combination of an insurance policy under subsection (a) of this Section, funds in the CO<sub>2</sub> Storage Trust Fund, project assets, and cash or cash equivalents.

(e) If the FutureGen Alliance identifies a designated site or sites in Illinois suitable for injection of captured CO<sub>2</sub> into the Mount Simon Formation, then the Department shall be authorized to contract with the FutureGen Alliance, under terms not inconsistent with this Act, in order to define the rights and obligations of the FutureGen Alliance and the Department, including but not limited to, the insurance and indemnification obligations under Sections 25 and 30 of this Act.

(f) If federal indemnification covers all or a portion of the obligations assumed by the State under Section 25 of this Act, such State obligations shall be reduced in proportion to the federal indemnification and be considered subordinated to any federal indemnification.

(g) For the purpose of this Section, "qualified loss" means a loss by the Operator stemming from a public liability action other than those losses arising out of or relating to:

(1) the intentional or willful misconduct of the Operator;

(2) the failure of the Operator to comply with any applicable law, rule, regulation, or other requirement established by the Federal Department, Agency, or State of Illinois for the carbon capture and storage of the sequestered CO<sub>2</sub>, including any limitations on the chemical composition of

any sequestered CO<sub>2</sub>; or

(3) any pre-injection activities of the Operator.

Section 30. Indemnification. Notwithstanding any law to the contrary, subject to and consistent with the conditions provided in Section 25 of this Act, the State of Illinois shall indemnify, hold harmless, defend, and release the Operator from and against any public liability action asserted against the Operator, subject to the following terms and conditions:

(a) The obligation of the State of Illinois to indemnify the Operator does not extend to any public liability arising out of or relating to:

(1) the intentional or willful misconduct of the Operator;

(2) the failure of the Operator to materially comply with any applicable law, rule, regulation, or other requirement established by the Federal Department, Agency, or State of Illinois for the carbon capture and storage of the sequestered CO<sub>2</sub>, including any limitations on the chemical composition of any sequestered CO<sub>2</sub>;

(3) any pre-injection activities of the Operator; or

(4) a qualified loss to the extent that it is equal to or less than \$100,000,000 or is covered by the combination of funds in an insurance policy under subsection (a) of Section 25 of this Act, funds in the CO<sub>2</sub> Storage Trust Fund under subsection (b) of Section 25 of this Act, project assets, and cash or cash equivalents.

(b) The indemnification obligations of the State of Illinois assumed under Section 30 of this Act shall be reduced in proportion and be subordinated to any federal indemnification that covers all or a portion of the State's obligations.

Section 35. Representation. In furtherance of the State of Illinois' obligations set forth in subsection (b) of Section 25 and in Section 30 of this Act, the Attorney General has the following duties:

(a) In the event that any public liability action covered under Section 30 of this Act is commenced against the Operator, the Attorney General shall, upon timely and appropriate notice to the Attorney General by the Operator, appear on behalf of the Operator and defend the action. Any such notice must be in writing, must be mailed within 15 days after the date of receipt by the Operator of service of process, and must authorize the Attorney General to represent and defend the Operator in the action. The delivery of this notice to the Attorney General constitutes an agreement by the Operator to cooperate with the Attorney General in defense of the action and a consent that the Attorney General shall conduct the defense as the Attorney General deems advisable and in the best interests of the Operator and the State of Illinois, including settlement in the Attorney General's discretion. The Operator may appear in such action through private counsel to respond or object only to any aspect of a proposed settlement or proposed court order which would directly affect the day-to-day operations of the FutureGen Project. In any such action, the State of Illinois shall pay the court costs and litigation expenses of defending such action, to the extent approved by the Attorney General as reasonable, as they are incurred.

(b) In the event that the Attorney General determines either (i) that so appearing and defending the Operator involves an actual or potential conflict of interest or (ii) that the act or omission which gave rise to the claim was not within the scope of the indemnity as provided in Section 30 of this Act, the Attorney General shall decline in writing to appear or defend or shall promptly take appropriate action to withdraw as attorney for the Operator. Upon receipt of such declination or withdrawal by the Attorney General on the basis of an actual or potential conflict of interest, the Operator may employ its own attorney to appear and defend, in which event the State of Illinois shall pay the Operator's court costs, litigation expenses, and attorneys' fees, to the extent approved by the Attorney General as reasonable, as they are incurred.

(c) In any action asserted by the Operator or the State of Illinois to enforce the indemnification obligations of the State of Illinois as provided in Section 30 of the Act, the non-prevailing party is responsible for any reasonable court costs, litigation expenses, and attorneys fees incurred by the prevailing party.

(d) Court costs and litigation expenses and other costs of providing a defense, including attorneys' fees, paid or obligated under this Section, and the costs of indemnification, including the payment of any final judgment or final settlement under this Section, must be paid by warrant from appropriations to the Department pursuant to vouchers certified by the Attorney General.

(e) Nothing contained or implied in this Section shall operate, or be construed or applied, to deprive the State of Illinois, or the Operator, of any defense otherwise available.

(f) Any judgment subject to State of Illinois indemnification under this Section is not enforceable

against the Operator, but shall be paid by the State of Illinois in the following manner: Upon receipt of a certified copy of the judgment, the Attorney General shall review it to determine if the judgment is (i) final, unreversed, and no longer subject to appeal and (ii) subject to indemnification under Section 30 of this Act. If the Attorney General determines that it is, then the Attorney General shall submit a voucher for the amount of the judgment and any interest thereon to the State of Illinois Comptroller and the amount must be paid by warrant from appropriation to the Department to the judgment creditor solely out of available appropriations.

Section 40. Permitting. The State of Illinois shall issue to the Operator all necessary and appropriate permits consistent with State and federal law and corresponding regulations. The State of Illinois must allow the Operator to combine applications when appropriate, and the State of Illinois must otherwise streamline the application process for timely permit issuance.

Section 43. Tax exemption. The State of Illinois has offered certain incentives to the FutureGen Alliance to make the State of Illinois the most attractive location for the FutureGen Project.

Section 45. Incentives. The State of Illinois has offered certain incentives to the FutureGen Alliance to make the State of Illinois the most attractive location for the FutureGen Project.

Section 900. The State Lawsuit Immunity Act is amended by changing Section 1 as follows:  
(745 ILCS 5/1) (from Ch. 127, par. 801)

Sec. 1. Except as provided in the Illinois Public Labor Relations Act, the Court of Claims Act, the State Officials and Employees Ethics Act, and Section 1.5 of this Act, ~~and, except as provided in and to the extent provided in the Clean Coal FutureGen for Illinois Act~~, the State of Illinois shall not be made a defendant or party in any court.

(Source: P.A. 95-18, eff. 7-30-07; 95-331, eff. 8-21-07; 95-876, eff. 8-21-08.)

(705 ILCS 505/8.5 rep.)

Section 910. The Court of Claims Act is amended by repealing Section 8.5.

Section 997. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 999. Effective date. This Act takes effect upon becoming law."

#### **AMENDMENT NO. 4 TO SENATE BILL 2062**

AMENDMENT NO. 4. Amend Senate Bill 2062, AS AMENDED, with reference to page and line numbers of House Amendment No. 3 as follows:

on page 17, immediately below line 15, by inserting the following:

"Section 90. Conditional repeal. This Act shall be repealed within 5 years after the effective date of this amendatory Act of the 97th General Assembly, unless construction of a pipeline and storage field for captured CO<sub>2</sub> for the FutureGen Project has commenced.

Section 800. The State Officials and Employees Ethics Act is amended by changing Section 20-5 as follows:

(5 ILCS 430/20-5)

(Text of Section before amendment by P.A. 96-1528)

Sec. 20-5. Executive Ethics Commission.

(a) The Executive Ethics Commission is created.

(b) The Executive Ethics Commission shall consist of 9 commissioners. The Governor shall appoint 5 commissioners, and the Attorney General, Secretary of State, Comptroller, and Treasurer shall each appoint one commissioner. Appointments shall be made by and with the advice and consent of the Senate by three-fifths of the elected members concurring by record vote. Any nomination not acted upon by the Senate within 60 session days of the receipt thereof shall be deemed to have received the advice and consent of the Senate. If, during a recess of the Senate, there is a vacancy in an office of commissioner, the appointing authority shall make a temporary appointment until the next meeting of the Senate when the appointing authority shall make a nomination to fill that office. No person rejected for an office of commissioner shall, except by the Senate's request, be nominated again for that office at

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the same session of the Senate or be appointed to that office during a recess of that Senate. No more than 5 commissioners may be of the same political party.

The terms of the initial commissioners shall commence upon qualification. Four initial appointees of the Governor, as designated by the Governor, shall serve terms running through June 30, 2007. One initial appointee of the Governor, as designated by the Governor, and the initial appointees of the Attorney General, Secretary of State, Comptroller, and Treasurer shall serve terms running through June 30, 2008. The initial appointments shall be made within 60 days after the effective date of this Act.

After the initial terms, commissioners shall serve for 4-year terms commencing on July 1 of the year of appointment and running through June 30 of the fourth following year. Commissioners may be reappointed to one or more subsequent terms.

Vacancies occurring other than at the end of a term shall be filled by the appointing authority only for the balance of the term of the commissioner whose office is vacant.

Terms shall run regardless of whether the position is filled.

(c) The appointing authorities shall appoint commissioners who have experience holding governmental office or employment and shall appoint commissioners from the general public. A person is not eligible to serve as a commissioner if that person (i) has been convicted of a felony or a crime of dishonesty or moral turpitude, (ii) is, or was within the preceding 12 months, engaged in activities that require registration under the Lobbyist Registration Act, (iii) is related to the appointing authority, or (iv) is a State officer or employee.

(d) The Executive Ethics Commission shall have jurisdiction over all officers and employees of State agencies other than the General Assembly, the Senate, the House of Representatives, the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Senate Operations Commission, the legislative support services agencies, and the Office of the Auditor General. The jurisdiction of the Commission is limited to matters arising under this Act.

A member or legislative branch State employee serving on an executive branch board or commission remains subject to the jurisdiction of the Legislative Ethics Commission and is not subject to the jurisdiction of the Executive Ethics Commission.

(d-5) The Executive Ethics Commission shall have jurisdiction over all chief procurement officers and procurement compliance monitors and their respective staffs. The Executive Ethics Commission shall have jurisdiction over any matters arising under the Illinois Procurement Code if the Commission is given explicit authority in that Code.

(d-6) The Executive Ethics Commission shall have jurisdiction over the Illinois Power Agency and its staff. The Director of the Agency shall be appointed by a majority of the commissioners of the Executive Ethics Commission, subject to Senate confirmation, for a term of 2 years; provided that, notwithstanding any other provision of State law, the term of the Director holding the position on the effective date of this amendatory Act of the 97th General Assembly shall expire on December 31, 2013. The Director is removable for cause by a majority of the Commission upon a finding of neglect, malfeasance, absence, or incompetence.

(e) The Executive Ethics Commission must meet, either in person or by other technological means, at least monthly and as often as necessary. At the first meeting of the Executive Ethics Commission, the commissioners shall choose from their number a chairperson and other officers that they deem appropriate. The terms of officers shall be for 2 years commencing July 1 and running through June 30 of the second following year. Meetings shall be held at the call of the chairperson or any 3 commissioners. Official action by the Commission shall require the affirmative vote of 5 commissioners, and a quorum shall consist of 5 commissioners. Commissioners shall receive compensation in an amount equal to the compensation of members of the State Board of Elections and may be reimbursed for their reasonable expenses actually incurred in the performance of their duties.

(f) No commissioner or employee of the Executive Ethics Commission may during his or her term of appointment or employment:

- (1) become a candidate for any elective office;
- (2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;
- (3) be actively involved in the affairs of any political party or political organization; or
- (4) advocate for the appointment of another person to an appointed or elected office or position or actively participate in any campaign for any elective office.

(g) An appointing authority may remove a commissioner only for cause.

(h) The Executive Ethics Commission shall appoint an Executive Director. The compensation of the Executive Director shall be as determined by the Commission. The Executive Director of the Executive

Ethics Commission may employ and determine the compensation of staff, as appropriations permit.

(i) The Executive Ethics Commission shall appoint, by a majority of the members appointed to the Commission, chief procurement officers and procurement compliance monitors in accordance with the provisions of the Illinois Procurement Code. The compensation of a chief procurement officer and procurement compliance monitor shall be determined by the Commission.

(Source: P.A. 96-555, eff. 8-18-09.)

(Text of Section after amendment by P.A. 96-1528)

Sec. 20-5. Executive Ethics Commission.

(a) The Executive Ethics Commission is created.

(b) The Executive Ethics Commission shall consist of 9 commissioners. The Governor shall appoint 5 commissioners, and the Attorney General, Secretary of State, Comptroller, and Treasurer shall each appoint one commissioner. Appointments shall be made by and with the advice and consent of the Senate by three-fifths of the elected members concurring by record vote. Any nomination not acted upon by the Senate within 60 session days of the receipt thereof shall be deemed to have received the advice and consent of the Senate. If, during a recess of the Senate, there is a vacancy in an office of commissioner, the appointing authority shall make a temporary appointment until the next meeting of the Senate when the appointing authority shall make a nomination to fill that office. No person rejected for an office of commissioner shall, except by the Senate's request, be nominated again for that office at the same session of the Senate or be appointed to that office during a recess of that Senate. No more than 5 commissioners may be of the same political party.

The terms of the initial commissioners shall commence upon qualification. Four initial appointees of the Governor, as designated by the Governor, shall serve terms running through June 30, 2007. One initial appointee of the Governor, as designated by the Governor, and the initial appointees of the Attorney General, Secretary of State, Comptroller, and Treasurer shall serve terms running through June 30, 2008. The initial appointments shall be made within 60 days after the effective date of this Act.

After the initial terms, commissioners shall serve for 4-year terms commencing on July 1 of the year of appointment and running through June 30 of the fourth following year. Commissioners may be reappointed to one or more subsequent terms.

Vacancies occurring other than at the end of a term shall be filled by the appointing authority only for the balance of the term of the commissioner whose office is vacant.

Terms shall run regardless of whether the position is filled.

(c) The appointing authorities shall appoint commissioners who have experience holding governmental office or employment and shall appoint commissioners from the general public. A person is not eligible to serve as a commissioner if that person (i) has been convicted of a felony or a crime of dishonesty or moral turpitude, (ii) is, or was within the preceding 12 months, engaged in activities that require registration under the Lobbyist Registration Act, (iii) is related to the appointing authority, or (iv) is a State officer or employee.

(d) The Executive Ethics Commission shall have jurisdiction over all officers and employees of State agencies other than the General Assembly, the Senate, the House of Representatives, the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Senate Operations Commission, the legislative support services agencies, and the Office of the Auditor General. The Executive Ethics Commission shall have jurisdiction over all board members and employees of Regional Transit Boards. The jurisdiction of the Commission is limited to matters arising under this Act, except as provided in subsection (d-5).

A member or legislative branch State employee serving on an executive branch board or commission remains subject to the jurisdiction of the Legislative Ethics Commission and is not subject to the jurisdiction of the Executive Ethics Commission.

(d-5) The Executive Ethics Commission shall have jurisdiction over all chief procurement officers and procurement compliance monitors and their respective staffs. The Executive Ethics Commission shall have jurisdiction over any matters arising under the Illinois Procurement Code if the Commission is given explicit authority in that Code.

(d-6) The Executive Ethics Commission shall have jurisdiction over the Illinois Power Agency and its staff. The Director of the Agency shall be appointed by a majority of the commissioners of the Executive Ethics Commission, subject to Senate confirmation, for a term of 2 years; provided that, notwithstanding any other provision of State law, the term of the Director holding the position on the effective date of this amendatory Act of the 97th General Assembly shall expire on December 31, 2013. The Director is removable for cause by a majority of the Commission upon a finding of neglect, malfeasance, absence, or incompetence.

(e) The Executive Ethics Commission must meet, either in person or by other technological means, at least monthly and as often as necessary. At the first meeting of the Executive Ethics Commission, the commissioners shall choose from their number a chairperson and other officers that they deem appropriate. The terms of officers shall be for 2 years commencing July 1 and running through June 30 of the second following year. Meetings shall be held at the call of the chairperson or any 3 commissioners. Official action by the Commission shall require the affirmative vote of 5 commissioners, and a quorum shall consist of 5 commissioners. Commissioners shall receive compensation in an amount equal to the compensation of members of the State Board of Elections and may be reimbursed for their reasonable expenses actually incurred in the performance of their duties.

(f) No commissioner or employee of the Executive Ethics Commission may during his or her term of appointment or employment:

(1) become a candidate for any elective office;

(2) hold any other elected or appointed public office except for appointments on governmental advisory boards or study commissions or as otherwise expressly authorized by law;

(3) be actively involved in the affairs of any political party or political organization; or

(4) advocate for the appointment of another person to an appointed or elected office or position or actively participate in any campaign for any elective office.

(g) An appointing authority may remove a commissioner only for cause.

(h) The Executive Ethics Commission shall appoint an Executive Director. The compensation of the Executive Director shall be as determined by the Commission. The Executive Director of the Executive Ethics Commission may employ and determine the compensation of staff, as appropriations permit.

(i) The Executive Ethics Commission shall appoint, by a majority of the members appointed to the Commission, chief procurement officers and procurement compliance monitors in accordance with the provisions of the Illinois Procurement Code. The compensation of a chief procurement officer and procurement compliance monitor shall be determined by the Commission.

(Source: P.A. 96-555, eff. 8-18-09; 96-1528, eff. 7-1-11.)

Section 820. The Executive Reorganization Implementation Act is amended by changing Section 3.1 as follows:

(15 ILCS 15/3.1) (from Ch. 127, par. 1803.1)

Sec. 3.1. "Agency directly responsible to the Governor" or "agency" means any office, officer, division, or part thereof, and any other office, nonelective officer, department, division, bureau, board, or commission in the executive branch of State government, except that it does not apply to any agency whose primary function is service to the General Assembly or the Judicial Branch of State government, or to any agency administered by the Attorney General, Secretary of State, State Comptroller or State Treasurer. In addition the term does not apply to the following agencies created by law with the primary responsibility of exercising regulatory or adjudicatory functions independently of the Governor:

(1) the State Board of Elections;

(2) the State Board of Education;

(3) the Illinois Commerce Commission;

(4) the Illinois Workers' Compensation Commission;

(5) the Civil Service Commission;

(6) the Fair Employment Practices Commission;

(7) the Pollution Control Board;

(8) the Department of State Police Merit Board;

(9) the Illinois Racing Board; -

(10) the Illinois Power Agency.

(Source: P.A. 96-796, eff. 10-29-09.)

Section 830. The Civil Administrative Code of Illinois is amended by changing Sections 5-15 and 5-20 as follows:

(20 ILCS 5/5-15) (was 20 ILCS 5/3)

Sec. 5-15. Departments of State government. The Departments of State government are created as follows:

The Department on Aging.

The Department of Agriculture.

The Department of Central Management Services.

The Department of Children and Family Services.

The Department of Commerce and Economic Opportunity.  
 The Department of Corrections.  
 The Department of Employment Security.  
 The Illinois Emergency Management Agency.  
 The Department of Financial and Professional Regulation.  
 The Department of Healthcare and Family Services.  
 The Department of Human Rights.  
 The Department of Human Services.  
~~The Illinois Power Agency.~~  
 The Department of Juvenile Justice.  
 The Department of Labor.  
 The Department of the Lottery.  
 The Department of Natural Resources.  
 The Department of Public Health.  
 The Department of Revenue.  
 The Department of State Police.  
 The Department of Transportation.  
 The Department of Veterans' Affairs.  
 (Source: P.A. 95-331, eff. 8-21-07; 95-481, eff. 8-28-07; 95-777, eff. 8-4-08; 96-328, eff. 8-11-09.)  
 (20 ILCS 5/5-20) (was 20 ILCS 5/4)

Sec. 5-20. Heads of departments. Each department shall have an officer as its head who shall be known as director or secretary and who shall, subject to the provisions of the Civil Administrative Code of Illinois, execute the powers and discharge the duties vested by law in his or her respective department.

The following officers are hereby created:

Director of Aging, for the Department on Aging.  
 Director of Agriculture, for the Department of Agriculture.  
 Director of Central Management Services, for the Department of Central Management Services.  
 Director of Children and Family Services, for the Department of Children and Family Services.  
 Director of Commerce and Economic Opportunity, for the Department of Commerce and Economic Opportunity.

Director of Corrections, for the Department of Corrections.

Director of the Illinois Emergency Management Agency, for the Illinois Emergency Management Agency.

Director of Employment Security, for the Department of Employment Security.

Secretary of Financial and Professional Regulation, for the Department of Financial and Professional Regulation.

Director of Healthcare and Family Services, for the Department of Healthcare and Family Services.

Director of Human Rights, for the Department of Human Rights.

Secretary of Human Services, for the Department of Human Services.

~~Director of the Illinois Power Agency, for the Illinois Power Agency.~~

Director of Juvenile Justice, for the Department of Juvenile Justice.

Director of Labor, for the Department of Labor.

Director of the Lottery, for the Department of the Lottery.

Director of Natural Resources, for the Department of Natural Resources.

Director of Public Health, for the Department of Public Health.

Director of Revenue, for the Department of Revenue.

Director of State Police, for the Department of State Police.

Secretary of Transportation, for the Department of Transportation.

Director of Veterans' Affairs, for the Department of Veterans' Affairs.

(Source: P.A. 95-331, eff. 8-21-07; 95-481, eff. 8-28-07; 95-777, eff. 8-4-08; 96-328, eff. 8-11-09.)

Section 840. The Personnel Code is amended by changing Section 4c as follows:

(20 ILCS 415/4c) (from Ch. 127, par. 63b104c)

Sec. 4c. General exemptions. The following positions in State service shall be exempt from jurisdictions A, B, and C, unless the jurisdictions shall be extended as provided in this Act:

(1) All officers elected by the people.

(2) All positions under the Lieutenant Governor, Secretary of State, State Treasurer, State Comptroller, State Board of Education, Clerk of the Supreme Court, Attorney General, and State Board of Elections.

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(3) Judges, and officers and employees of the courts, and notaries public.

(4) All officers and employees of the Illinois General Assembly, all employees of legislative commissions, all officers and employees of the Illinois Legislative Reference Bureau, the Legislative Research Unit, and the Legislative Printing Unit.

(5) All positions in the Illinois National Guard and Illinois State Guard, paid from federal funds or positions in the State Military Service filled by enlistment and paid from State funds.

(6) All employees of the Governor at the executive mansion and on his immediate personal staff.

(7) Directors of Departments, the Adjutant General, the Assistant Adjutant General, the Director of the Illinois Emergency Management Agency, members of boards and commissions, and all other positions appointed by the Governor by and with the consent of the Senate.

(8) The presidents, other principal administrative officers, and teaching, research and extension faculties of Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Illinois Community College Board, Southern Illinois University, Illinois Board of Higher Education, University of Illinois, State Universities Civil Service System, University Retirement System of Illinois, and the administrative officers and scientific and technical staff of the Illinois State Museum.

(9) All other employees except the presidents, other principal administrative officers, and teaching, research and extension faculties of the universities under the jurisdiction of the Board of Regents and the colleges and universities under the jurisdiction of the Board of Governors of State Colleges and Universities, Illinois Community College Board, Southern Illinois University, Illinois Board of Higher Education, Board of Governors of State Colleges and Universities, the Board of Regents, University of Illinois, State Universities Civil Service System, University Retirement System of Illinois, so long as these are subject to the provisions of the State Universities Civil Service Act.

(10) The State Police so long as they are subject to the merit provisions of the State Police Act.

(11) (Blank).

(12) The technical and engineering staffs of the Department of Transportation, the Department of Nuclear Safety, the Pollution Control Board, and the Illinois Commerce Commission, and the technical and engineering staff providing architectural and engineering services in the Department of Central Management Services.

(13) All employees of the Illinois State Toll Highway Authority.

(14) The Secretary of the Illinois Workers' Compensation Commission.

(15) All persons who are appointed or employed by the Director of Insurance under authority of Section 202 of the Illinois Insurance Code to assist the Director of Insurance in discharging his responsibilities relating to the rehabilitation, liquidation, conservation, and dissolution of companies that are subject to the jurisdiction of the Illinois Insurance Code.

(16) All employees of the St. Louis Metropolitan Area Airport Authority.

(17) All investment officers employed by the Illinois State Board of Investment.

(18) Employees of the Illinois Young Adult Conservation Corps program, administered by the Illinois Department of Natural Resources, authorized grantee under Title VIII of the Comprehensive Employment and Training Act of 1973, 29 USC 993.

(19) Seasonal employees of the Department of Agriculture for the operation of the Illinois State Fair and the DuQuoin State Fair, no one person receiving more than 29 days of such employment in any calendar year.

(20) All "temporary" employees hired under the Department of Natural Resources' Illinois Conservation Service, a youth employment program that hires young people to work in State parks for a period of one year or less.

(21) All hearing officers of the Human Rights Commission.

(22) All employees of the Illinois Mathematics and Science Academy.

(23) All employees of the Kankakee River Valley Area Airport Authority.

(24) The commissioners and employees of the Executive Ethics Commission.

(25) The Executive Inspectors General, including special Executive Inspectors General, and employees of each Office of an Executive Inspector General.

(26) The commissioners and employees of the Legislative Ethics Commission.

(27) The Legislative Inspector General, including special Legislative Inspectors General, and employees of the Office of the Legislative Inspector General.

(28) The Auditor General's Inspector General and employees of the Office of the Auditor

General's Inspector General.

(29) All employees of the Illinois Power Agency.

(Source: P.A. 95-728, eff. 7-1-08 - See Sec. 999.)

Section 860. The Illinois Power Agency Act is amended by changing Sections 1-5, 1-15, 1-20, 1-25, 1-70, and 1-75 as follows:

(20 ILCS 3855/1-5)

Sec. 1-5. Legislative declarations and findings. The General Assembly finds and declares:

(1) The health, welfare, and prosperity of all Illinois citizens require the provision of adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.

(2) The transition to retail competition is not complete. Some customers, especially residential and small commercial customers, have failed to benefit from lower electricity costs from retail and wholesale competition.

(3) Escalating prices for electricity in Illinois pose a serious threat to the economic well-being, health, and safety of the residents of and the commerce and industry of the State.

(4) To protect against this threat to economic well-being, health, and safety it is necessary to improve the process of procuring electricity to serve Illinois residents, to promote investment in energy efficiency and demand-response measures, and to support development of clean coal technologies and renewable resources.

(5) Procuring a diverse electricity supply portfolio will ensure the lowest total cost over time for adequate, reliable, efficient, and environmentally sustainable electric service.

(6) Including cost-effective renewable resources in that portfolio will reduce long-term direct and indirect costs to consumers by decreasing environmental impacts and by avoiding or delaying the need for new generation, transmission, and distribution infrastructure.

(7) Energy efficiency, demand-response measures, and renewable energy are resources currently underused in Illinois.

(8) The State should encourage the use of advanced clean coal technologies that capture and sequester carbon dioxide emissions to advance environmental protection goals and to demonstrate the viability of coal and coal-derived fuels in a carbon-constrained economy.

(9) The General Assembly enacted Public Act 96-0795 to reform the State's purchasing processes, recognizing that government procurement is susceptible to abuse if structural and procedural safeguards are not in place to ensure independence, insulation, oversight, and transparency.

(10) The principles that underlie the procurement reform legislation apply also in the context of power purchasing.

The General Assembly therefore finds that it is necessary to create the Illinois Power Agency and that the goals and objectives of that Agency are to accomplish each of the following:

(A) Develop electricity procurement plans to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois. The procurement plan shall be updated on an annual basis and shall include renewable energy resources sufficient to achieve the standards specified in this Act.

(B) Conduct competitive procurement processes to procure the supply resources identified in the procurement plan.

(C) Develop electric generation and co-generation facilities that use indigenous coal or renewable resources, or both, financed with bonds issued by the Illinois Finance Authority.

(D) Supply electricity from the Agency's facilities at cost to one or more of the following: municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois.

(E) Ensure that the process of power procurement is conducted in an ethical and transparent fashion, immune from improper influence.

(F) Continue to review its policies and practices to determine how best to meet its mission of providing the lowest cost power to the greatest number of people, at any given point in time, in accordance with applicable law.

(G) Operate in a structurally insulated, independent, and transparent fashion so that nothing impedes the Agency's mission to secure power at the best prices the market will bear, provided that the Agency meets all applicable legal requirements.

(Source: P.A. 95-481, eff. 8-28-07; 95-1027, eff. 6-1-09.)

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(20 ILCS 3855/1-15)

Sec. 1-15. Illinois Power Agency.

(a) For the purpose of effectuating the policy declared in Section 1-5 of this Act, a State agency known as the Illinois Power Agency is created. The Agency shall exercise governmental and public powers, be perpetual in duration, and have the powers and duties enumerated in this Act, together with such others conferred upon it by law.

(b) The Agency is not created or organized, and its operations shall not be conducted, for the purpose of making a profit. No part of the revenues or assets of the Agency shall inure to the benefit of or be distributable to any of its employees or any other private persons, except as provided in this Act for actual services rendered. The Agency shall operate as an independent agency subject to the oversight of the Executive Ethics Commission.

(Source: P.A. 95-481, eff. 8-28-07.)

(20 ILCS 3855/1-20)

Sec. 1-20. General powers of the Agency.

(a) The Agency is authorized to do each of the following:

(1) Develop electricity procurement plans to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois. The procurement plans shall be updated on an annual basis and shall include electricity generated from renewable resources sufficient to achieve the standards specified in this Act.

(2) Conduct competitive procurement processes to procure the supply resources identified in the procurement plan, pursuant to Section 16-111.5 of the Public Utilities Act.

(3) Develop electric generation and co-generation facilities that use indigenous coal or renewable resources, or both, financed with bonds issued by the Illinois Finance Authority.

(4) Supply electricity from the Agency's facilities at cost to one or more of the following: municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois.

(b) Except as otherwise limited by this Act, the Agency has all of the powers necessary or convenient to carry out the purposes and provisions of this Act, including without limitation, each of the following:

(1) To have a corporate seal, and to alter that seal at pleasure, and to use it by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

(2) To use the services of the Illinois Finance Authority necessary to carry out the Agency's purposes.

(3) To negotiate and enter into loan agreements and other agreements with the Illinois Finance Authority.

(4) To obtain and employ personnel and hire consultants that are necessary to fulfill the Agency's purposes, and to make expenditures for that purpose within the appropriations for that purpose.

(5) To purchase, receive, take by grant, gift, devise, bequest, or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with, real or personal property whether tangible or intangible, or any interest therein, within the State.

(6) To acquire real or personal property, whether tangible or intangible, including without limitation property rights, interests in property, franchises, obligations, contracts, and debt and equity securities, and to do so by the exercise of the power of eminent domain in accordance with Section 1-21; except that any real property acquired by the exercise of the power of eminent domain must be located within the State.

(7) To sell, convey, lease, exchange, transfer, abandon, or otherwise dispose of, or mortgage, pledge, or create a security interest in, any of its assets, properties, or any interest therein, wherever situated.

(8) To purchase, take, receive, subscribe for, or otherwise acquire, hold, make a tender offer for, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge, or grant a security interest in, use, and otherwise deal in and with, bonds and other obligations, shares, or other securities (or interests therein) issued by others, whether engaged in a similar or different business or activity.

(9) To make and execute agreements, contracts, and other instruments necessary or convenient in the exercise of the powers and functions of the Agency under this Act, including contracts with any person, including personal service contracts, or with any local government, State agency, or other entity; and all State agencies and all local governments are authorized to enter into

and do all things necessary to perform any such agreement, contract, or other instrument with the Agency. No such agreement, contract, or other instrument shall exceed 40 years.

(10) To lend money, invest and reinvest its funds in accordance with the Public Funds Investment Act, and take and hold real and personal property as security for the payment of funds loaned or invested.

(11) To borrow money at such rate or rates of interest as the Agency may determine, issue its notes, bonds, or other obligations to evidence that indebtedness, and secure any of its obligations by mortgage or pledge of its real or personal property, machinery, equipment, structures, fixtures, inventories, revenues, grants, and other funds as provided or any interest therein, wherever situated.

(12) To enter into agreements with the Illinois Finance Authority to issue bonds whether or not the income therefrom is exempt from federal taxation.

(13) To procure insurance against any loss in connection with its properties or operations in such amount or amounts and from such insurers, including the federal government, as it may deem necessary or desirable, and to pay any premiums therefor.

(14) To negotiate and enter into agreements with trustees or receivers appointed by United States bankruptcy courts or federal district courts or in other proceedings involving adjustment of debts and authorize proceedings involving adjustment of debts and authorize legal counsel for the Agency to appear in any such proceedings.

(15) To file a petition under Chapter 9 of Title 11 of the United States Bankruptcy Code or take other similar action for the adjustment of its debts.

(16) To enter into management agreements for the operation of any of the property or facilities owned by the Agency.

(17) To enter into an agreement to transfer and to transfer any land, facilities, fixtures, or equipment of the Agency to one or more municipal electric systems, governmental aggregators, or rural electric agencies or cooperatives, for such consideration and upon such terms as the Agency may determine to be in the best interest of the citizens of Illinois.

(18) To enter upon any lands and within any building whenever in its judgment it may be necessary for the purpose of making surveys and examinations to accomplish any purpose authorized by this Act.

(19) To maintain an office or offices at such place or places in the State as it may determine.

(20) To request information, and to make any inquiry, investigation, survey, or study that the Agency may deem necessary to enable it effectively to carry out the provisions of this Act.

(21) To accept and expend appropriations.

(22) To engage in any activity or operation that is incidental to and in furtherance of efficient operation to accomplish the Agency's purposes, including hiring employees that the Director deems essential for the operations of the Agency.

(23) To adopt, revise, amend, and repeal rules with respect to its operations, properties, and facilities as may be necessary or convenient to carry out the purposes of this Act, subject to the provisions of the Illinois Administrative Procedure Act and Sections 1-22 and 1-35 of this Act.

(24) To establish and collect charges and fees as described in this Act.

(25) To manage procurement of substitute natural gas from a facility that meets the criteria specified in subsection (a) of Section 1-58 of this Act, on terms and conditions that may be approved by the Agency pursuant to subsection (d) of Section 1-58 of this Act, to support the operations of State agencies and local governments that agree to such terms and conditions. This procurement process is not subject to the Procurement Code.

(Source: P.A. 95-481, eff. 8-28-07; 96-784, eff. 8-28-09; 96-1000, eff. 7-2-10.)

(20 ILCS 3855/1-25)

Sec. 1-25. Agency subject to other laws. Unless otherwise stated, the Agency is subject to the provisions of all applicable laws, including but not limited to, each of the following:

(1) The State Records Act.

(2) The Illinois Procurement Code, except that the Illinois Procurement Code does not apply to the hiring of procurement administrators or procurement planning consultants pursuant to Section 1-75 of the Illinois Power Agency Act.

(3) The Freedom of Information Act.

(4) The State Property Control Act.

(5) (Blank). ~~The Personnel Code.~~



(6) The State Officials and Employees Ethics Act.

(Source: P.A. 95-481, eff. 8-28-07.)

(20 ILCS 3855/1-70)

Sec. 1-70. Agency officials.

(a) The Agency shall have a Director who meets the qualifications specified in Section 5-222 of the Civil Administrative Code of Illinois (20 ILCS 5/5-222).

(b) Within the Illinois Power Agency, the Agency shall establish a Planning and Procurement Bureau and a Resource Development Bureau. Each Bureau shall report to the Director.

(c) The Chief of the Planning and Procurement Bureau shall be appointed by the Director, at the Director's sole discretion, and (i) shall have at least 5 ~~10~~ years of direct experience in electricity supply planning and procurement and (ii) shall also hold an advanced degree in risk management, law, business, or a related field.

(d) The Chief of the Resource Development Bureau shall be appointed by the Director and (i) shall have at least 5 ~~10~~ years of direct experience in electric generating project development and (ii) shall also hold an advanced degree in economics, engineering, law, business, or a related field.

(e) The Director shall receive an annual salary of \$100,000 or as set by the Compensation Review Board, whichever is higher. The Bureau Chiefs shall each receive an annual salary of \$85,000 or as set by the Compensation Review Board, whichever is higher.

(f) The Director and Bureau Chiefs shall not, for 2 years prior to appointment or for 2 years after he or she leaves his or her position, be employed by an electric utility, independent power producer, power marketer, or alternative retail electric supplier regulated by the Commission or the Federal Energy Regulatory Commission.

(g) The Director and Bureau Chiefs are prohibited from: (i) owning, directly or indirectly, 5% or more of the voting capital stock of an electric utility, independent power producer, power marketer, or alternative retail electric supplier; (ii) being in any chain of successive ownership of 5% or more of the voting capital stock of any electric utility, independent power producer, power marketer, or alternative retail electric supplier; (iii) receiving any form of compensation, fee, payment, or other consideration from an electric utility, independent power producer, power marketer, or alternative retail electric supplier, including legal fees, consulting fees, bonuses, or other sums. These limitations do not apply to any compensation received pursuant to a defined benefit plan or other form of deferred compensation, provided that the individual has otherwise severed all ties to the utility, power producer, power marketer, or alternative retail electric supplier.

(Source: P.A. 95-481, eff. 8-28-07.)

(20 ILCS 3855/1-75)

Sec. 1-75. Planning and Procurement Bureau. The Planning and Procurement Bureau has the following duties and responsibilities:

(a) The Planning and Procurement Bureau shall each year, beginning in 2008, develop procurement plans and conduct competitive procurement processes in accordance with the requirements of Section 16-111.5 of the Public Utilities Act for the eligible retail customers of electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois. For the purposes of this Section, the term "eligible retail customers" has the same definition as found in Section 16-111.5(a) of the Public Utilities Act.

(1) The Agency shall each year, beginning in 2008, as needed, issue a request for qualifications for experts or expert consulting firms to develop the procurement plans in accordance with Section 16-111.5 of the Public Utilities Act. In order to qualify an expert or expert consulting firm must have:

(A) direct previous experience assembling large-scale power supply plans or portfolios for end-use customers;

(B) an advanced degree in economics, mathematics, engineering, risk management, or a related area of study;

(C) 10 years of experience in the electricity sector, including managing supply risk;

(D) expertise in wholesale electricity market rules, including those established by the Federal Energy Regulatory Commission and regional transmission organizations;

(E) expertise in credit protocols and familiarity with contract protocols;

(F) adequate resources to perform and fulfill the required functions and responsibilities; and

(G) the absence of a conflict of interest and inappropriate bias for or against potential bidders or the affected electric utilities.

(2) The Agency shall each year, as needed, issue a request for qualifications for a

procurement administrator to conduct the competitive procurement processes in accordance with Section 16-111.5 of the Public Utilities Act. In order to qualify an expert or expert consulting firm must have:

- (A) direct previous experience administering a large-scale competitive procurement process;
- (B) an advanced degree in economics, mathematics, engineering, or a related area of study;
- (C) 10 years of experience in the electricity sector, including risk management experience;
- (D) expertise in wholesale electricity market rules, including those established by the Federal Energy Regulatory Commission and regional transmission organizations;
- (E) expertise in credit and contract protocols;
- (F) adequate resources to perform and fulfill the required functions and responsibilities; and
- (G) the absence of a conflict of interest and inappropriate bias for or against potential bidders or the affected electric utilities.

(3) The Agency shall provide affected utilities and other interested parties with the lists of qualified experts or expert consulting firms identified through the request for qualifications processes that are under consideration to develop the procurement plans and to serve as the procurement administrator. The Agency shall also provide each qualified expert's or expert consulting firm's response to the request for qualifications. All information provided under this subparagraph shall also be provided to the Commission. The Agency may provide by rule for fees associated with supplying the information to utilities and other interested parties. These parties shall, within 5 business days, notify the Agency in writing if they object to any experts or expert consulting firms on the lists. Objections shall be based on:

- (A) failure to satisfy qualification criteria;
- (B) identification of a conflict of interest; or
- (C) evidence of inappropriate bias for or against potential bidders or the affected utilities.

The Agency shall remove experts or expert consulting firms from the lists within 10 days if there is a reasonable basis for an objection and provide the updated lists to the affected utilities and other interested parties. If the Agency fails to remove an expert or expert consulting firm from a list, an objecting party may seek review by the Commission within 5 days thereafter by filing a petition, and the Commission shall render a ruling on the petition within 10 days. There is no right of appeal of the Commission's ruling.

(4) The Agency shall issue requests for proposals to the qualified experts or expert consulting firms to develop a procurement plan for the affected utilities and to serve as procurement administrator.

(5) The Agency shall select an expert or expert consulting firm to develop procurement plans based on the proposals submitted and shall award ~~one-year~~ contracts of up to 5 years to those selected ~~with an option for the Agency for a one-year renewal.~~

(6) The Agency shall select an expert or expert consulting firm, with approval of the Commission, to serve as procurement administrator based on the proposals submitted. If the Commission rejects, within 5 days, the Agency's selection, the Agency shall submit another recommendation within 3 days based on the proposals submitted. The Agency shall award a 5-year ~~one-year~~ contract to the expert or expert consulting firm so selected with Commission approval ~~with an option for the Agency for a one-year renewal.~~

(b) The experts or expert consulting firms retained by the Agency shall, as appropriate, prepare procurement plans, and conduct a competitive procurement process as prescribed in Section 16-111.5 of the Public Utilities Act, to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for eligible retail customers of electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in the State of Illinois.

(c) Renewable portfolio standard.

(1) The procurement plans shall include cost-effective renewable energy resources. A minimum percentage of each utility's total supply to serve the load of eligible retail customers, as defined in Section 16-111.5(a) of the Public Utilities Act, procured for each of the following years shall be generated from cost-effective renewable energy resources: at least 2% by June 1, 2008; at least 4% by June 1, 2009; at least 5% by June 1, 2010; at least 6% by June 1, 2011; at least 7% by

June 1, 2012; at least 8% by June 1, 2013; at least 9% by June 1, 2014; at least 10% by June 1, 2015; and increasing by at least 1.5% each year thereafter to at least 25% by June 1, 2025. To the extent that it is available, at least 75% of the renewable energy resources used to meet these standards shall come from wind generation and, beginning on June 1, 2011, at least the following percentages of the renewable energy resources used to meet these standards shall come from photovoltaics on the following schedule: 0.5% by June 1, 2012, 1.5% by June 1, 2013; 3% by June 1, 2014; and 6% by June 1, 2015 and thereafter.

For purposes of this subsection (c), "cost-effective" means that the costs of procuring renewable energy resources do not cause the limit stated in paragraph (2) of this subsection (c) to be exceeded and do not exceed benchmarks based on market prices for renewable energy resources in the region, which shall be developed by the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor and shall be subject to Commission review and approval.

(2) For purposes of this subsection (c), the required procurement of cost-effective renewable energy resources for a particular year shall be measured as a percentage of the actual amount of electricity (megawatt-hours) supplied by the electric utility to eligible retail customers in the planning year ending immediately prior to the procurement. For purposes of this subsection (c), the amount paid per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this subsection (c), the total amount paid for electric service includes without limitation amounts paid for supply, transmission, distribution, surcharges, and add-on taxes.

Notwithstanding the requirements of this subsection (c), the total of renewable energy resources procured pursuant to the procurement plan for any single year shall be reduced by an amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to:

(A) in 2008, no more than 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(B) in 2009, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2008 or 1% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(C) in 2010, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009 or 1.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(D) in 2011, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2010 or 2% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007; and

(E) thereafter, the amount of renewable energy resources procured pursuant to the procurement plan for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of 2.015% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatthour paid for these resources in 2011.

No later than June 30, 2011, the Commission shall review the limitation on the amount of renewable energy resources procured pursuant to this subsection (c) and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of cost-effective renewable energy resources.

(3) Through June 1, 2011, renewable energy resources shall be counted for the purpose of meeting the renewable energy standards set forth in paragraph (1) of this subsection (c) only if they are generated from facilities located in the State, provided that cost-effective renewable energy resources are available from those facilities. If those cost-effective resources are not available in Illinois, they shall be procured in states that adjoin Illinois and may be counted towards compliance. If those cost-effective resources are not available in Illinois or in states that adjoin Illinois, they shall be purchased elsewhere and shall be counted towards compliance. After June 1, 2011, cost-effective renewable energy resources located in Illinois and in states that adjoin Illinois may be counted towards compliance with the standards set forth in paragraph (1) of this subsection (c). If those cost-effective resources are not available in Illinois or in states that adjoin Illinois, they shall be purchased elsewhere and shall be counted towards compliance.

(4) The electric utility shall retire all renewable energy credits used to comply with the standard.

(5) Beginning with the year commencing June 1, 2010, an electric utility subject to this subsection (c) shall apply the lesser of the maximum alternative compliance payment rate or the most recent estimated alternative compliance payment rate for its service territory for the corresponding compliance period, established pursuant to subsection (d) of Section 16-115D of the Public Utilities Act to its retail customers that take service pursuant to the electric utility's hourly pricing tariff or tariffs. The electric utility shall retain all amounts collected as a result of the application of the alternative compliance payment rate or rates to such customers, and, beginning in 2011, the utility shall include in the information provided under item (1) of subsection (d) of Section 16-111.5 of the Public Utilities Act the amounts collected under the alternative compliance payment rate or rates for the prior year ending May 31. Notwithstanding any limitation on the procurement of renewable energy resources imposed by item (2) of this subsection (c), the Agency shall increase its spending on the purchase of renewable energy resources to be procured by the electric utility for the next plan year by an amount equal to the amounts collected by the utility under the alternative compliance payment rate or rates in the prior year ending May 31.

(d) Clean coal portfolio standard.

(1) The procurement plans shall include electricity generated using clean coal. Each utility shall enter into one or more sourcing agreements with the initial clean coal facility, as provided in paragraph (3) of this subsection (d), covering electricity generated by the initial clean coal facility representing at least 5% of each utility's total supply to serve the load of eligible retail customers in 2015 and each year thereafter, as described in paragraph (3) of this subsection (d), subject to the limits specified in paragraph (2) of this subsection (d). It is the goal of the State that by January 1, 2025, 25% of the electricity used in the State shall be generated by cost-effective clean coal facilities. For purposes of this subsection (d), "cost-effective" means that the expenditures pursuant to such sourcing agreements do not cause the limit stated in paragraph (2) of this subsection (d) to be exceeded and do not exceed cost-based benchmarks, which shall be developed to assess all expenditures pursuant to such sourcing agreements covering electricity generated by clean coal facilities, other than the initial clean coal facility, by the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor and shall be subject to Commission review and approval.

~~(A)~~ A utility party to a sourcing agreement shall immediately retire any emission credits that it receives in connection with the electricity covered by such agreement.

~~(B)~~ Utilities shall maintain adequate records documenting the purchases under the sourcing agreement to comply with this subsection (d) and shall file an accounting with the load forecast that must be filed with the Agency by July 15 of each year, in accordance with subsection (d) of Section 16-111.5 of the Public Utilities Act.

~~(C)~~ A utility shall be deemed to have complied with the clean coal portfolio standard specified in this subsection (d) if the utility enters into a sourcing agreement as required by this subsection (d).

(2) For purposes of this subsection (d), the required execution of sourcing agreements with the initial clean coal facility for a particular year shall be measured as a percentage of the actual amount of electricity (megawatt-hours) supplied by the electric utility to eligible retail customers in the planning year ending immediately prior to the agreement's execution. For purposes of this subsection (d), the amount paid per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this subsection (d), the total amount paid for electric service includes without limitation amounts paid for supply, transmission, distribution, surcharges and add-on taxes.

Notwithstanding the requirements of this subsection (d), the total amount paid under sourcing agreements with clean coal facilities pursuant to the procurement plan for any given year shall be reduced by an amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to:

(A) in 2010, no more than 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009;

(B) in 2011, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2010 or 1% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009;

(C) in 2012, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2011 or 1.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009;

(D) in 2013, the greater of an additional 0.5% of the amount paid per kilowatthour

by those customers during the year ending May 31, 2012 or 2% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2009; and

(E) thereafter, the total amount paid under sourcing agreements with clean coal facilities pursuant to the procurement plan for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of (i) 2.015% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2009 or (ii) the incremental amount per kilowatt-hour paid for these resources in 2013. These requirements may be altered only as provided by statute.

No later than June 30, 2015, the Commission shall review the limitation on the total amount paid under sourcing agreements, if any, with clean coal facilities pursuant to this subsection (d) and report to the General Assembly its findings as to whether that limitation unduly constrains the amount of electricity generated by cost-effective clean coal facilities that is covered by sourcing agreements.

(3) Initial clean coal facility. In order to promote development of clean coal facilities in Illinois, each electric utility subject to this Section shall execute a sourcing agreement to source electricity from a proposed clean coal facility in Illinois (the "initial clean coal facility") that will have a nameplate capacity of at least 500 MW when commercial operation commences, that has a final Clean Air Act permit on the effective date of this amendatory Act of the 95th General Assembly, and that will meet the definition of clean coal facility in Section 1-10 of this Act when commercial operation commences. The sourcing agreements with this initial clean coal facility shall be subject to both approval of the initial clean coal facility by the General Assembly and satisfaction of the requirements of paragraph (4) of this subsection (d) and shall be executed within 90 days after any such approval by the General Assembly. The Agency and the Commission shall have authority to inspect all books and records associated with the initial clean coal facility during the term of such a sourcing agreement. A utility's sourcing agreement for electricity produced by the initial clean coal facility shall include:

(A) a formula contractual price (the "contract price") approved pursuant to paragraph (4) of this subsection (d), which shall:

(i) be determined using a cost of service methodology employing either a level or deferred capital recovery component, based on a capital structure consisting of 45% equity and 55% debt, and a return on equity as may be approved by the Federal Energy Regulatory Commission, which in any case may not exceed the lower of 11.5% or the rate of return approved by the General Assembly pursuant to paragraph (4) of this subsection (d); and

(ii) provide that all miscellaneous net revenue, including but not limited to net revenue from the sale of emission allowances, if any, substitute natural gas, if any, grants or other support provided by the State of Illinois or the United States Government, firm transmission rights, if any, by-products produced by the facility, energy or capacity derived from the facility and not covered by a sourcing agreement pursuant to paragraph (3) of this subsection (d) or item (5) of subsection (d) of Section 16-115 of the Public Utilities Act, whether generated from the synthesis gas derived from coal, from SNG, or from natural gas, shall be credited against the revenue requirement for this initial clean coal facility;

(B) power purchase provisions, which shall:

(i) provide that the utility party to such sourcing agreement shall pay the contract price for electricity delivered under such sourcing agreement;

(ii) require delivery of electricity to the regional transmission organization market of the utility that is party to such sourcing agreement;

(iii) require the utility party to such sourcing agreement to buy from the initial clean coal facility in each hour an amount of energy equal to all clean coal energy made available from the initial clean coal facility during such hour times a fraction, the numerator of which is such utility's retail market sales of electricity (expressed in kilowatt-hours sold) in the State during the prior calendar month and the denominator of which is the total retail market sales of electricity (expressed in kilowatt-hours sold) in the State by utilities during such prior month and the sales of electricity (expressed in kilowatt-hours sold) in the State by alternative retail electric suppliers during such prior month that are subject to the requirements of this subsection (d) and paragraph (5) of subsection (d) of Section 16-115 of the Public Utilities Act, provided that the amount purchased by the utility in any year will be limited by paragraph (2) of this subsection (d); and

(iv) be considered pre-existing contracts in such utility's procurement plans

for eligible retail customers;

(C) contract for differences provisions, which shall:

(i) require the utility party to such sourcing agreement to contract with the initial clean coal facility in each hour with respect to an amount of energy equal to all clean coal energy made available from the initial clean coal facility during such hour times a fraction, the numerator of which is such utility's retail market sales of electricity (expressed in kilowatthours sold) in the utility's service territory in the State during the prior calendar month and the denominator of which is the total retail market sales of electricity (expressed in kilowatthours sold) in the State by utilities during such prior month and the sales of electricity (expressed in kilowatthours sold) in the State by alternative retail electric suppliers during such prior month that are subject to the requirements of this subsection (d) and paragraph (5) of subsection (d) of Section 16-115 of the Public Utilities Act, provided that the amount paid by the utility in any year will be limited by paragraph (2) of this subsection (d);

(ii) provide that the utility's payment obligation in respect of the quantity of electricity determined pursuant to the preceding clause (i) shall be limited to an amount equal to (1) the difference between the contract price determined pursuant to subparagraph (A) of paragraph (3) of this subsection (d) and the day-ahead price for electricity delivered to the regional transmission organization market of the utility that is party to such sourcing agreement (or any successor delivery point at which such utility's supply obligations are financially settled on an hourly basis) (the "reference price") on the day preceding the day on which the electricity is delivered to the initial clean coal facility busbar, multiplied by (2) the quantity of electricity determined pursuant to the preceding clause (i); and

(iii) not require the utility to take physical delivery of the electricity produced by the facility;

(D) general provisions, which shall:

(i) specify a term of no more than 30 years, commencing on the commercial operation date of the facility;

(ii) provide that utilities shall maintain adequate records documenting purchases under the sourcing agreements entered into to comply with this subsection (d) and shall file an accounting with the load forecast that must be filed with the Agency by July 15 of each year, in accordance with subsection (d) of Section 16-111.5 of the Public Utilities Act.

(iii) provide that all costs associated with the initial clean coal facility will be periodically reported to the Federal Energy Regulatory Commission and to purchasers in accordance with applicable laws governing cost-based wholesale power contracts;

(iv) permit the Illinois Power Agency to assume ownership of the initial clean coal facility, without monetary consideration and otherwise on reasonable terms acceptable to the Agency, if the Agency so requests no less than 3 years prior to the end of the stated contract term;

(v) require the owner of the initial clean coal facility to provide documentation to the Commission each year, starting in the facility's first year of commercial operation, accurately reporting the quantity of carbon emissions from the facility that have been captured and sequestered and report any quantities of carbon released from the site or sites at which carbon emissions were sequestered in prior years, based on continuous monitoring of such sites. If, in any year after the first year of commercial operation, the owner of the facility fails to demonstrate that the initial clean coal facility captured and sequestered at least 50% of the total carbon emissions that the facility would otherwise emit or that sequestration of emissions from prior years has failed, resulting in the release of carbon dioxide into the atmosphere, the owner of the facility must offset excess emissions. Any such carbon offsets must be permanent, additional, verifiable, real, located within the State of Illinois, and legally and practicably enforceable. The cost of such offsets for the facility that are not recoverable shall not exceed \$15 million in any given year. No costs of any such purchases of carbon offsets may be recovered from a utility or its customers. All carbon offsets purchased for this purpose and any carbon emission credits associated with sequestration of carbon from the facility must be permanently retired. The initial clean coal facility shall not forfeit its designation as a clean coal facility if the facility fails to fully comply with the applicable carbon sequestration requirements in any given year, provided the requisite offsets are purchased. However, the Attorney General, on behalf of the People of the State of Illinois, may specifically enforce the facility's sequestration requirement and the other terms of this contract provision. Compliance with the sequestration requirements and offset purchase requirements specified in paragraph (3) of this subsection (d) shall be reviewed

annually by an independent expert retained by the owner of the initial clean coal facility, with the advance written approval of the Attorney General. The Commission may, in the course of the review specified in item (vii), reduce the allowable return on equity for the facility if the facility willfully fails to comply with the carbon capture and sequestration requirements set forth in this item (v);

(vi) include limits on, and accordingly provide for modification of, the amount the utility is required to source under the sourcing agreement consistent with paragraph (2) of this subsection (d);

(vii) require Commission review: (1) to determine the justness, reasonableness, and prudence of the inputs to the formula referenced in subparagraphs (A)(i) through (A)(iii) of paragraph (3) of this subsection (d), prior to an adjustment in those inputs including, without limitation, the capital structure and return on equity, fuel costs, and other operations and maintenance costs and (2) to approve the costs to be passed through to customers under the sourcing agreement by which the utility satisfies its statutory obligations. Commission review shall occur no less than every 3 years, regardless of whether any adjustments have been proposed, and shall be completed within 9 months;

(viii) limit the utility's obligation to such amount as the utility is allowed to recover through tariffs filed with the Commission, provided that neither the clean coal facility nor the utility waives any right to assert federal pre-emption or any other argument in response to a purported disallowance of recovery costs;

(ix) limit the utility's or alternative retail electric supplier's obligation to incur any liability until such time as the facility is in commercial operation and generating power and energy and such power and energy is being delivered to the facility busbar;

(x) provide that the owner or owners of the initial clean coal facility, which is the counterparty to such sourcing agreement, shall have the right from time to time to elect whether the obligations of the utility party thereto shall be governed by the power purchase provisions or the contract for differences provisions;

(xi) append documentation showing that the formula rate and contract, insofar as they relate to the power purchase provisions, have been approved by the Federal Energy Regulatory Commission pursuant to Section 205 of the Federal Power Act;

(xii) provide that any changes to the terms of the contract, insofar as such changes relate to the power purchase provisions, are subject to review under the public interest standard applied by the Federal Energy Regulatory Commission pursuant to Sections 205 and 206 of the Federal Power Act; and

(xiii) conform with customary lender requirements in power purchase agreements used as the basis for financing non-utility generators.

(4) Effective date of sourcing agreements with the initial clean coal facility.

Any proposed sourcing agreement with the initial clean coal facility shall not become effective unless the following reports are prepared and submitted and authorizations and approvals obtained:

(i) Facility cost report. The owner of the initial clean coal facility shall submit to the Commission, the Agency, and the General Assembly a front-end engineering and design study, a facility cost report, method of financing (including but not limited to structure and associated costs), and an operating and maintenance cost quote for the facility (collectively "facility cost report"), which shall be prepared in accordance with the requirements of this paragraph (4) of subsection (d) of this Section, and shall provide the Commission and the Agency access to the work papers, relied upon documents, and any other backup documentation related to the facility cost report.

(ii) Commission report. Within 6 months following receipt of the facility cost report, the Commission, in consultation with the Agency, shall submit a report to the General Assembly setting forth its analysis of the facility cost report. Such report shall include, but not be limited to, a comparison of the costs associated with electricity generated by the initial clean coal facility to the costs associated with electricity generated by other types of generation facilities, an analysis of the rate impacts on residential and small business customers over the life of the sourcing agreements, and an analysis of the likelihood that the initial clean coal facility will commence commercial operation by and be delivering power to the facility's busbar by 2016. To assist in the preparation of its report, the Commission, in consultation with the Agency, may hire one or more experts or consultants, the costs of which shall be paid for by the owner of the initial clean coal facility. The Commission and Agency may begin the process of selecting such experts or

consultants prior to receipt of the facility cost report.

(iii) General Assembly approval. The proposed sourcing agreements shall not take effect unless, based on the facility cost report and the Commission's report, the General Assembly enacts authorizing legislation approving (A) the projected price, stated in cents per kilowatthour, to be charged for electricity generated by the initial clean coal facility, (B) the projected impact on residential and small business customers' bills over the life of the sourcing agreements, and (C) the maximum allowable return on equity for the project; and

(iv) Commission review. If the General Assembly enacts authorizing legislation pursuant to subparagraph (iii) approving a sourcing agreement, the Commission shall, within 90 days of such enactment, complete a review of such sourcing agreement. During such time period, the Commission shall implement any directive of the General Assembly, resolve any disputes between the parties to the sourcing agreement concerning the terms of such agreement, approve the form of such agreement, and issue an order finding that the sourcing agreement is prudent and reasonable.

The facility cost report shall be prepared as follows:

(A) The facility cost report shall be prepared by duly licensed engineering and construction firms detailing the estimated capital costs payable to one or more contractors or suppliers for the engineering, procurement and construction of the components comprising the initial clean coal facility and the estimated costs of operation and maintenance of the facility. The facility cost report shall include:

(i) an estimate of the capital cost of the core plant based on one or more front end engineering and design studies for the gasification island and related facilities. The core plant shall include all civil, structural, mechanical, electrical, control, and safety systems.

(ii) an estimate of the capital cost of the balance of the plant, including any capital costs associated with sequestration of carbon dioxide emissions and all interconnects and interfaces required to operate the facility, such as transmission of electricity, construction or backfeed power supply, pipelines to transport substitute natural gas or carbon dioxide, potable water supply, natural gas supply, water supply, water discharge, landfill, access roads, and coal delivery.

The quoted construction costs shall be expressed in nominal dollars as of the date that the quote is prepared and shall include ~~(+)~~ capitalized financing costs during construction, ~~(-)~~ taxes, insurance, and other owner's costs, and ~~(=)~~ an assumed escalation in materials and labor beyond the date as of which the construction cost quote is expressed.

(B) The front end engineering and design study for the gasification island and the cost study for the balance of plant shall include sufficient design work to permit quantification of major categories of materials, commodities and labor hours, and receipt of quotes from vendors of major equipment required to construct and operate the clean coal facility.

(C) The facility cost report shall also include an operating and maintenance cost quote that will provide the estimated cost of delivered fuel, personnel, maintenance contracts, chemicals, catalysts, consumables, spares, and other fixed and variable operations and maintenance costs. ~~(a)~~ The delivered fuel cost estimate will be provided by a recognized third party expert or experts in the fuel and transportation industries. ~~(b)~~ The balance of the operating and maintenance cost quote, excluding delivered fuel costs, will be developed based on the inputs provided by duly licensed engineering and construction firms performing the construction cost quote, potential vendors under long-term service agreements and plant operating agreements, or recognized third party plant operator or operators.

The operating and maintenance cost quote (including the cost of the front end engineering and design study) shall be expressed in nominal dollars as of the date that the quote is prepared and shall include ~~(+)~~ taxes, insurance, and other owner's costs, and ~~(-)~~ an assumed escalation in materials and labor beyond the date as of which the operating and maintenance cost quote is expressed.

(D) The facility cost report shall also include ~~(+)~~ an analysis of the initial clean coal facility's ability to deliver power and energy into the applicable regional transmission organization markets and ~~(=)~~ an analysis of the expected capacity factor for the initial clean coal facility.

(E) Amounts paid to third parties unrelated to the owner or owners of the initial clean coal facility to prepare the core plant construction cost quote, including the front end engineering and design study, and the operating and maintenance cost quote will be reimbursed through Coal Development Bonds.



(5) Re-powering and retrofitting coal-fired power plants previously owned by Illinois utilities to qualify as clean coal facilities. During the 2009 procurement planning process and thereafter, the Agency and the Commission shall consider sourcing agreements covering electricity generated by power plants that were previously owned by Illinois utilities and that have been or will be converted into clean coal facilities, as defined by Section 1-10 of this Act. Pursuant to such procurement planning process, the owners of such facilities may propose to the Agency sourcing agreements with utilities and alternative retail electric suppliers required to comply with subsection (d) of this Section and item (5) of subsection (d) of Section 16-115 of the Public Utilities Act, covering electricity generated by such facilities. In the case of sourcing agreements that are power purchase agreements, the contract price for electricity sales shall be established on a cost of service basis. In the case of sourcing agreements that are contracts for differences, the contract price from which the reference price is subtracted shall be established on a cost of service basis. The Agency and the Commission may approve any such utility sourcing agreements that do not exceed cost-based benchmarks developed by the procurement administrator, in consultation with the Commission staff, Agency staff and the procurement monitor, subject to Commission review and approval. The Commission shall have authority to inspect all books and records associated with these clean coal facilities during the term of any such contract.

(6) Costs incurred under this subsection (d) or pursuant to a contract entered into under this subsection (d) shall be deemed prudently incurred and reasonable in amount and the electric utility shall be entitled to full cost recovery pursuant to the tariffs filed with the Commission.

(e) The draft procurement plans are subject to public comment, as required by Section 16-111.5 of the Public Utilities Act.

(f) The Agency shall submit the final procurement plan to the Commission. The Agency shall revise a procurement plan if the Commission determines that it does not meet the standards set forth in Section 16-111.5 of the Public Utilities Act.

(g) The Agency shall assess fees to each affected utility to recover the costs incurred in preparation of the annual procurement plan for the utility.

(h) The Agency shall assess fees to each bidder to recover the costs incurred in connection with a competitive procurement process.

(Source: P.A. 95-481, eff. 8-28-07; 95-1027, eff. 6-1-09; 96-159, eff. 8-10-09; 96-1437, eff. 8-17-10.)

Section 880. The Illinois Procurement Code is amended by changing Section 50-39 as follows:  
(30 ILCS 500/50-39)

Sec. 50-39. Procurement communications reporting requirement.

(a) Any written or oral communication received by a State employee that imparts or requests material information or makes a material argument regarding potential action concerning a procurement matter, including, but not limited to, an application, a contract, or a project, shall be reported to the Procurement Policy Board, and, with respect to the Illinois Power Agency, by the initiator of the communication, and may be reported also by the recipient. Any person communicating orally, in writing, electronically, or otherwise with the Director or any person employed by, or associated with, the Illinois Power Agency to impart, solicit, or transfer any information related to the content of any power procurement plan, the manner of conducting any power procurement process, the procurement of any power supply, or the method or structure of contracting with power suppliers must disclose to the Procurement Policy Board the full nature, content, and extent of any such communication in writing by submitting a report with the following information:

(1) The names of any party to the communication.

(2) The date on which the communication occurred.

(3) The time at which the communication occurred.

(4) The duration of the communication.

(5) The method (written, oral, etc.) of the communication.

(6) A summary of the substantive content of the communication.

These communications do not include the following: (i) statements by a person publicly made in a public forum; (ii) statements regarding matters of procedure and practice, such as format, the number of copies required, the manner of filing, and the status of a matter; and (iii) statements made by a State employee of the agency to the agency head or other employees of that agency or to the employees of the Executive Ethics Commission. The provisions of this Section shall not apply to communications regarding the administration and implementation of an existing contract, except communications regarding change orders or the renewal or extension of a contract.

(b) The report required by subsection (a) shall be submitted monthly and include at least the

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following: (i) the date and time of each communication; (ii) the identity of each person from whom the written or oral communication was received, the individual or entity represented by that person, and any action the person requested or recommended; (iii) the identity and job title of the person to whom each communication was made; (iv) if a response is made, the identity and job title of the person making each response; (v) a detailed summary of the points made by each person involved in the communication; (vi) the duration of the communication; (vii) the location or locations of all persons involved in the communication and, if the communication occurred by telephone, the telephone numbers for the callers and recipients of the communication; and (viii) any other pertinent information.

(c) Additionally, when an oral communication made by a person required to register under the Lobbyist Registration Act is received by a State employee that is covered under this Section, all individuals who initiate or participate in the oral communication shall submit a written report to that State employee that memorializes the communication and includes, but is not limited to, the items listed in subsection (b).

(d) The Procurement Policy Board shall make each report submitted pursuant to this Section available on its website within 7 days after its receipt of the report. The Procurement Policy Board may promulgate rules to ensure compliance with this Section.

(e) The reporting requirements shall also be conveyed through ethics training under the State ~~Employees and Officials~~ and Employees Ethics Act. An employee who knowingly and intentionally violates this Section shall be subject to suspension or discharge. The Executive Ethics Commission shall promulgate rules, including emergency rules, to implement this Section.

(f) This Section becomes operative on January 1, 2011.

(Source: P.A. 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); 96-920, eff. 7-1-10; revised 9-27-10.)"; and

on page 18, immediately below line 7, by inserting the following:

"Section 995. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act."

Under the rules, the foregoing **Senate Bill No. 2062**, with House Amendments numbered 1, 3 and 4, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

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

SENATE BILL NO. 2172

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. 2172

House Amendment No. 2 to SENATE BILL NO. 2172

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 2172**

AMENDMENT NO. 1. Amend Senate Bill 2172 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Procurement Code is amended by changing Section 50-30 as follows:  
(30 ILCS 500/50-30)

Sec. 50-30. Revolving door prohibition.

(a) Chief procurement officers, State purchasing officers, procurement compliance monitors, their designees whose principal duties are directly related to State procurement, ~~and~~ ~~and~~ executive officers confirmed by the Senate are expressly prohibited for a period of 2 years after terminating an affected position from engaging in any procurement activity relating to the State agency most recently employing

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them in an affected position for a period of at least 6 months. The prohibition includes but is not limited to: lobbying the procurement process; specifying; bidding; proposing bid, proposal, or contract documents; on their own behalf or on behalf of any firm, partnership, association, or corporation. This subsection applies only to persons who terminate an affected position on or after January 15, 1999.

(b) In addition to any other provisions of this Code, employment of former State employees is subject to the State Officials and Employees Ethics Act.

(Source: P.A. 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).)''.

#### **AMENDMENT NO. 2 TO SENATE BILL 2172**

AMENDMENT NO. 2. Amend Senate Bill 2172 by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by changing Section 25 as follows:

(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.

(b-1) 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, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code as of June 30, payable from appropriations that have otherwise expired, may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-2) All outstanding liabilities as of June 30, 2010, payable from appropriations that would otherwise 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.

(b-2.5) All outstanding liabilities as of June 30, 2011, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2011, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2011, 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, 2011.

(b-3) 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, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-4) 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 Healthcare and Family Services from the Health Insurance Reserve Fund and the Local Government Health Insurance Reserve Fund without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments made by the

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Department of Healthcare and Family Services, child care payments made by the Department of Human Services, and payments made at the discretion of the Department of Healthcare and Family Services from the Health Insurance Reserve Fund and the Local Government Health Insurance Reserve Fund payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-5) 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, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments made by the Department of Human Services relating to substance abuse treatment services payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-6) 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, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payments made by 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 payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-7) Payments may be made in accordance with a plan authorized by paragraph (11) or (12) of Section 405-105 of the Department of Central Management Services Law from appropriations for those payments without regard to fiscal year limitations.

(c) Further, payments may be made by the Department of Public Health, the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act), and the Department of Healthcare and Family Services 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, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payments made by the Department of Public Health, the Department of Human Services, and the Department of Healthcare and Family Services 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 payable from appropriations that have otherwise expired may be paid out of the expiring appropriations during the 4-month period ending at the close of business on October 31.

(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.

(i-1) Beginning on July 1, 2021, all outstanding liabilities, not payable during the 4-month lapse period as described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and (c) of this Section, that are made from appropriations for that purpose for any fiscal year, without regard to the fact that the services being compensated for by those payments may have been rendered in a prior fiscal year, are limited to only those claims that have been incurred but for which a proper bill or invoice as defined by the State Prompt Payment Act has not been received by September 30th following the end of the fiscal year in which the service was rendered.

(j) Notwithstanding any other provision of this Act, the aggregate amount of payments to be made without regard for fiscal year limitations as contained in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and determined by using Generally Accepted Accounting Principles, shall not exceed the following amounts:

(1) \$6,000,000,000 for outstanding liabilities related to fiscal year 2012;

(2) \$5,300,000,000 for outstanding liabilities related to fiscal year 2013;

(3) \$4,600,000,000 for outstanding liabilities related to fiscal year 2014;

(4) \$4,000,000,000 for outstanding liabilities related to fiscal year 2015;

(5) \$3,300,000,000 for outstanding liabilities related to fiscal year 2016;

(6) \$2,600,000,000 for outstanding liabilities related to fiscal year 2017;

(7) \$2,000,000,000 for outstanding liabilities related to fiscal year 2018;

(8) \$1,300,000,000 for outstanding liabilities related to fiscal year 2019;

(9) \$600,000,000 for outstanding liabilities related to fiscal year 2020; and

(10) \$0 for outstanding liabilities related to fiscal year 2021 and fiscal years thereafter.

(Source: P.A. 95-331, eff. 8-21-07; 96-928, eff. 6-15-10; 96-958, eff. 7-1-10; 96-1501, eff. 1-25-11.)

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

Under the rules, the foregoing **Senate Bill No. 2172**, 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. 2293

A bill for AN ACT concerning State government.

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

House Amendment No. 1 to SENATE BILL NO. 2293

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 2293**

AMENDMENT NO. 1. Amend Senate Bill 2293 by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by adding Sections 5.786, 5.787, 6z-87, and 6z-88 as follows:

(30 ILCS 105/5.786 new)

Sec. 5.786. The Illinois State Crime Stoppers Association Fund.

(30 ILCS 105/5.787 new)

Sec. 5.787. The After-School Rescue Fund.

(30 ILCS 105/6z-87 new)

Sec. 6z-87. Illinois State Crime Stoppers Association Fund. The Illinois State Crime Stoppers Association Fund is created as a special fund in the State treasury. Subject to appropriation, the Fund shall be used by the Criminal Justice Information Authority to make grants to the Illinois State Crime Stoppers Association to enhance and develop Crime Stoppers programs in Illinois.

(30 ILCS 105/6z-88 new)

Sec. 6z-88. After-School Rescue Fund; creation. The After-School Rescue Fund is created as a special fund in the State treasury. Moneys in the Fund shall be used by the Illinois State Board of Education for the making of grants to at-risk schools for the promotion of extracurricular and after-school programs.

Section 10. The Illinois Income Tax Act is amended by adding Sections 507YY and 507ZZ as follows:

(35 ILCS 5/507YY new)

Sec. 507YY. Crime Stoppers checkoff. For taxable years ending on or after December 31, 2011, the Department shall print, on its standard individual income tax form, a provision indicating that, if the taxpayer wishes to contribute to the Illinois State Crime Stoppers Association Fund, as authorized by this amendatory Act of the 97th General Assembly, then he or she may do so by stating the amount of the contribution (not less than \$1) on the return and indicating that the contribution will reduce the taxpayer's refund or increase the amount of payment to accompany the return. The taxpayer's failure to remit any amount of the increased payment reduces the contribution accordingly. This Section does not apply to any amended return.

(35 ILCS 5/507ZZ new)

Sec. 507ZZ. After-School Rescue Fund checkoff. For taxable years ending on or after December 31, 2011, the Department must print on its standard individual income tax form a provision (i) indicating that if the taxpayer wishes to contribute to the After-School Rescue Fund, as authorized by this amendatory Act of the 97th General Assembly, he or she may do so by stating the amount of the contribution (not less than \$1) on the return and (ii) stating that the contribution will reduce the taxpayer's refund or increase the amount of payment to accompany the return. Failure to remit any amount of increased payment shall reduce the contribution accordingly. This Section does not apply to any amended return.

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

Under the rules, the foregoing **Senate Bill No. 2293**, 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 adoption of the following joint resolution, to-wit:

**SENATE JOINT RESOLUTION NO. 30**

Concurred in by the House, May 31, 2011.

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 refused to concur with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

**HOUSE BILL 3131**

A bill for AN ACT concerning government.

Which amendment is as follows:

Senate Amendment No. 4 to HOUSE BILL NO. 3131

Non-concurred in by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

Under the rules, the foregoing **House Bill No. 3131**, with Senate Amendment No. 4, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

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

**HOUSE BILL 2903**

A bill for AN ACT concerning safety.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2903

Concurred in by the House, May 31, 2011.

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 2927**

A bill for AN ACT concerning State government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2927

Concurred in by the House, May 31, 2011.

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 3012**

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A bill for AN ACT concerning civil law.  
 Which amendment is as follows:  
 Senate Amendment No. 1 to HOUSE BILL NO. 3012  
 Concurred in by the House, May 31, 2011.

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 3033

A bill for AN ACT concerning violence prevention.  
 Which amendment is as follows:  
 Senate Amendment No. 1 to HOUSE BILL NO. 3033  
 Concurred in by the House, May 31, 2011.

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 3034

A bill for AN ACT concerning business.  
 Which amendment is as follows:  
 Senate Amendment No. 1 to HOUSE BILL NO. 3034  
 Concurred in by the House, May 31, 2011.

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 3090

A bill for AN ACT concerning public health.  
 Which amendment is as follows:  
 Senate Amendment No. 1 to HOUSE BILL NO. 3090  
 Concurred in by the House, May 31, 2011.

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 3115

A bill for AN ACT concerning education.  
 Which amendments are as follows:  
 Senate Amendment No. 1 to HOUSE BILL NO. 3115  
 Senate Amendment No. 2 to HOUSE BILL NO. 3115  
 Concurred in by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

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

[May 31, 2011]



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 3237

A bill for AN ACT concerning employment.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3237

Concurred in by the House, May 31, 2011.

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 3300

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3300

Concurred in by the House, May 31, 2011.

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 3371

A bill for AN ACT concerning safety.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 3371

Concurred in by the House, May 31, 2011.

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 3390

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3390

Concurred in by the House, May 31, 2011.

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 3414

A bill for AN ACT concerning State government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3414

Concurred in by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

A message from the House by

[May 31, 2011]

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 3425

A bill for AN ACT concerning local government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3425

Concurred in by the House, May 31, 2011.

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 3440

A bill for AN ACT concerning service dogs.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3440

Concurred in by the House, May 31, 2011.

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 3635

A bill for AN ACT concerning public aid.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3635

Concurred in by the House, May 31, 2011.

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. 27**

Senate Amendment No. 1

Action taken by the House, May 31, 2011.

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 2 to Senate Bill 1533
- Motion to Concur in House Amendments 1, 3 and 4 to Senate Bill 2062
- Motion to Concur in House Amendment 2 to Senate Bill 2168
- Motion to Concur in House Amendments 1 and 2 to Senate Bill 2172
- Motion to Concur in House Amendment 1 to Senate Bill 2293

#### **LEGISLATIVE MEASURES FILED**

[May 31, 2011]

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

Senate Floor Amendment No. 1 to Senate Bill 346  
Senate Floor Amendment No. 1 to Senate Bill 2319

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. 1 to House Bill 1084  
Senate Floor Amendment No. 2 to House Bill 1717  
Senate Floor Amendment No. 3 to House Bill 1883

At the hour of 5:28 o'clock p.m., the Chair announced that the Senate stand at ease.

#### AT EASE

At the hour of 5:42 o'clock p.m. the Senate resumed consideration of business.  
Senator Sullivan, presiding.

#### REPORTS FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2011 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Criminal Law:       **Senate Floor Amendment No. 3 to House Bill 1237.**  
Executive:           **Senate Floor Amendment No. 2 to House Bill 1717.**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2011 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Agriculture and Conservation:   **Motion to Concur in House Amendment 3 to Senate Bill 1852**

Criminal Law:       **Motion to Concur in House Amendment 1 to Senate Bill 1228**

Executive:           **Motion to Concur in House Amendments 2 and 3 to Senate Bill 270**  
                          **Motion to Concur in House Amendment 1 to Senate Bill 675**  
                          **Motion to Concur in House Amendment 1 to Senate Bill 745**

Human Services:   **Motion to Concur in House Amendments 2 and 4 to Senate Bill 1802**

Local Government: **Motion to Concur in House Amendments 3, 4 and 5 to Senate Bill 540**

Pensions and Investments: **Motion to Concur in House Amendment 1 to Senate Bill 1672**  
  **Motion to Concur in House Amendments 1 and 3 to Senate Bill 1831**

Revenue:       **Motion to Concur in House Amendment 2 to Senate Bill 2168**

State Government and Veterans Affairs:

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**Motion to Concur in House Amendment 1 to Senate Bill 107**  
**Motion to Concur in House Amendment 2 to Senate Bill 1918**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2011 meeting, reported that the following Legislative Measure has been approved for consideration:

**Senate Floor Amendment No. 1 to House Bill 1723**

The foregoing floor amendment was placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2011 meeting, reported that the following Legislative Measure has been approved for consideration:

**House Joint Resolution 32**

The foregoing resolution was placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2011 meeting, reported that the following Legislative Measure has been approved for consideration:

**Motion to Concur in House Amendments 1 and 2 to Senate Bill 2172**

The foregoing concurrence was placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2011 meeting, reported the following Joint Action Motion has been assigned to the indicated Standing Committee of the Senate:

Executive: **Motion to Concur in House Amendments 1, 3 and 4 to Senate Bill 2062**

**COMMITTEE MEETING ANNOUNCEMENTS**

The Chair announced the following committee to meet at 6:45 o'clock p.m.:

Agriculture and Conservation in Room 409

The Chair announced the following committee to meet at 7:00 o'clock p.m.:

Human Services in Room 212

The Chair announced the following committees to meet at 7:15 o'clock p.m.:

Criminal Law in Room 212  
Local Government in Room 409

The Chair announced the following committee to meet at 7:30 o'clock p.m.:

Pensions and Investments in Room 400

The Chair announced the following committees to meet at 7:45 o'clock p.m.:

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Executive in Room 212  
Revenue in Room 400

The Chair announced the following committee to meet at 8:30 o'clock p.m.:

State Government and Veterans Affairs in Room 409

The Chair announced the following committee to meet at 8:45 o'clock p.m.:

Energy in Room 212

**CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILL ON  
SECRETARY'S DESK**

On motion of Senator Jacobs, **Senate Bill No. 1652**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Jacobs moved that the Senate concur with the House in the adoption of their amendments to said bill.

At the hour of 5:50 o'clock p.m., Senator Harmon, presiding.

And on that motion, a call of the roll was had resulting as follows:

YEAS 31; NAYS 24; Present 4.

The following voted in the affirmative:

Althoff	Jacobs	Meeks	Rezin
Brady	Johnson, T.	Millner	Righter
Collins, A.	Jones, E.	Muñoz	Sandack
Delgado	Jones, J.	Murphy	Sandoval
Dillard	Koehler	Noland	Trotter
Haine	Landek	Pankau	Wilhelmi
Hunter	Lightford	Radogno	Mr. President
Hutchinson	Martinez	Raoul	

The following voted in the negative:

Bivins	Frerichs	Luechtefeld	Stears
Bomke	Harmon	Maloney	Sullivan
Clayborne	Johnson, C.	McCann	Syverson
Crotty	Kotowski	McCarter	
Cultra	LaHood	Schmidt	
Duffy	Lauzen	Schoenberg	
Forby	Link	Silverstein	

The following voted present:

Collins, J.	Holmes
Garrett	Mulroe

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 3 to **Senate Bill No. 1652**.

Ordered that the Secretary inform the House of Representatives thereof.

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**COMMITTEE MEETING ANNOUNCEMENT**

The Chair announced that the Energy Committee scheduled to meet at 8:45 o'clock p.m. this evening has been cancelled.

**CONSIDERATION OF HOUSE AMENDMENT TO SENATE BILL ON  
SECRETARY'S DESK**

On motion of Senator Link, **Senate Bill No. 1122**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Harmon	Link	Rezin
Bivins	Holmes	Luechtefeld	Righter
Bomke	Hunter	Maloney	Sandack
Brady	Hutchinson	Martinez	Sandoval
Clayborne	Jacobs	McCann	Schmidt
Collins, A.	Johnson, C.	McCarter	Schoenberg
Collins, J.	Johnson, T.	Meeks	Silverstein
Crotty	Jones, E.	Millner	Steans
Cultra	Jones, J.	Mulroe	Sullivan
Delgado	Koehler	Muñoz	Syverson
Dillard	Kotowski	Murphy	Trotter
Forby	LaHood	Noland	Wilhelmi
Frerichs	Landek	Pankau	Mr. President
Garrett	Lauzen	Radogno	
Haine	Lightford	Raoul	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1122**.

Ordered that the Secretary inform the House of Representatives thereof.

**CONSIDERATION OF RESOLUTION ON SECRETARY'S DESK**

Senator McCarter moved that **House Joint Resolution No. 32**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator McCarter moved that House Joint Resolution No. 32 be adopted.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Lightford	Rezin
Bivins	Harmon	Luechtefeld	Righter
Bomke	Holmes	Maloney	Sandack
Brady	Hunter	Martinez	Sandoval

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Clayborne	Hutchinson	McCann	Schoenberg
Collins, A.	Jacobs	McCarter	Steans
Collins, J.	Johnson, C.	Meeks	Syverson
Crotty	Johnson, T.	Millner	Trotter
Cultra	Jones, E.	Mulroe	Wilhelmi
Delgado	Jones, J.	Murphy	Mr. President
Dillard	Koehler	Noland	
Duffy	Kotowski	Pankau	
Forby	LaHood	Radogno	
Garrett	Landek	Raoul	

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof.

### MESSAGE 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. 1533

A bill for AN ACT concerning utilities.

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. 1533

House Amendment No. 2 to SENATE BILL NO. 1533

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

### AMENDMENT NO. 1 TO SENATE BILL 1533

AMENDMENT NO. 1. Amend Senate Bill 1533 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Power Agency Act is amended by changing Sections 1-10 and 1-20 and by adding Sections 1-77 and 1-78 as follows:

(20 ILCS 3855/1-10)

Sec. 1-10. Definitions.

"Agency" means the Illinois Power Agency.

"Agency loan agreement" means any agreement pursuant to which the Illinois Finance Authority agrees to loan the proceeds of revenue bonds issued with respect to a project to the Agency upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, interest and premium, if any, on those revenue bonds, and providing for maintenance, insurance, and other matters in respect of the project.

"Authority" means the Illinois Finance Authority.

"Clean coal facility" means an electric generating facility that uses primarily coal as a feedstock and that captures and sequesters carbon dioxide emissions at the following levels: at least 50% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation before 2016, at least 70% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation during 2016 or 2017, and at least 90% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation after 2017. The power block of the clean coal facility shall not exceed allowable emission rates for sulfur dioxide, nitrogen oxides, carbon monoxide, particulates and mercury for a natural gas-fired combined-cycle facility the same size as and in the same location as the clean coal facility at the time the clean coal facility obtains an approved air permit. All coal used by a clean coal facility shall have high volatile bituminous rank and greater than 1.7 pounds of sulfur per million btu

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content, unless the clean coal facility does not use gasification technology and was operating as a conventional coal-fired electric generating facility on June 1, 2009 (the effective date of Public Act 95-1027).

"Clean coal SNG brownfield facility" means a facility that (1) has commenced construction by July 1, 2015 on an urban brownfield site in a municipality with at least 1,000,000 residents; (2) uses a gasification process to produce substitute natural gas; (3) uses coal as at least 50% of the total feedstock over the term of any sourcing agreement with a utility and the remainder of the feedstock may be either petroleum coke or coal, with all such coal having a high bituminous rank and greater than 1.7 pounds of sulfur per million Btu content unless the facility reasonably determines that it is necessary to use additional petroleum coke to deliver additional consumer savings, in which case the facility shall use coal for at least 35% of the total feedstock over the term of any sourcing agreement; and (4) captures and sequesters at least 85% of the total carbon dioxide emissions that the facility would otherwise emit.

"Clean coal SNG facility" means a facility that uses a gasification process to produce substitute natural gas, that sequesters at least 90% of the total carbon dioxide emissions that the facility would otherwise emit and that uses petroleum coke or coal as a feedstock, with all such coal having a high bituminous rank and greater than 1.7 pounds of sulfur per million btu content; provided, however, a clean coal SNG brownfield facility shall not be a clean coal SNG facility.

"Commission" means the Illinois Commerce Commission.

"Costs incurred in connection with the development and construction of a facility" means:

(1) the cost of acquisition of all real property, fixtures, and improvements in connection therewith and equipment, personal property, and other property, rights, and easements acquired that are deemed necessary for the operation and maintenance of the facility;

(2) financing costs with respect to bonds, notes, and other evidences of indebtedness of the Agency;

(3) all origination, commitment, utilization, facility, placement, underwriting, syndication, credit enhancement, and rating agency fees;

(4) engineering, design, procurement, consulting, legal, accounting, title insurance, survey, appraisal, escrow, trustee, collateral agency, interest rate hedging, interest rate swap, capitalized interest, contingency, as required by lenders, and other financing costs, and other expenses for professional services; and

(5) the costs of plans, specifications, site study and investigation, installation, surveys, other Agency costs and estimates of costs, and other expenses necessary or incidental to determining the feasibility of any project, together with such other expenses as may be necessary or incidental to the financing, insuring, acquisition, and construction of a specific project and starting up, commissioning, and placing that project in operation.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of the Illinois Power Agency.

"Demand-response" means measures that decrease peak electricity demand or shift demand from peak to off-peak periods.

"Energy efficiency" means measures that reduce the amount of electricity or natural gas required to achieve a given end use.

"Electric utility" has the same definition as found in Section 16-102 of the Public Utilities Act.

"Facility" means an electric generating unit or a co-generating unit that produces electricity along with related equipment necessary to connect the facility to an electric transmission or distribution system.

"Governmental aggregator" means one or more units of local government that individually or collectively procure electricity to serve residential retail electrical loads located within its or their jurisdiction.

"Local government" means a unit of local government as defined in Article VII of Section 1 of the Illinois Constitution.

"Municipality" means a city, village, or incorporated town.

"Person" means any natural person, firm, partnership, corporation, either domestic or foreign, company, association, limited liability company, joint stock company, or association and includes any trustee, receiver, assignee, or personal representative thereof.

"Project" means the planning, bidding, and construction of a facility.

"Public utility" has the same definition as found in Section 3-105 of the Public Utilities Act.

"Real property" means any interest in land together with all structures, fixtures, and improvements thereon, including lands under water and riparian rights, any easements, covenants, licenses, leases, rights-of-way, uses, and other interests, together with any liens, judgments, mortgages, or other claims or security interests related to real property.



"Renewable energy credit" means a tradable credit that represents the environmental attributes of a certain amount of energy produced from a renewable energy resource.

"Renewable energy resources" includes energy and its associated renewable energy credit or renewable energy credits from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, crops and untreated and unadulterated organic waste biomass, tree waste, hydropower that does not involve new construction or significant expansion of hydropower dams, and other alternative sources of environmentally preferable energy. For purposes of this Act, landfill gas produced in the State is considered a renewable energy resource. "Renewable energy resources" does not include the incineration or burning of tires, garbage, general household, institutional, and commercial waste, industrial lunchroom or office waste, landscape waste other than tree waste, railroad crossties, utility poles, or construction or demolition debris, other than untreated and unadulterated waste wood.

"Revenue bond" means any bond, note, or other evidence of indebtedness issued by the Authority, the principal and interest of which is payable solely from revenues or income derived from any project or activity of the Agency.

"Sequester" means permanent storage of carbon dioxide by injecting it into a saline aquifer, a depleted gas reservoir, or an oil reservoir, directly or through an enhanced oil recovery process that may involve intermediate storage, regardless of whether these activities are conducted by a clean coal facility, clean coal SNG facility, clean coal SNG brownfield facility, or a party with which a clean coal facility, clean coal SNG facility, or clean coal SNG brownfield facility has contracted for such purposes in a salt dome.

"~~Sourcing~~ ~~Service~~ agreement" means (i) in the case of an electric utility, an agreement between the owner of a clean coal facility and such electric utility, which agreement shall have terms and conditions meeting the requirements of paragraph (3) of subsection (d) of Section 1-75, ~~and~~ (ii) in the case of an alternative retail electric supplier, an agreement between the owner of a clean coal facility and such alternative retail electric supplier, which agreement shall have terms and conditions meeting the requirements of Section 16-115(d)(5) of the Public Utilities Act, and (iii) in case of a gas utility, an agreement between the owner of a clean coal SNG brownfield facility and the gas utility, which agreement shall have the terms and conditions meeting the requirements of subsection (h-1) of Section 9-220 of the Public Utilities Act.

"Substitute natural gas" or "SNG" means a gas manufactured by gasification of hydrocarbon feedstock, which is substantially interchangeable in use and distribution with conventional natural gas.

"Total resource cost test" or "TRC test" means a standard that is met if, for an investment in energy efficiency or demand-response measures, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the program to the net present value of the total costs as calculated over the lifetime of the measures. A total resource cost test compares the sum of avoided electric utility costs, representing the benefits that accrue to the system and the participant in the delivery of those efficiency measures, as well as other quantifiable societal benefits, including avoided natural gas utility costs, to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side program, to quantify the net savings obtained by substituting the demand-side program for supply resources. In calculating avoided costs of power and energy that an electric utility would otherwise have had to acquire, reasonable estimates shall be included of financial costs likely to be imposed by future regulations and legislation on emissions of greenhouse gases.

(Source: P.A. 95-481, eff. 8-28-07; 95-913, eff. 1-1-09; 95-1027, eff. 6-1-09; 96-33, eff. 7-10-09; 96-159, eff. 8-10-09; 96-784, eff. 8-28-09; 96-1000, eff. 7-2-10.)

(20 ILCS 3855/1-20)

Sec. 1-20. General powers of the Agency.

(a) The Agency is authorized to do each of the following:

(1) Develop electricity procurement plans to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois. The procurement plans shall be updated on an annual basis and shall include electricity generated from renewable resources sufficient to achieve the standards specified in this Act.

(2) Conduct competitive procurement processes to procure the supply resources identified in the procurement plan, pursuant to Section 16-111.5 of the Public Utilities Act.

(3) Develop electric generation and co-generation facilities that use indigenous coal or renewable resources, or both, financed with bonds issued by the Illinois Finance Authority.

(4) Supply electricity from the Agency's facilities at cost to one or more of the following: municipal electric systems, governmental aggregators, or rural electric cooperatives in

Illinois.

(b) Except as otherwise limited by this Act, the Agency has all of the powers necessary or convenient to carry out the purposes and provisions of this Act, including without limitation, each of the following:

(1) To have a corporate seal, and to alter that seal at pleasure, and to use it by

causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

(2) To use the services of the Illinois Finance Authority necessary to carry out the Agency's purposes.

(3) To negotiate and enter into loan agreements and other agreements with the Illinois Finance Authority.

(4) To obtain and employ personnel and hire consultants that are necessary to fulfill the Agency's purposes, and to make expenditures for that purpose within the appropriations for that purpose.

(5) To purchase, receive, take by grant, gift, devise, bequest, or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with, real or personal property whether tangible or intangible, or any interest therein, within the State.

(6) To acquire real or personal property, whether tangible or intangible, including without limitation property rights, interests in property, franchises, obligations, contracts, and debt and equity securities, and to do so by the exercise of the power of eminent domain in accordance with Section 1-21; except that any real property acquired by the exercise of the power of eminent domain must be located within the State.

(7) To sell, convey, lease, exchange, transfer, abandon, or otherwise dispose of, or mortgage, pledge, or create a security interest in, any of its assets, properties, or any interest therein, wherever situated.

(8) To purchase, take, receive, subscribe for, or otherwise acquire, hold, make a tender offer for, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge, or grant a security interest in, use, and otherwise deal in and with, bonds and other obligations, shares, or other securities (or interests therein) issued by others, whether engaged in a similar or different business or activity.

(9) To make and execute agreements, contracts, and other instruments necessary or convenient in the exercise of the powers and functions of the Agency under this Act, including contracts with any person, local government, State agency, or other entity; and all State agencies and all local governments are authorized to enter into and do all things necessary to perform any such agreement, contract, or other instrument with the Agency. No such agreement, contract, or other instrument shall exceed 40 years.

(10) To lend money, invest and reinvest its funds in accordance with the Public Funds Investment Act, and take and hold real and personal property as security for the payment of funds loaned or invested.

(11) To borrow money at such rate or rates of interest as the Agency may determine, issue its notes, bonds, or other obligations to evidence that indebtedness, and secure any of its obligations by mortgage or pledge of its real or personal property, machinery, equipment, structures, fixtures, inventories, revenues, grants, and other funds as provided or any interest therein, wherever situated.

(12) To enter into agreements with the Illinois Finance Authority to issue bonds whether or not the income therefrom is exempt from federal taxation.

(13) To procure insurance against any loss in connection with its properties or operations in such amount or amounts and from such insurers, including the federal government, as it may deem necessary or desirable, and to pay any premiums therefor.

(14) To negotiate and enter into agreements with trustees or receivers appointed by United States bankruptcy courts or federal district courts or in other proceedings involving adjustment of debts and authorize proceedings involving adjustment of debts and authorize legal counsel for the Agency to appear in any such proceedings.

(15) To file a petition under Chapter 9 of Title 11 of the United States Bankruptcy Code or take other similar action for the adjustment of its debts.

(16) To enter into management agreements for the operation of any of the property or facilities owned by the Agency.

(17) To enter into an agreement to transfer and to transfer any land, facilities, fixtures, or equipment of the Agency to one or more municipal electric systems, governmental aggregators, or rural electric agencies or cooperatives, for such consideration and upon such terms as the Agency may determine to be in the best interest of the citizens of Illinois.

(18) To enter upon any lands and within any building whenever in its judgment it may be necessary for the purpose of making surveys and examinations to accomplish any purpose authorized by this Act.

(19) To maintain an office or offices at such place or places in the State as it may determine.

(20) To request information, and to make any inquiry, investigation, survey, or study that the Agency may deem necessary to enable it effectively to carry out the provisions of this Act.

(21) To accept and expend appropriations.

(22) To engage in any activity or operation that is incidental to and in furtherance of efficient operation to accomplish the Agency's purposes.

(23) To adopt, revise, amend, and repeal rules with respect to its operations, properties, and facilities as may be necessary or convenient to carry out the purposes of this Act, subject to the provisions of the Illinois Administrative Procedure Act and Sections 1-22 and 1-35 of this Act.

(24) To establish and collect charges and fees as described in this Act.

(25) To conduct competitive gasification feedstock procurement processes to procure the feedstocks for the clean coal SNG brownfield facility in accordance with the requirements of Section 1-78 of this Act To manage procurement of substitute natural gas from a facility that meets the criteria specified in subsection (a) of Section 1-58 of this Act, on terms and conditions that may be approved by the Agency pursuant to subsection (d) of Section 1-58 of this Act, to support the operations of State agencies and local governments that agree to such terms and conditions. This procurement process is not subject to the Procurement Code.

(26) To review, revise, and approve sourcing agreements and mediate and resolve disputes between gas utilities and the clean coal SNG brownfield facility pursuant to subsection (h-1) of Section 9-220 of the Public Utilities Act.

(Source: P.A. 95-481, eff. 8-28-07; 96-784, eff. 8-28-09; 96-1000, eff. 7-2-10.)

(20 ILCS 3855/1-77 new)

Sec. 1-77. The Planning and Procurement Bureau; feedstock procurement administrator; qualified expert or expert consulting firm.

(a) The Planning and Procurement Bureau shall at least every 5 years beginning in 2015 develop feedstock procurement plans and conduct competitive feedstock procurement processes in accordance with the requirements of Section 1-78 of this Act.

(1) The Agency shall at least every 5 years beginning in 2015 issue a request for qualifications for experts or expert consulting firms to develop the feedstock procurement plans in accordance with Section 1-78 of this Act. In order to qualify, an expert or expert consulting firm must have:

(A) direct previous experience assembling large scale feedstock supply plans or portfolios for industrial customers;

(B) an advanced degree in economics, mathematics, engineering, risk management, or a related area of study;

(C) ten years of experience in the energy sector, including managing supply risk;

(D) expertise in wholesale feedstock markets, which may be particularized to the specific type of feedstock to be purchased in that procurement event;

(E) expertise in credit protocols and familiarity with contract protocols;

(F) adequate resources to perform and fulfill the required functions and responsibilities; and

(G) the absence of a conflict of interest and inappropriate bias for or against potential bidders or the affected clean coal SNG brownfield facility.

(2) The Agency shall at least every 5 years beginning in 2015 issue a request for qualifications for a feedstock procurement administrator to conduct the competitive feedstock procurement processes in accordance with Section 1-78 of this Act. In order to qualify, an expert or expert consulting firm must have:

(A) direct previous experience administering a large scale competitive feedstock procurement process;

(B) an advanced degree in economics, mathematics, engineering, or a related area of study;

(C) ten years of experience in the energy sector, including risk management experience;

(D) expertise in wholesale feedstock market rules, which may be particularized to the specific type of feedstock to be purchased in that procurement event;

(E) expertise in credit and contract protocols;

(F) adequate resources to perform and fulfill the required functions and responsibilities; and

(G) the absence of a conflict of interest and inappropriate bias for or against potential bidders or

the affected clean coal SNG brownfield facility.

(3) The Agency shall provide the clean coal SNG brownfield facility and other interested parties with the lists of qualified experts or expert consulting firms identified through the request for qualifications processes that are under consideration to develop the feedstock procurement plans and to serve as the feedstock procurement administrator. The Agency shall also provide the clean coal SNG brownfield facility and other interested parties with each qualified expert's or expert consulting firm's response to the request for qualifications. All information provided under this subparagraph (3) shall also be provided to the Commission. The Agency may provide by rule for fees associated with supplying the information to the clean coal SNG brownfield facility and other interested parties. The clean coal SNG brownfield facility and other interested parties must, within 5 business days after receiving the lists and information, notify the Agency in writing if they object to any experts or expert consulting firms on the lists. Objections shall be based on:

(A) failure to satisfy qualification criteria;

(B) identification of a conflict of interest; or

(C) evidence of inappropriate bias for or against potential bidders or the clean coal SNG brownfield facility.

The Agency shall remove an expert or expert consulting firm from the list within 10 days if there is a reasonable basis for an objection and provide the updated list to the clean coal SNG brownfield facility and other interested parties. If the Agency fails to remove an expert or expert consulting firm from a list, then an objecting party may seek review by the Commission within 5 days thereafter by filing a petition, and the Commission shall render a ruling on the petition within 10 days after the filing. There is no right of appeal of the Commission's ruling.

(4) The Agency shall, as needed, issue requests for proposals to the qualified experts or expert consulting firms to develop a feedstock procurement plan for the clean coal SNG brownfield facility and to serve as feedstock procurement administrator.

(5) The Agency shall select an expert or expert consulting firm to develop feedstock procurement plans based on the proposals submitted and shall award one-year contracts to those selected with an option for the Agency for a one-year renewal.

(6) The Agency shall select, with the approval of the Commission, an expert or expert consulting firm to serve as feedstock procurement administrator based on the proposals submitted. If the Commission rejects the Agency's selection within 5 days after being notified of the Agency's selection, then the Agency shall submit another recommendation within 3 days after the Commission's rejection based on the proposals submitted. The Agency shall award at least a one-year contract to the expert or expert consulting firm selected with the Commission's approval with an option for the Agency for renewal for a term equal to the term of the contract.

(b) The experts or expert consulting firms retained by the Agency shall, as appropriate, prepare feedstock procurement plans and conduct a competitive feedstock procurement process as prescribed in Section 1-78 of this Act to ensure adequate, reliable, affordable feedstocks, taking into account any benefits of price stability, for the clean coal SNG brownfield facility.

(c) The draft procurement plans are subject to public comment pursuant to Section 1-78 of this Act.

(d) The Agency shall assess fees to each bidder to recover the costs incurred in connection with the competitive procurement process.

(20 ILCS 3855/1-78 new)

Sec. 1-78. Feedstock procurement plan; feedstock procurement process.

(a) A feedstock procurement plan shall at least every 5 years beginning in 2015 be prepared for the clean coal SNG brownfield facility based on the clean coal SNG brownfield facility's projection of feedstock usage and ratios, and consistent with the applicable requirements of the Public Utilities Act and this Act. The plan shall specifically identify the wholesale feedstock products to be procured following plan approval and shall follow all the requirements set forth in this Act, the Public Utilities Act, and all applicable State and federal laws, statutes, rules, or regulations, as well as Commission orders. Nothing in this Section precludes consideration of contracts longer than 5 years and related forecast data. Any feedstock procurement occurring in accordance with this plan shall be competitively bid through a request for proposals process. Approval and implementation of the feedstock procurement plan shall be subject to review and approval by the Commission according to the provisions set forth in this Section. A feedstock procurement plan shall include each of the following components:

(1) Daily load analysis. This analysis shall include:

(A) multi-year historical analysis of hourly loads; and

(B) known or projected changes to future loads.

(2) Determination of the fuel specifications required for the clean coal SNG brownfield facility.

including:

(A) coal and petroleum coke mix, as set by the clean coal SNG brownfield facility with coal comprising at least 50% of the total feedstock over the term of any sourcing agreement unless the facility reasonably determines that it is necessary to use additional petroleum coke to deliver additional consumer savings, in which case the facility shall use coal for at least 35% of the total feedstock over the term of any sourcing agreement;

(B) volume of each feedstock required;

(C) quality standards of each feedstock;

(D) delivery requirements, including cost implications; and

(E) technical specifications of the clean coal SNG brownfield facility for its feedstocks.

(b) The feedstock procurement process shall be administered by a feedstock procurement administrator and monitored by a feedstock procurement monitor.

(1) The feedstock procurement administrator shall:

(A) design the final feedstock procurement process in accordance with subsection (d) of this Section following Commission approval of the feedstock procurement plan;

(B) develop feedstock benchmarks in accordance with subsection (d)(3) to be used to evaluate bids; these benchmarks shall be submitted to the Commission for review and approval on a confidential basis prior to the feedstock procurement event;

(C) serve as the interface between the clean coal SNG brownfield facility and coal and petroleum coke suppliers;

(D) manage the bidder prequalification and registration process;

(E) obtain the facility's agreement to the final form of all supply contracts and credit collateral agreements;

(F) administer the request for feedstock proposals process;

(G) have the discretion to negotiate to determine whether bidders are willing to lower the price of bids that meet the benchmarks approved by the Commission; any post-bid negotiations with bidders shall be limited to price only and shall be completed within 24 hours after opening the sealed bids and shall be conducted in a fair and unbiased manner; in conducting the negotiations, there shall be no disclosure of any information derived from proposals submitted by competing bidders; if information is disclosed to any bidder, it shall be provided to all competing bidders;

(H) maintain confidentiality of supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs;

(I) submit a confidential report to the Commission recommending acceptance or rejection of bids;

(J) notify the facility of contract counterparties and contract specifics; and

(K) administer related contingency feedstock procurement events.

(2) The feedstock procurement monitor, who shall be retained by the Commission, shall:

(A) monitor interactions among the feedstock procurement administrator, suppliers, and the facility;

(B) monitor and report to the Commission on the progress of the feedstock procurement process;

(C) provide an independent, confidential report to the Commission regarding the results of the feedstock procurement event;

(D) preserve the confidentiality of supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs;

(E) provide expert advice to the Commission and consult with the feedstock procurement administrator regarding issues related to feedstock procurement process design, rules, protocols, and policy-related matters;

(F) consult with the feedstock procurement administrator regarding the development and use of benchmark criteria, standard form contracts, credit policies, and bid documents; and

(G) assess compliance with the procurement plans approved by the Commission.

(c) The feedstock planning process shall be conducted as follows:

(1) Beginning in 2015, the clean coal SNG brownfield facility shall annually provide a range of feedstock requirement forecasts to the Agency by May 15 of each year, or such other date as may be required by the Commission or Agency. The feedstock requirement forecasts shall cover the 5-year feedstock procurement planning period for the next feedstock procurement plan, or such other longer period that the Agency or the Commission may require and shall include daily data representing a high-load, low-load, and expected-load scenario for the load of the utilities required to enter into sourcing agreements with the clean coal SNG brownfield facility. The utility shall provide supporting data and assumptions for each of the scenarios.

(2) Beginning in 2015, the Agency shall at least every 5 years prepare a feedstock procurement plan by June 15, or such other date as may be required by the Commission. The clean coal SNG brownfield facility also may submit a feedstock procurement plan. Each feedstock procurement plan shall identify the portfolio of feedstocks to be procured. Copies of each feedstock procurement plan shall be posted and made publicly available on the Agency's and Commission's websites, and copies of the Agency's feedstock procurement plan shall also be provided to the clean coal SNG brownfield facility. The clean coal SNG brownfield facility shall have 30 days following the date of posting to provide comment to the Agency on the feedstock procurement plan. Other interested entities also may comment on each feedstock procurement plan. All comments submitted to the Agency shall be specific, supported by data or other detailed analyses, and, if objecting to all or a portion of the feedstock procurement plan, accompanied by specific alternative wording or proposals. All comments shall be posted on the Agency's and Commission's websites. During this 30-day comment period, the Agency shall hold at least one public hearing for the purpose of receiving public comment on the procurement plan. Within 14 days following the end of the 30-day comment period, the clean coal SNG brownfield facility may revise its feedstock procurement plan, if any, and the Agency shall revise the feedstock procurement plan as necessary based on the comments received, and each shall file its feedstock procurement plan with the Commission, and post the feedstock procurement plan on the websites.

(3) Within 5 days after the filing of a feedstock procurement plan, any person objecting to the feedstock procurement plan shall file an objection with the Commission. Within 10 days after the filing, the Commission shall determine whether a hearing is necessary. The Commission shall enter its order confirming or modifying a feedstock procurement plan within 90 days after the filing of the feedstock procurement plan by the Agency.

(4) The Commission shall approve a feedstock procurement plan, including expressly the forecast used in the feedstock procurement plan, if the Commission determines that it will ensure adequate, reliable, and affordable feedstocks to the clean coal SNG brownfield facility at the lowest total cost over time, taking into account any benefits of price stability.

(d) The feedstock procurement process shall include each of the following components:

(1) Solicitation, prequalification, and registration of bidders. The feedstock procurement administrator shall disseminate information to potential bidders to promote a feedstock procurement event, notify potential bidders that the feedstock procurement administrator may enter into a post-bid price negotiation with bidders that meet the applicable benchmarks, provide supply requirements, and otherwise explain the competitive feedstock procurement process. In addition to such other publication as the feedstock procurement administrator determines is appropriate, this information shall be posted on the Agency's and the Commission's websites. The feedstock procurement administrator shall also administer the prequalification process, including evaluation of credit worthiness, compliance with feedstock procurement rules, and agreement to the standard form contract developed pursuant to paragraph (2) of this subsection (d). The feedstock procurement administrator shall then identify and register bidders to participate in the feedstock procurement event.

(2) Standard contract forms and credit terms and instruments. The feedstock procurement administrator, in consultation with the clean coal SNG brownfield facility, gas utilities, the Commission, and other interested parties and subject to Commission oversight, shall develop and provide standard contract forms for the supplier contracts that meet generally accepted industry practices. Standard credit terms and instruments that meet generally accepted industry practices shall be similarly developed. The feedstock procurement administrator shall make available to the Commission all written comments it receives on the contract forms, credit terms, or instruments. If the feedstock procurement administrator cannot reach agreement with the applicable clean coal SNG brownfield facility as to the contract terms and conditions, then the feedstock procurement administrator must notify the Commission of any disputed terms and the Commission shall resolve the dispute. The terms of the contracts shall not be subject to negotiation by winning bidders and the bidders must agree to the terms of the contract in advance so that winning bids are selected solely on the basis of price.

(3) Establishment of a market-based price benchmark. As part of the development of the feedstock procurement process, the feedstock procurement administrator, in consultation with the Commission staff, Agency staff, and the feedstock procurement monitor, shall establish benchmarks for evaluating the final prices in the contracts for each of the feedstocks that will be procured through the feedstock procurement process. The benchmarks shall be based on price data for similar feedstocks for the same delivery period and same delivery hub or other delivery hubs after adjusting for that difference. The price benchmarks may also be adjusted to take into account differences between the information reflected in the underlying data sources and the specific feedstocks and gasification feedstock procurement process being used to procure for the clean coal SNG brownfield facility. The benchmarks

shall be confidential but shall be provided to, and shall be subject to, the Commission's review and approval prior to a feedstock procurement event.

(4) Request for proposals. The feedstock procurement administrator shall design and issue a request for proposals to supply coal or petroleum coke in accordance with the clean coal SNG brownfield facility's usage plan, as approved by the Commission. The request for proposals shall set forth a procedure for sealed, binding commitment bidding with pay-as-bid settlement, and provision for selection of bids on the basis of price.

(5) A plan for implementing contingencies in the event of supplier default or failure of the feedstock procurement process to fully meet the expected feedstock requirement due to insufficient supplier participation, Commission rejection of results, or any other cause. The plan must be specific to the clean coal SNG brownfield facility's feedstock specifications and requirements.

The feedstock procurement process described in this subsection (d) is exempt from the requirements of the Illinois Procurement Code, pursuant to Section 20-10 of that Code.

(e) Within 2 business days after opening the sealed bids, the feedstock procurement administrator shall submit a confidential report to the Commission. The report shall contain the results of the bidding for each of the feedstock types along with the feedstock procurement administrator's recommendation for the acceptance and rejection of bids based on the price benchmark criteria and other factors observed in the process. The feedstock procurement monitor also shall submit a confidential report to the Commission within 2 business days after opening the sealed bids. The report shall contain the feedstock procurement monitor's assessment of bidder behavior in the process, as well as an assessment of the feedstock procurement administrator's compliance with the feedstock procurement process and rules. The Commission shall review the confidential reports submitted by the feedstock procurement administrator and feedstock procurement monitor and shall accept or reject the recommendations of the feedstock procurement administrator within 2 business days after receipt of the reports.

(f) Within 3 business days after the Commission decision approving the results of a feedstock procurement event, the clean coal SNG brownfield facility shall enter into binding contractual arrangements with the winning suppliers using standard form contracts.

(g) The names of the successful bidders and the amount of feedstock to be delivered for each contract type and for each contract term shall be made available to the public at the time of Commission approval of a feedstock procurement event. The Commission, the procurement monitor, the feedstock procurement administrator, the Agency, and all participants in the feedstock procurement process shall maintain the confidentiality of all other supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs. Confidential information, including the confidential reports submitted by the feedstock procurement administrator and feedstock procurement monitor pursuant to subsection (e) of this Section, shall not be publicly available or discoverable by any party in any proceeding absent a compelling demonstration of need. The reports shall not be admissible in any proceeding other than one for law enforcement purposes.

(h) Within 2 business days after a Commission decision approving the results of a feedstock procurement event or such other date as may be required by the Commission from time to time, the clean coal SNG brownfield facility shall file for informational purposes with the Commission its actual or estimated feedstock costs by utility customer reflecting the costs associated with the feedstock procurement.

(i) The clean coal SNG brownfield facility shall pay for reasonable costs incurred by the Agency in administering the feedstock procurement events, which costs shall be included in the actual delivered fuel costs of the clean coal SNG brownfield facility. The Agency shall determine the amount owed for each feedstock procurement event, and the clean coal SNG brownfield facility shall pay that amount to the Agency within 30 days after being informed by the Agency of the amount owed. Those funds shall be deposited into the Illinois Power Agency Operations Fund, pursuant to Section 1-55 of this Act, to be used to reimburse expenses related to the feedstock procurement.

(j) The Commission has the authority to adopt rules to carry out the provisions of this Section. For the public interest, safety, and welfare, the Commission also has the authority to adopt rules to carry out the provisions of this Section on an emergency basis.

(k) On or before April 1 of each year, the Commission may hold an informal hearing for the purpose of receiving comments on the prior year's feedstock procurement process and any recommendations for change.

Section 7. The Illinois Procurement Code is amended by changing Sections 1-10 and 20-10 as follows:

(30 ILCS 500/1-10)

[May 31, 2011]

Sec. 1-10. Application.

(a) This Code applies only to procurements for which contractors were first solicited on or after July 1, 1998. This Code shall not be construed to affect or impair any contract, or any provision of a contract, entered into based on a solicitation prior to the implementation date of this Code as described in Article 99, including but not limited to any covenant entered into with respect to any revenue bonds or similar instruments. All procurements for which contracts are solicited between the effective date of Articles 50 and 99 and July 1, 1998 shall be substantially in accordance with this Code and its intent.

(b) This Code shall apply regardless of the source of the funds with which the contracts are paid, including federal assistance moneys. This Code shall not apply to:

(1) Contracts between the State and its political subdivisions or other governments, or between State governmental bodies except as specifically provided in this Code.

(2) Grants, except for the filing requirements of Section 20-80.

(3) Purchase of care.

(4) Hiring of an individual as employee and not as an independent contractor, whether pursuant to an employment code or policy or by contract directly with that individual.

(5) Collective bargaining contracts.

(6) Purchase of real estate, except that notice of this type of contract with a value of more than \$25,000 must be published in the Procurement Bulletin within 7 days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.

(7) Contracts necessary to prepare for anticipated litigation, enforcement actions, or investigations, provided that the chief legal counsel to the Governor shall give his or her prior approval when the procuring agency is one subject to the jurisdiction of the Governor, and provided that the chief legal counsel of any other procuring entity subject to this Code shall give his or her prior approval when the procuring entity is not one subject to the jurisdiction of the Governor.

(8) Contracts for services to Northern Illinois University by a person, acting as an independent contractor, who is qualified by education, experience, and technical ability and is selected by negotiation for the purpose of providing non-credit educational service activities or products by means of specialized programs offered by the university.

(9) Procurement expenditures by the Illinois Conservation Foundation when only private funds are used.

(10) Procurement expenditures by the Illinois Health Information Exchange Authority involving private funds from the Health Information Exchange Fund. "Private funds" means gifts, donations, and private grants.

(c) This Code does not apply to the electric power procurement process provided for under Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act.

(d) Except for Section 20-160 and Article 50 of this Code, and as expressly required by Section 9.1 of the Illinois Lottery Law, the provisions of this Code do not apply to the procurement process provided for under Section 9.1 of the Illinois Lottery Law.

(e) This Code does not apply to the process used by the Capital Development Board to retain a person or entity to assist the Capital Development Board with its duties related to the determination of costs of a clean coal SNG brownfield facility, as defined by Section 1-10 of the Illinois Power Agency Act, as required in subsection (h-3) of Section 9-220 of the Public Utilities Act, including calculating the range of capital costs, the range of operating and maintenance costs, or the sequestration costs or monitoring the construction of clean coal SNG brownfield facility for the full duration of construction.

(f) This Code does not apply to the process used by the Illinois Power Agency to retain a mediator to mediate sourcing agreement disputes between gas utilities and the clean coal SNG brownfield facility, as defined in Section 1-10 of the Illinois Power Agency Act, as required under subsection (h-1) of Section 9-220 of the Public Utilities Act.

(Source: P.A. 95-481, eff. 8-28-07; 95-615, eff. 9-11-07; 95-876, eff. 8-21-08; 96-840, eff. 12-23-09; 96-1331, eff. 7-27-10.)

(30 ILCS 500/20-10)

(Text of Section from P.A. 96-159 and 96-588)

Sec. 20-10. Competitive sealed bidding; reverse auction.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement



Bulletin at least 14 days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, the amount of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under subsection (a) of Section 1-75 and subsection (d) of Section 1-78 ~~1-75(a)~~ of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the Director of Central Management Services as chief procurement officer, a State purchasing officer under that chief procurement officer's jurisdiction may procure supplies or services through a competitive electronic auction bidding process after the purchasing officer explains in writing to the chief procurement officer his or her determination that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c).

Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, including but not limited to telecommunications services, communications services, Internet services, and information services, and (ii) contracts for construction projects.

(Source: P.A. 95-481, eff. 8-28-07; 96-159, eff. 8-10-09; 96-588, eff. 8-18-09; revised 10-5-10.)

(Text of Section from P.A. 96-159 and 96-795)

Sec. 20-10. Competitive sealed bidding; reverse auction.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement Bulletin at least 14 days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, the amount of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:

- (1) a description of the agency's needs;
- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, pricing, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

The written explanation shall be filed with the Legislative Audit Commission and the Procurement Policy Board and be made available for inspection by the public within 30 days after the agency's decision to award the contract.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under subsection (a) of Section 1-75 and subsection (d) of Section 1-78 ~~1-75(a)~~ of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a

notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c).

Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects.

(Source: P.A. 95-481, eff. 8-28-07; 96-159, eff. 8-10-09; 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); revised 10-5-10.)

Section 10. The Public Utilities Act is amended by changing Sections 3-101 and 9-220 and by adding Section 3-123 as follows:

(20 ILCS 5/3-101) (from Ch. 111 2/3, par. 3-101)

Sec. 3-101. Definitions. Unless otherwise specified, the terms set forth in Sections 3-102 through ~~3-123~~ ~~3-124~~ are used in this Act as therein defined.

(Source: P.A. 84-617; 84-1118.)

(20 ILCS 5/3-123 new)

Sec. 3-123. Clean coal SNG brownfield facility; sequester; SNG facility; sourcing agreement; substitute natural gas or SNG. As used in this Act:

"Clean coal SNG brownfield facility" shall have the same meaning as provided in Section 1-10 of the Illinois Power Agency Act.

"Sequester" shall have the same meaning as provided in Section 1-10 of the Illinois Power Agency Act.

"SNG facility" means a facility that produces substitute natural gas from feedstock that includes coal through a gasification process, including a clean coal facility, the clean coal SNG brownfield facility, and the facility described in subsection (h) of Section 9-220 of this Act.

"Sourcing agreement" means an agreement between the owner of a clean coal SNG brownfield facility and the gas utility that has the terms and conditions meeting the requirements of subsection (h-1) of Section 9-220 of this Act.

"Substitute natural gas" or "SNG" shall have the same meaning as provided in Section 1-10 of the Illinois Power Agency Act.

(20 ILCS 5/9-220) (from Ch. 111 2/3, par. 9-220)

Sec. 9-220. Rate changes based on changes in fuel costs.

(a) Notwithstanding the provisions of Section 9-201, the Commission may authorize the increase or decrease of rates and charges based upon changes in the cost of fuel used in the generation or production of electric power, changes in the cost of purchased power, or changes in the cost of purchased gas through the application of fuel adjustment clauses or purchased gas adjustment clauses. The Commission may also authorize the increase or decrease of rates and charges based upon expenditures or revenues resulting from the purchase or sale of emission allowances created under the federal Clean Air Act Amendments of 1990, through such fuel adjustment clauses, as a cost of fuel. For the purposes of this paragraph, cost of fuel used in the generation or production of electric power shall include the amount of any fees paid by the utility for the implementation and operation of a process for the desulfurization of the flue gas when burning high sulfur coal at any location within the State of Illinois irrespective of the attainment status designation of such location; but shall not include transportation costs of coal (i) except to the extent that for contracts entered into on and after the effective date of this amendatory Act of 1997, the cost of the coal, including transportation costs, constitutes the lowest cost for adequate and reliable fuel supply reasonably available to the public utility in comparison to the cost, including transportation costs, of other adequate and reliable sources of fuel supply reasonably available to the public utility, or (ii) except as otherwise provided in the next 3 sentences of this paragraph. Such costs of fuel shall, when requested by a utility or at the conclusion of the utility's next general electric rate proceeding, whichever shall first occur, include transportation costs of coal purchased under existing

coal purchase contracts. For purposes of this paragraph "existing coal purchase contracts" means contracts for the purchase of coal in effect on the effective date of this amendatory Act of 1991, as such contracts may thereafter be amended, but only to the extent that any such amendment does not increase the aggregate quantity of coal to be purchased under such contract. Nothing herein shall authorize an electric utility to recover through its fuel adjustment clause any amounts of transportation costs of coal that were included in the revenue requirement used to set base rates in its most recent general rate proceeding. Cost shall be based upon uniformly applied accounting principles. Annually, the Commission shall initiate public hearings to determine whether the clauses reflect actual costs of fuel, gas, power, or coal transportation purchased to determine whether such purchases were prudent, and to reconcile any amounts collected with the actual costs of fuel, power, gas, or coal transportation prudently purchased. In each such proceeding, the burden of proof shall be upon the utility to establish the prudence of its cost of fuel, power, gas, or coal transportation purchases and costs. The Commission shall issue its final order in each such annual proceeding for an electric utility by December 31 of the year immediately following the year to which the proceeding pertains, provided, that the Commission shall issue its final order with respect to such annual proceeding for the years 1996 and earlier by December 31, 1998.

(b) A public utility providing electric service, other than a public utility described in subsections (e) or (f) of this Section, may at any time during the mandatory transition period file with the Commission proposed tariff sheets that eliminate the public utility's fuel adjustment clause and adjust the public utility's base rate tariffs by the amount necessary for the base fuel component of the base rates to recover the public utility's average fuel and power supply costs per kilowatt-hour for the 2 most recent years for which the Commission has issued final orders in annual proceedings pursuant to subsection (a), where the average fuel and power supply costs per kilowatt-hour shall be calculated as the sum of the public utility's prudent and allowable fuel and power supply costs as found by the Commission in the 2 proceedings divided by the public utility's actual jurisdictional kilowatt-hour sales for those 2 years. Notwithstanding any contrary or inconsistent provisions in Section 9-201 of this Act, in subsection (a) of this Section or in any rules or regulations promulgated by the Commission pursuant to subsection (g) of this Section, the Commission shall review and shall by order approve, or approve as modified, the proposed tariff sheets within 60 days after the date of the public utility's filing. The Commission may modify the public utility's proposed tariff sheets only to the extent the Commission finds necessary to achieve conformance to the requirements of this subsection (b). During the 5 years following the date of the Commission's order, but in any event no earlier than January 1, 2007, a public utility whose fuel adjustment clause has been eliminated pursuant to this subsection shall not file proposed tariff sheets seeking, or otherwise petition the Commission for, reinstatement of a fuel adjustment clause.

(c) Notwithstanding any contrary or inconsistent provisions in Section 9-201 of this Act, in subsection (a) of this Section or in any rules or regulations promulgated by the Commission pursuant to subsection (g) of this Section, a public utility providing electric service, other than a public utility described in subsection (e) or (f) of this Section, may at any time during the mandatory transition period file with the Commission proposed tariff sheets that establish the rate per kilowatt-hour to be applied pursuant to the public utility's fuel adjustment clause at the average value for such rate during the preceding 24 months, provided that such average rate results in a credit to customers' bills, without making any revisions to the public utility's base rate tariffs. The proposed tariff sheets shall establish the fuel adjustment rate for a specific time period of at least 3 years but not more than 5 years, provided that the terms and conditions for any reinstatement earlier than 5 years shall be set forth in the proposed tariff sheets and subject to modification or approval by the Commission. The Commission shall review and shall by order approve the proposed tariff sheets if it finds that the requirements of this subsection are met. The Commission shall not conduct the annual hearings specified in the last 3 sentences of subsection (a) of this Section for the utility for the period that the factor established pursuant to this subsection is in effect.

(d) A public utility providing electric service, or a public utility providing gas service may file with the Commission proposed tariff sheets that eliminate the public utility's fuel or purchased gas adjustment clause and adjust the public utility's base rate tariffs to provide for recovery of power supply costs or gas supply costs that would have been recovered through such clause; provided, that the provisions of this subsection (d) shall not be available to a public utility described in subsections (e) or (f) of this Section to eliminate its fuel adjustment clause. Notwithstanding any contrary or inconsistent provisions in Section 9-201 of this Act, in subsection (a) of this Section, or in any rules or regulations promulgated by the Commission pursuant to subsection (g) of this Section, the Commission shall review and shall by order approve, or approve as modified in the Commission's order, the proposed tariff sheets within 240 days after the date of the public utility's filing. The Commission's order shall approve rates and charges that the Commission, based on information in the public utility's filing or on the record if a hearing is

held by the Commission, finds will recover the reasonable, prudent and necessary jurisdictional power supply costs or gas supply costs incurred or to be incurred by the public utility during a 12 month period found by the Commission to be appropriate for these purposes, provided, that such period shall be either (i) a 12 month historical period occurring during the 15 months ending on the date of the public utility's filing, or (ii) a 12 month future period ending no later than 15 months following the date of the public utility's filing. The public utility shall include with its tariff filing information showing both (1) its actual jurisdictional power supply costs or gas supply costs for a 12 month historical period conforming to (i) above and (2) its projected jurisdictional power supply costs or gas supply costs for a future 12 month period conforming to (ii) above. If the Commission's order requires modifications in the tariff sheets filed by the public utility, the public utility shall have 7 days following the date of the order to notify the Commission whether the public utility will implement the modified tariffs or elect to continue its fuel or purchased gas adjustment clause in force as though no order had been entered. The Commission's order shall provide for any reconciliation of power supply costs or gas supply costs, as the case may be, and associated revenues through the date that the public utility's fuel or purchased gas adjustment clause is eliminated. During the 5 years following the date of the Commission's order, a public utility whose fuel or purchased gas adjustment clause has been eliminated pursuant to this subsection shall not file proposed tariff sheets seeking, or otherwise petition the Commission for, reinstatement or adoption of a fuel or purchased gas adjustment clause. Nothing in this subsection (d) shall be construed as limiting the Commission's authority to eliminate a public utility's fuel adjustment clause or purchased gas adjustment clause in accordance with any other applicable provisions of this Act.

(e) Notwithstanding any contrary or inconsistent provisions in Section 9-201 of this Act, in subsection (a) of this Section, or in any rules promulgated by the Commission pursuant to subsection (g) of this Section, a public utility providing electric service to more than 1,000,000 customers in this State may, within the first 6 months after the effective date of this amendatory Act of 1997, file with the Commission proposed tariff sheets that eliminate, effective January 1, 1997, the public utility's fuel adjustment clause without adjusting its base rates, and such tariff sheets shall be effective upon filing. To the extent the application of the fuel adjustment clause had resulted in net charges to customers after January 1, 1997, the utility shall also file a tariff sheet that provides for a refund stated on a per kilowatt-hour basis of such charges over a period not to exceed 6 months; provided however, that such refund shall not include the proportional amounts of taxes paid under the Use Tax Act, Service Use Tax Act, Service Occupation Tax Act, and Retailers' Occupation Tax Act on fuel used in generation. The Commission shall issue an order within 45 days after the date of the public utility's filing approving or approving as modified such tariff sheet. If the fuel adjustment clause is eliminated pursuant to this subsection, the Commission shall not conduct the annual hearings specified in the last 3 sentences of subsection (a) of this Section for the utility for any period after December 31, 1996 and prior to any reinstatement of such clause. A public utility whose fuel adjustment clause has been eliminated pursuant to this subsection shall not file a proposed tariff sheet seeking, or otherwise petition the Commission for, reinstatement of the fuel adjustment clause prior to January 1, 2007.

(f) Notwithstanding any contrary or inconsistent provisions in Section 9-201 of this Act, in subsection (a) of this Section, or in any rules or regulations promulgated by the Commission pursuant to subsection (g) of this Section, a public utility providing electric service to more than 500,000 customers but fewer than 1,000,000 customers in this State may, within the first 6 months after the effective date of this amendatory Act of 1997, file with the Commission proposed tariff sheets that eliminate, effective January 1, 1997, the public utility's fuel adjustment clause and adjust its base rates by the amount necessary for the base fuel component of the base rates to recover 91% of the public utility's average fuel and power supply costs for the 2 most recent years for which the Commission, as of January 1, 1997, has issued final orders in annual proceedings pursuant to subsection (a), where the average fuel and power supply costs per kilowatt-hour shall be calculated as the sum of the public utility's prudent and allowable fuel and power supply costs as found by the Commission in the 2 proceedings divided by the public utility's actual jurisdictional kilowatt-hour sales for those 2 years, provided, that such tariff sheets shall be effective upon filing. To the extent the application of the fuel adjustment clause had resulted in net charges to customers after January 1, 1997, the utility shall also file a tariff sheet that provides for a refund stated on a per kilowatt-hour basis of such charges over a period not to exceed 6 months. Provided however, that such refund shall not include the proportional amounts of taxes paid under the Use Tax Act, Service Use Tax Act, Service Occupation Tax Act, and Retailers' Occupation Tax Act on fuel used in generation. The Commission shall issue an order within 45 days after the date of the public utility's filing approving or approving as modified such tariff sheet. If the fuel adjustment clause is eliminated pursuant to this subsection, the Commission shall not conduct the annual hearings specified in the last 3 sentences of subsection (a) of this Section for the utility for any period after December 31,

1996 and prior to any reinstatement of such clause. A public utility whose fuel adjustment clause has been eliminated pursuant to this subsection shall not file a proposed tariff sheet seeking, or otherwise petition the Commission for, reinstatement of the fuel adjustment clause prior to January 1, 2007.

(g) The Commission shall have authority to promulgate rules and regulations to carry out the provisions of this Section.

(h) Any Illinois gas utility may enter into a contract on or before March 31, 2011 for up to 10 years of supply with any company for the purchase of substitute natural gas (SNG) produced from coal through the gasification process if the company has commenced construction of a coal gasification facility by July 1, 2012 in Jefferson County and commencement of construction shall mean that material physical site work has occurred, such as site clearing and excavation, water runoff prevention, water retention reservoir preparation, or foundation development. The contract shall contain the following provisions: (i) the only coal to be used in the gasification process has high volatile bituminous rank and greater than 1.7 pounds of sulfur per million Btu content; (ii) at the time the contract term commences, the price per million Btu may not exceed \$7.95 in 2008 dollars, adjusted annually based on the change in the Annual Consumer Price Index for All Urban Consumers for the Midwest Region as published in April by the United States Department of Labor, Bureau of Labor Statistics (or a suitable Consumer Price Index calculation if this Consumer Price Index is not available) for the previous calendar year; provided that the price per million Btu shall not exceed \$9.95 at any time during the contract; (iii) the utility's aggregate long-term supply contracts for the purchase of SNG does not exceed 25% of the annual system supply requirements of the utility as of 2008 and the quantity of SNG supplied to a utility may not exceed 16 million MMBtus; and (iv) contract costs pursuant to subsection (h-10) of this Section shall not include any lobbying expenses, charitable contributions, advertising, organizational memberships, or marketing expenses per year.

(h-1) Any Illinois gas utility may enter into a sourcing agreement for up to 30 years of supply with the clean coal SNG brownfield facility if the clean coal SNG brownfield facility has commenced construction. Any gas utility that is providing service to more than 150,000 customers on the effective date of this amendatory Act of the 97th General Assembly shall either elect to file biennial rate proceedings before the Commission in the years 2012, 2014, and 2016 or enter into a sourcing agreement or sourcing agreements with a clean coal SNG brownfield facility with an initial term of 30 years for either (i) a percentage of 43,500,000 cubic feet per year, such that the utilities entering into sourcing agreements with the clean coal SNG brownfield facility purchase 100%, allocated by total therms sold to ultimate customers by each gas utility in 2008 or (ii) such lesser amount as may be available from the clean coal SNG brownfield facility.

Provided, however, that no utility shall be required to purchase more than 42% of the projected annual output of the clean coal SNG brownfield facility, with the remainder of such utility's obligation to be divided proportionately between the other utilities. Additionally, the Illinois Power Agency shall further adjust the allocation only as required to take into account adverse consolidation, derivative, or lease impacts to the balance sheet or income statement of any gas utility.

A gas utility electing to file biennial rate proceedings before the Commission must file a notice of its election with the Commission within 60 days after the effective date of this amendatory Act of the 97th General Assembly or its right to make the election is irrevocably waived. A gas utility electing to file biennial rate proceedings shall make such filings no later than August 1 of the years 2012, 2014, and 2016, consistent with all requirements of 83 Ill. Adm. Code 255 and 285 as though the gas utility were filing for an increase in its rates, without regard to whether such filing would produce an increase, a decrease, or no change in the gas utility's rates, and notwithstanding any other provisions of this Act, the Commission shall fully review the gas utility's filing and shall issue its order in accordance with the provisions of Section 9-201 of this Act, regardless of whether the Commission has approved a formula rate for the gas utility.

Within 15 days after the effective date of this amendatory Act of the 97th General Assembly, the owner of the clean coal SNG brownfield facility shall submit to the Illinois Power Agency and each gas utility that is providing service to more than 150,000 customers on the effective date of this amendatory Act of the 97th General Assembly a copy of a draft sourcing agreement. Within 45 days after receipt of the draft sourcing agreement, each such gas utility shall provide the Illinois Power Agency and the owner of a clean coal SNG brownfield facility with its comments and recommended revisions to the draft sourcing agreement. Within 15 days after the receipt of the gas utility's comments and recommended revisions, the owner of the clean coal SNG brownfield facility shall submit its responsive comments and a further revised draft of the sourcing agreement to the Illinois Power Agency. The Illinois Power Agency shall review the draft sourcing agreement and comments.

If the parties to the sourcing agreement do not agree on the terms therein, then the Illinois Power

Agency shall retain an independent mediator to mediate the dispute between the parties. If the parties are in agreement on the terms of the sourcing agreement, the Illinois Power Agency shall approve the final draft sourcing agreement. If after mediation the parties have failed to come to agreement, then the Illinois Power Agency shall revise the draft sourcing agreement as necessary to confirm that the final draft sourcing agreement contains only terms that are reasonable and equitable. The Illinois Power Agency shall adopt and make public a policy detailing the process for retaining a mediator under this subsection (h-1). Any mediator retained to assist with mediating disputes between the parties regarding the sourcing agreement shall be retained no later than 60 days after the effective date of this amendatory Act of the 97th General Assembly.

Upon approval of a final draft agreement, the Illinois Power Agency shall submit the final draft agreement to the Capital Development Board and the Commission no later than 90 days after the effective date of this amendatory Act of the 97th General Assembly. The gas utility and the clean coal SNG brownfield facility shall pay a reasonable fee as required by the Illinois Power Agency for its services under this subsection (h-1) and shall pay the mediator's reasonable fees, if any. The Illinois Power Agency shall adopt and make public a policy detailing the process for retaining a mediator under this Section.

The sourcing agreement between a gas utility and the clean coal SNG brownfield facility shall contain the following provisions:

(1) Any and all coal used in the gasification process must be coal that has high volatile bituminous rank and greater than 1.7 pounds of sulfur per million Btu content.

(2) Coal and petroleum coke are feedstocks for the gasification process, with coal comprising at least 50% of the total feedstock over the term of the sourcing agreement unless the facility reasonably determines that it is necessary to use additional petroleum coke to deliver net consumer savings, in which case the facility shall use coal for at least 35% of the total feedstock over the term of any sourcing agreement and with the feedstocks to be procured in accordance with requirements of Section 1-78 of the Illinois Power Agency Act.

(3) The sourcing agreement has an initial term that once entered into terminates no more than 30 years after the commencement of the commercial production of SNG at the clean coal SNG brownfield facility.

(4) The clean coal SNG brownfield facility guarantees a minimum of \$100,000,000 in consumer savings to customers of the utilities that have entered into sourcing agreements with the clean coal SNG brownfield facility, calculated in real 2010 dollars at the conclusion of the term of the sourcing agreement by comparing the delivered SNG price to the Chicago City-gate price on a weighted daily basis for each day over the entire term of the sourcing agreement, to be provided in accordance with subsection (h-2) of this Section.

(5) Prior to the clean coal SNG brownfield facility issuing a notice to proceed to construction, the clean coal SNG brownfield facility shall establish a consumer protection reserve account for the benefit of the customers of the utilities that have entered into sourcing agreements with the clean coal SNG brownfield facility pursuant to this subsection (h-1), with cash principal in the amount of \$150,000,000. This cash principal shall only be recoverable through the consumer protection reserve account and not as a cost to be recovered in the delivered SNG price pursuant to subsection (h-3) of this Section. The consumer protection reserve account shall be maintained and administered by an independent trustee that is mutually agreed upon by the clean coal SNG brownfield facility, the utilities, and the Commission in an interest-bearing account in accordance with subsection (h-2) of this Section.

"Consumer protection reserve account principal maximum amount" shall mean the maximum amount of principal to be maintained in the consumer protection reserve account. During the first 2 years of operation of the facility, there shall be no consumer protection reserve account maximum amount. After the first 2 years of operation of the facility, the consumer protection reserve account maximum amount shall be \$150,000,000. After 5 years of operation, and every 5 years thereafter, the trustee shall calculate the 5-year average balance of the consumer protection reserve account. If the trustee determines that during the prior 5 years the consumer protection reserve account has had an average account balance of less than \$75,000,000, then the consumer protection reserve account principal maximum amount shall be increased by \$5,000,000. If the trustee determines that during the prior 5 years the consumer protection reserve account has had an average account balance of more than \$75,000,000, then the consumer protection reserve account principal maximum amount shall be decreased by \$5,000,000.

(6) The clean coal SNG brownfield facility shall identify and sell economically viable by-products produced by the facility.

(7) Fifty percent of all additional net revenue, defined as miscellaneous net revenue from products

produced by the facility and delivered during the month after cost allowance for costs associated with additional net revenue that are not otherwise recoverable pursuant to subsection (h-3) of this Section, including net revenue from sales of substitute natural gas derived from the facility above the nameplate capacity of the facility and other by-products produced by the facility, shall be credited to the consumer protection reserve account pursuant to subsection (h-2) of this Section.

(8) The delivered SNG price per million btu to be paid monthly by the utility to the clean coal SNG brownfield facility, which shall be based only upon the following: (A) a capital recovery charge, operations and maintenance costs, and sequestration costs, only to the extent approved by the Commission pursuant to paragraphs (1), (2), and (3) of subsection (h-3) of this Section; (B) the actual delivered and processed fuel costs pursuant to paragraph (4) of subsection (h-3) of this Section; (C) actual costs of SNG transportation pursuant to paragraph (6) of subsection (h-3) of this Section; (D) certain taxes and fees imposed by the federal government, the State, or any unit of local government as provided in paragraph (6) of subsection (h-3) of this Section; and (E) the credit, if any, from the consumer protection reserve account pursuant to subsection (h-2) of this Section. The delivered SNG price per million Btu shall proportionately reflect these elements over the term of the sourcing agreement.

(9) A formula to translate the recoverable costs and charges under subsection (h-3) of this Section into the delivered SNG price per million btu.

(10) Title to the SNG shall pass at a mutually agreeable point in Illinois, and may provide that, rather than the utility taking title to the SNG, a mutually agreed upon third-party gas marketer pursuant to a contract approved by the Illinois Power Agency or its designee, may take title to the SNG pursuant to an agreement between the utility, the owner of the clean coal SNG brownfield facility, and the third-party gas marketer.

(11) A utility may exit the sourcing agreement without penalty if the clean coal SNG brownfield facility does not commence construction by July 1, 2015.

(12) A utility is responsible to pay only the Commission determined unit price cost of SNG that is purchased by the utility. Nothing in the sourcing agreement will obligate a utility to invest capital in a clean coal SNG brownfield facility.

(13) The quality of SNG must, at a minimum, be equivalent to the quality required for interstate pipeline gas before a utility is required to accept and pay for SNG gas.

(14) Nothing in the sourcing agreement will require a utility to construct any facilities to accept delivery of SNG. Provided, however, if a utility is required by law or otherwise elects to connect the clean coal SNG brownfield facility to an interstate pipeline, then the utility shall be entitled to recover pursuant to its tariffs all just and reasonable costs that are prudently incurred. Any costs incurred by the utility to receive, deliver, manage, or otherwise accommodate purchases under the SNG sourcing agreement will be fully recoverable through a utility's purchased gas adjustment clause rider mechanism in conjunction with a SNG brownfield facility rider mechanism. The SNG brownfield facility rider mechanism (A) shall be applicable to all customers who receive transportation service from the utility, (B) shall be designed to have an equal percent impact on the transportation services rates of each class of the utility's customers, and (C) shall accurately reflect the net consumer savings, if any, and above-market costs, if any, associated with the utility receiving, delivering, managing, or otherwise accommodating purchases under the SNG sourcing agreement.

(15) Remedies for the clean coal SNG brownfield facility's failure to deliver a designated amount for a designated period.

(16) The clean coal SNG brownfield facility shall make a good faith effort to ensure that an amount equal to not less than 15% of the value of its prime construction contract for the facility shall be established as a goal to be awarded to minority owned businesses, female owned businesses, and businesses owned by a person with a disability; provided that at least 75% of the amount of such total goal shall be for minority owned businesses. "Minority owned business", "female owned business", and "business owned by a person with a disability" shall have the meanings ascribed to them in Section 2 of the Business Enterprise for Minorities, Females and Persons with Disabilities Act.

(17) Prior to the clean coal SNG brownfield facility issuing a notice to proceed to construction, the clean coal SNG brownfield facility shall file with the Commission a certificate from an independent engineer that the clean coal SNG brownfield facility has (A) obtained all applicable State and federal environmental permits required for construction; (B) obtained approval from the Commission of a carbon capture and sequestration plan; and (C) obtained all necessary permits required for construction for the transportation and sequestration of carbon dioxide as set forth in the Commission-approved carbon capture and sequestration plan.

(h-2) Consumer protection reserve account. The clean coal SNG brownfield facility shall guarantee a



minimum of \$100,000,000 in consumer savings to customers of the utilities that have entered into sourcing agreements with the clean coal SNG brownfield facility, calculated in real 2010 dollars at the conclusion of the term of the sourcing agreement by comparing the delivered SNG price to the Chicago City-gate price on a weighted daily basis for each day over the entire term of the sourcing agreement. Prior to the clean coal SNG brownfield facility issuing a notice to proceed to construction, the clean coal SNG brownfield facility shall establish a consumer protection reserve account for the benefit of the retail customers of the utilities that have entered into sourcing agreements with the clean coal SNG brownfield facility pursuant to subsection (h-1), with cash principal in the amount of \$150,000,000. Such cash principal shall only be recovered through the consumer protection reserve account and not as a cost to be recovered in the delivered SNG price pursuant to subsection (h-3) of this Section. The consumer protection reserve account shall be maintained and administered by an independent trustee that is mutually agreed upon by the clean coal SNG brownfield facility, the utilities, and the Commission in an interest-bearing account in accordance with the following:

(1) The clean coal SNG brownfield facility monthly shall calculate (A) the difference between the monthly delivered SNG price and the Chicago City-gate price, by comparing the delivered SNG price, which shall include the cost of transportation to the delivery point, if any, to the Chicago City-gate price on a weighted daily basis for each day of the prior month based upon a mutually agreed upon published index and (B) the overage amount, if any, by calculating the annualized incremental additional cost, if any, of the delivered SNG in excess of 2.015% of the average annual inflation-adjusted amounts paid by all gas distribution customers in connection with natural gas service during the 5 years ending May 31, 2010.

(2) During the first 2 years of operation of the facility:

(A) to the extent there is an overage amount, the consumer protection reserve account shall be used to provide a credit to reduce the SNG price by an amount equal to the overage amount; and

(B) to the extent the monthly delivered SNG price is less than or equal to the Chicago City-gate price, the utility shall credit the difference between the monthly delivered SNG price and the monthly Chicago City-gate price, if any, to the consumer protection reserve account. Such credit issued pursuant to this paragraph (B) shall be deemed prudent and reasonable and not subject to a Commission prudence review;

(3) After 2 years of operation of the facility, and monthly, on an on-going basis, thereafter:

(A) to the extent that the monthly delivered SNG price is less than or equal to the Chicago City-gate price, calculated using the weighted average of the daily Chicago City-gate price on a daily basis over the entire month, the utility shall credit the difference, if any, to the consumer protection reserve account. Such credit issued pursuant to this subparagraph (A) shall be deemed prudent and reasonable and not subject to a Commission prudence review;

(B) any amounts in the consumer protection reserve account in excess of the consumer protection reserve account principal maximum amount shall be distributed as follows: (i) if retail customers have not realized net consumer savings, calculated by comparing the delivered SNG price to the weighted average of the daily Chicago City-gate price on a daily basis over the entire term of the sourcing agreement to date, then 50% of any amounts in the consumer protection reserve account in excess of the consumer protection reserve account principal maximum shall be distributed to the clean coal SNG brownfield facility, with the remaining 50% of any such additional amounts being credited to retail customers, and (ii) if retail customers have realized net consumer savings, then 100% of any amounts in the consumer protection reserve account in excess of the consumer protection reserve account principal maximum shall be distributed to the clean coal SNG brownfield facility; provided, however, that under no circumstances shall the total cumulative amount distributed to the clean coal SNG brownfield facility under this subparagraph (B) exceed \$150,000,000;

(C) to the extent there is an overage amount, after distributing the amounts pursuant to subparagraph (B) of this paragraph (3), if any, the consumer protection reserve account shall be used to provide a credit to reduce the SNG price by an amount equal to the overage amount;

(D) if retail customers have realized net consumer savings, calculated by comparing the delivered SNG price to the weighted average of the daily Chicago City-gate price on a daily basis over the entire term of the sourcing agreement to date, then after distributing the amounts pursuant to subparagraphs (B) and (C) of this paragraph (3), 50% of any additional amounts in the consumer protection reserve account in excess of the consumer protection reserve account principal maximum shall be distributed to the clean coal SNG brownfield facility, with the remaining 50% of any such additional amounts being credited to retail customers; provided, however, that if retail customers have not realized such net consumer savings, no such distribution shall be made to the clean coal SNG brownfield facility, and 100% of such additional amounts shall be credited to the retail customers to the extent the consumer protection reserve

account exceeds the consumer protection reserve account principal maximum amount.

(4) Fifty percent of all additional net revenue, defined as miscellaneous net revenue after cost allowance for costs associated with additional net revenue that are not otherwise recoverable pursuant to subsection (h-3) of this Section, including net revenue from sales of substitute natural gas derived from the facility above the nameplate capacity of the facility and other by-products produced by the facility, shall be credited to the consumer protection reserve account.

(5) At the conclusion of the term of the sourcing agreement, to the extent retail customers have not saved the minimum of \$100,000,000 in consumer savings as guaranteed in this subsection (h-2), amounts in the consumer protection reserve account shall be credited to retail customers to the extent the retail customers have saved the minimum of \$100,000,000; 50% of any additional amounts in the consumer protection reserve account shall be distributed to the company, and the remaining 50% shall be distributed to retail customers.

(6) If, at the conclusion of the term of the sourcing agreement, the customers have not saved the minimum \$100,000,000 in savings as guaranteed in this subsection (h-2) and the consumer protection reserve account has been depleted, then the clean coal SNG brownfield facility shall be liable for any remaining amount owed to the retail customers to the extent that the customers are provided with the \$100,000,000 in savings as guaranteed in this subsection (h-2). The retail customers shall have first priority in recovering that debt above any creditors, except the original senior secured lender to the extent that the original senior secured lender has any senior secured debt outstanding, including any clean coal SNG brownfield facility parent companies or affiliates.

(7) The clean coal SNG brownfield facility, the utilities, and the trustee shall work together to take commercially reasonable steps to minimize the tax impact of these transactions, while preserving the consumer benefits.

(8) The clean coal SNG brownfield facility shall each month, starting in the facility's first year of commercial operation, file with the Commission, in such form as the Commission shall require, a report as to the consumer protection reserve account. The monthly report must contain the following information:

(A) the extent the monthly delivered SNG price is greater than, less than, or equal to the Chicago City-gate price;

(B) the amount credited or debited to the consumer protection reserve account during the month;

(C) the amounts credited to consumers and distributed to the clean coal SNG brownfield facility during the month;

(D) the total amount of the consumer protection reserve account at the beginning and end of the month;

(E) the total amount of consumer savings to date;

(F) a confidential summary of the inputs used to calculate the additional net revenue; and

(G) any other additional information the Commission shall require.

When any report is erroneous or defective or appears to the Commission to be erroneous or defective, the Commission may notify the clean coal SNG brownfield facility to amend the report within 30 days, and, before or after the termination of the 30-day period, the Commission may examine the trustee of the consumer protection reserve account or the officers, agents, employees, books, records, or accounts of the clean coal SNG brownfield facility and correct such items in the report as upon such examination the Commission may find defective or erroneous. All reports shall be under oath.

All reports made to the Commission by the clean coal SNG brownfield and the contents of the reports shall be open to public inspection and shall be deemed a public record under the Freedom of Information Act. Such reports shall be preserved in the office of the Commission. The Commission shall publish an annual summary of the reports prior to February 1 of the following year. The annual summary shall be made available to the public on the Commission's website and shall be submitted to the General Assembly.

Any facility that fails to file a report required under this paragraph (8) to the Commission within the time specified or to make specific answer to any question propounded by the Commission within 30 days from the time it is lawfully required to do so, or within such further time not to exceed 90 days as may in its discretion be allowed by the Commission, shall pay a penalty of \$500 to the Commission for each day it is in default.

Any person who willfully makes any false report to the Commission or to any member, officer, or employee thereof, any person who willfully in a report withholds or fails to provide material information to which the Commission is entitled under this paragraph (8) and which information is either required to be filed by statute, rule, regulation, order, or decision of the Commission or has been requested by the Commission, and any person who willfully aids or abets such person shall be guilty of a Class A

misdemeanor.

(h-3) Recoverable costs and revenue by the clean coal SNG brownfield facility.

(1) A capital recovery charge approved by the Commission shall be recoverable by the clean coal SNG brownfield facility under a sourcing agreement. The capital recovery charge shall be comprised of capital costs and a reasonable rate of return. "Capital costs" means costs to be incurred in connection with the construction and development of a facility, as defined in Section 1-10 of the Illinois Power Agency Act, and such other costs as the Capital Development Board deems appropriate to be recovered in the capital recovery charge.

(A) Capital costs. The Capital Development Board shall calculate a range of capital costs that it believes would be reasonable for the clean coal SNG brownfield facility to recover under the sourcing agreement. In making this determination, the Capital Development Board shall review the facility cost report, if any, of the clean coal SNG brownfield facility, adjusting the results based on the change in the Annual Consumer Price Index for All Urban Consumers for the Midwest Region as published in April by the United States Department of Labor, Bureau of Labor Statistics, the final draft of the sourcing agreement, and the rate of return approved by the Commission. In addition, the Capital Development Board may consult as much as it deems necessary with the clean coal SNG brownfield facility and conduct whatever research and investigation it deems necessary.

The Capital Development Board shall retain an engineering expert to assist in determining both the range of capital costs and the range of operations and maintenance costs that it believes would be reasonable for the clean coal SNG brownfield facility to recover under the sourcing agreement. Provided, however, that such expert shall: (i) not have been involved in the clean coal SNG brownfield facility's facility cost report, if any, (ii) not own or control any direct or indirect interest in the initial clean coal facility, and (iii) have no contractual relationship with the clean coal SNG brownfield facility. In order to qualify as an independent expert, a person or company must have:

(i) direct previous experience conducting front-end engineering and design studies for large-scale energy facilities and administering large-scale energy operations and maintenance contracts, which may be particularized to the specific type of financing associated with the clean coal SNG brownfield facility;

(ii) an advanced degree in economics, mathematics, engineering, or a related area of study;

(iii) ten years of experience in the energy sector, including construction and risk management experience;

(iv) expertise in assisting companies with obtaining financing for large-scale energy projects, which may be particularized to the specific type of financing associated with the clean coal SNG brownfield facility;

(v) expertise in operations and maintenance which may be particularized to the specific type of operations and maintenance associated with the clean coal SNG brownfield facility;

(vi) expertise in credit and contract protocols;

(vii) adequate resources to perform and fulfill the required functions and responsibilities; and

(viii) the absence of a conflict of interest and inappropriate bias for or against an affected gas utility or the clean coal SNG brownfield facility.

The clean coal SNG brownfield facility and the Illinois Power Agency shall cooperate with the Capital Development Board in any investigation it deems necessary. The Capital Development Board shall make its final determination of the range of capital costs confidentially and shall submit that range to the Commission in a confidential filing within 120 days after the effective date of this amendatory Act of the 97th General Assembly. The clean coal SNG brownfield facility shall submit to the Commission its estimate of the capital costs to be recovered under the sourcing agreement. Only after the clean coal SNG brownfield facility has submitted this estimate shall the Commission publicly announce the range of capital costs submitted by the Capital Development Board.

In the event that the estimate submitted by the clean coal SNG brownfield facility is within or below the range submitted by the Capital Development Board, the clean coal SNG brownfield facility's estimate shall be approved by the Commission as the amount of capital costs to be recovered under the sourcing agreement. In the event that the estimate submitted by the clean coal SNG brownfield facility is above the range submitted by the Capital Development Board, the amount of capital costs at the lowest end of the range submitted by the Capital Development Board shall be approved by the Commission as the amount of capital costs to be recovered under the sourcing agreement. Within 15 days after the Capital Development Board has submitted its range and the clean coal SNG brownfield facility has submitted its estimate, the Commission shall approve the capital costs for the clean coal SNG brownfield facility.

The Capital Development Board shall monitor the construction of the clean coal SNG brownfield

facility for the full duration of construction to assess potential cost overruns. The Capital Development Board, in its discretion, may retain an expert to facilitate such monitoring. The clean coal SNG brownfield facility shall pay a reasonable fee as required by the Capital Development Board for the Capital Development Board's services under this subsection (h-3) to be deposited into the Capital Development Board Revolving Fund, and such fee shall not be passed through to a utility or its customers. If an expert is retained by the Capital Development Board for monitoring of construction, then the clean coal SNG brownfield facility must pay for the expert's reasonable fees and such costs shall not be passed through to a utility or its customers.

(B) Rate of Return. No later than 30 days after the date on which the Illinois Power Agency submits a final draft sourcing agreement, the Commission shall hold a public hearing to determine the rate of return to be recovered under the sourcing agreement. Rate of return shall be comprised of the clean coal SNG brownfield facility's actual cost of debt, including mortgage-style amortization, and a reasonable return on equity. The Commission shall post notice of the hearing on its website no later than 10 days prior to the date of the hearing. The Commission shall provide the public and all interested parties, including the gas utilities, the Attorney General, and the Illinois Power Agency, an opportunity to be heard.

In determining the return on equity, the Commission shall select a commercially reasonable return on equity taking into account the return on equity being received by developers of similar facilities in or outside of Illinois, the need to balance an incentive for clean-coal technology with the need to protect ratepayers from high gas prices, the risks being borne by the clean coal SNG brownfield facility in the final draft sourcing agreement, and any other information that the Commission may deem relevant. The Commission may establish a return on equity that varies with the amount of savings, if any, to customers during the term of the sourcing agreement, comparing the delivered SNG price to a daily weighted average price of natural gas, based upon an index. The Illinois Power Agency shall recommend a return on equity to the Commission using the same criteria. Within 60 days after receiving the final draft sourcing agreement from the Illinois Power Agency, the Commission shall approve the rate of return for the clean coal brownfield facility. Within 30 days after obtaining debt financing for the clean coal SNG brownfield facility, the clean coal SNG brownfield facility shall file a notice with the Commission identifying the actual cost of debt.

(2) Operations and maintenance costs approved by the Commission shall be recoverable by the clean coal SNG brownfield facility under the sourcing agreement. The operations and maintenance costs mean costs that have been incurred for the administration, supervision, operation, maintenance, preservation, and protection of the clean coal SNG brownfield facility's physical plant.

The Capital Development Board shall calculate a range of operations and maintenance costs that it believes would be reasonable for the clean coal SNG brownfield facility to recover under the sourcing agreement, incorporating an inflation index or combination of inflation indices to most accurately reflect the actual costs of operating the clean coal SNG brownfield facility. In making this determination, the Capital Development Board shall review the facility cost report, if any, of the clean coal SNG brownfield facility, adjusting the results for inflation based on the change in the Annual Consumer Price Index for All Urban Consumers for the Midwest Region as published in April by the United States Department of Labor, Bureau of Labor Statistics, the final draft of the sourcing agreement, and the rate of return approved by the Commission. In addition, the Capital Development Board may consult as much as it deems necessary with the clean coal SNG brownfield facility and conduct whatever research and investigation it deems necessary. As set forth in subparagraph (A) of paragraph (1) of this subsection (h-3), the Capital Development Board shall retain an independent engineering expert to assist in determining both the range of operations and maintenance costs that it believes would be reasonable for the clean coal SNG brownfield to recover under the sourcing agreement. The clean coal SNG brownfield facility and the Illinois Power Agency shall cooperate with the Capital Development Board in any investigation it deems necessary. The Capital Development Board shall make its final determination of the range of operations and maintenance costs confidentially and shall submit that range to the Commission in a confidential filing within 120 days after the effective date of this amendatory Act of the 97th General Assembly.

The clean coal SNG brownfield facility shall submit to the Commission its estimate of the operations and maintenance costs to be recovered under the sourcing agreement. Only after the clean coal SNG brownfield facility has submitted this estimate shall the Commission publicly announce the range of operations and maintenance costs submitted by the Capital Development Board. In the event that the estimate submitted by the clean coal SNG brownfield facility is within or below the range submitted by the Capital Development Board, the clean coal SNG brownfield facility's estimate shall be approved by the Commission as the amount of operations and maintenance costs to be recovered under

the sourcing agreement. In the event that the estimate submitted by the clean coal SNG brownfield facility is above the range submitted by the Capital Development Board, the amount of operations and maintenance costs at the lowest end of the range submitted by the Capital Development Board shall be approved by the Commission as the amount of operations and maintenance costs to be recovered under the sourcing agreement. Within 15 days after the Capital Development Board has submitted its range and the clean coal SNG brownfield facility has submitted its estimate, the Commission shall approve the operations and maintenance costs for the clean coal SNG brownfield facility.

The clean coal SNG brownfield facility shall pay for the independent engineering expert's reasonable fees and such costs shall not be passed through to a utility or its customers. The clean coal SNG brownfield facility shall pay a reasonable fee as required by the Capital Development Board for the Capital Development Board's services under this subsection (h-3) to be deposited into the Capital Development Board Revolving Fund, and such fee shall not be passed through to a utility or its customers.

(3) Sequestration costs approved by the Commission shall be recoverable by the clean coal SNG brownfield facility. "Sequestration costs" means costs to be incurred by the clean coal SNG brownfield facility in accordance with its Commission-approved carbon capture and sequestration plan to:

(A) capture carbon dioxide;

(B) build, operate, and maintain a sequestration site in which carbon dioxide may be injected;

(C) build, operate, and maintain a carbon dioxide pipeline; and

(D) transport the carbon dioxide to the sequestration site or a pipeline.

The Commission shall assess the prudence of the sequestration costs for the clean coal SNG brownfield facility before construction commences at the sequestration site or pipeline. Any revenues the clean coal SNG brownfield facility receives as a result of the capture, transportation, or sequestration of carbon dioxide shall be first credited against all sequestration costs, with the positive balance, if any, treated as additional net revenue.

The Commission may, in its discretion, retain an expert to assist in its review of sequestration costs. The clean coal SNG brownfield facility shall pay for the expert's reasonable fees if an expert is retained by the Commission, and such costs shall not be passed through to a utility or its customers. Once made, the Commission's determination of the amount of recoverable sequestration costs shall not be increased unless the clean coal SNG brownfield facility can show by clear and convincing evidence that (i) the costs were not reasonably foreseeable; (ii) the costs were due to circumstances beyond the clean coal SNG brownfield facility's control; and (iii) the clean coal SNG brownfield facility took all reasonable steps to mitigate the costs. If the Commission determines that sequestration costs may be increased, the Commission shall provide for notice and a public hearing for approval of the increased sequestration costs.

(4) Actual delivered and processed fuel costs shall be set by the Illinois Power Agency through a SNG feedstock procurement, pursuant to Sections 1-20, 1-77, and 1-78 of the Illinois Power Agency Act, to be performed at least every 5 years and purchased by the clean coal SNG brownfield facility pursuant to feedstock procurement contracts developed by the Illinois Power Agency, with coal comprising at least 50% of the total feedstock over the term of the sourcing agreement and petroleum coke comprising the remainder of the SNG feedstock. If the Commission fails to approve a feedstock procurement plan or fails to approve the results of a feedstock procurement event, then the fuel shall be purchased by the company month-by-month on the spot market and those actual delivered and processed fuel costs shall be recoverable under the sourcing agreement. If a supplier defaults under the terms of a procurement contract, then the Illinois Power Agency shall immediately initiate a feedstock procurement process to obtain a replacement supply, and, prior to the conclusion of that process, fuel shall be purchased by the company month-by-month on the spot market and those actual delivered and processed fuel costs shall be recoverable under the sourcing agreement.

(5) Taxes and fees imposed by the federal government, the State, or any unit of local government applicable to the clean coal SNG brownfield facility, excluding income tax, shall be recoverable by the clean coal SNG brownfield facility under the sourcing agreement to the extent such taxes and fees were not applicable to the facility on the date of this amendatory Act of the 97th General Assembly.

(6) The actual transportation costs, in accordance with the applicable utility's tariffs, and third-party marketer costs incurred by the company, if any, associated with transporting the SNG from the clean coal SNG brownfield facility to the Chicago City-gate to sell such SNG into the natural gas markets shall be recoverable under the sourcing agreement.

(7) Unless otherwise provided, within 30 days after a decision of the Commission on recoverable costs under this Section, any interested party to the Commission's decision may apply for a rehearing with respect to the decision. The Commission shall receive and consider the application for rehearing

and shall grant or deny the application in whole or in part within 20 days after the date of the receipt of the application by the Commission. If no rehearing is applied for within the required 30 days or an application for rehearing is denied, then the Commission decision shall be final. If an application for rehearing is granted, then the Commission shall hold a rehearing within 30 days after granting the application. The decision of the Commission upon rehearing shall be final.

Any person affected by a decision of the Commission under this subsection (h-3) may have the decision reviewed only under and in accordance with the Administrative Review Law. Unless otherwise provided, the provisions of the Administrative Review Law, all amendments and modifications to that Law, and the rules adopted pursuant to that Law shall apply to and govern all proceedings for the judicial review of final administrative decisions of the Commission under this subsection (h-3). The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure.

(8) The Capital Development Board shall adopt and make public a policy detailing the process for retaining experts under this Section. Any experts retained to assist with calculating the range of capital costs or operations and maintenance costs shall be retained no later than 45 days after the effective date of this amendatory Act of the 97th General Assembly.

(h-4) No later than 90 days after the Illinois Power Agency submits the final draft sourcing agreement pursuant to subsection (h-1), the Commission shall approve a sourcing agreement containing the capital costs, rate of return, and operations and maintenance costs. Once the sourcing agreement is approved, then the gas utility subject to that sourcing agreement shall have 45 days after the date of the Commission's approval to enter into the sourcing agreement.

(h-5) The Attorney General, on behalf of the people of the State of Illinois, may specifically enforce the requirements of this subsection (h-5). All contracts under subsection (h) of this Act and all sourcing agreements under subsection (h-1) of this Act, regardless of duration, shall require the owner of any facility supplying SNG under the contract or sourcing agreement to provide documentation to the Commission each year, starting in the facility's first year of commercial operation, accurately reporting the quantity of carbon dioxide emissions from the facility that have been captured and sequestered and reporting any quantities of carbon dioxide released from the site or sites at which carbon dioxide emissions were sequestered in prior years, based on continuous monitoring of those sites. If, in any year, the owner of the facility described in subsection (h) of this Act fails to demonstrate that the SNG facility captured and sequestered at least 90% of the total carbon dioxide emissions that the facility would otherwise emit or that sequestration of emissions from prior years has failed, resulting in the release of carbon dioxide into the atmosphere, then the owner of the facility must offset excess emissions. Any such carbon dioxide offsets must be permanent, additional, verifiable, real, located within the State of Illinois, and legally and practicably enforceable; provided that the owner of the facility described in subsection (h) of this Act shall not be obligated to acquire carbon dioxide emission offsets to the extent that the cost of acquiring such offsets would exceed \$40 million in any given year. No costs of any purchases of carbon offsets may be recovered from a utility or its customers. All carbon offsets purchased for this purpose must be permanently retired.

If, in any year, the owner of a clean coal SNG brownfield facility fails to demonstrate that the clean coal SNG brownfield facility captured and sequestered at least 85% of the total carbon dioxide emissions that the facility would otherwise emit, then the owner of the clean coal SNG brownfield facility must pay a penalty of \$20 per ton of excess carbon emissions up to \$20,000,000, which shall be deposited into the Energy Efficiency Trust Fund and distributed pursuant to subsection (b) of Section 6-6 of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997. Provided, however, to the extent that the owner of the clean coal SNG brownfield facility can demonstrate that the failure was as a result of acts of God (including fire, flood, earthquake, tornado, lightning, hurricane, or other natural disaster); any amendment, modification, or abrogation of any applicable law or regulation that would prevent performance; war; invasion; act of foreign enemies; hostilities (regardless of whether war is declared); civil war; rebellion; revolution; insurrection; military or usurped power or confiscation; terrorist activities; civil disturbances; riots; nationalization; sabotage; blockage; or embargo, the owner of the clean coal SNG brownfield facility shall not be subject to a penalty if and only if (i) it promptly provides notice of its failure to the Commission; (ii) as soon as practicable and consistent with any order or direction from the Commission, it submits to the Commission proposed modifications to its carbon capture and sequestration plan; and (iii) it carries out its proposed modifications in the manner and time directed by the Commission. If the Commission finds that the facility has not satisfied each of these requirements, then the facility shall be subject to the penalty. If the owner of a clean coal SNG brownfield facility demonstrates that the clean coal SNG brownfield facility captured and sequestered more than 85% of the total carbon emissions that the facility would otherwise emit, the owner of the clean coal SNG brownfield facility may credit such additional amounts to reduce the amount of any

future penalty to be paid. The penalty resulting from the failure to capture and sequester at least the minimum amount of carbon dioxide shall not be passed on to a utility or its customers.

In addition to any penalty for the clean coal SNG brownfield facility's failure to capture and sequester at least its minimum sequestration requirement, the Attorney General, on behalf of the People of the State of Illinois, shall bring an action for specific performance of this subsection (h-5). Such action may be filed in any circuit court in Illinois. By entering into a sourcing agreement pursuant to subsection (h-1) of this Section, the clean coal SNG brownfield facility agrees to waive any objections to venue or to the jurisdiction of the court with regard to the Attorney General's action for specific performance under this subsection (h-5).

In addition, carbon dioxide emission credits equivalent to 50% of the amount of credits associated with the required sequestration of carbon dioxide from the facility must be permanently retired. Compliance with the sequestration requirements and the offset purchase requirements specified in this subsection (h-5) for the facility described in subsection (h) of this Act shall be assessed annually by an independent expert retained by the owner of the SNG facility described in subsection (h) of this Act, with the advance written approval of the Attorney General. Compliance with the sequestration requirements and penalty requirements specified in this subsection (h-5) for the clean coal SNG brownfield facility shall be assessed annually by the Commission, which may in its discretion retain an expert to facilitate its assessment. If an expert is retained by the Commission, then the clean coal SNG brownfield facility shall pay for the expert's reasonable fees, and such costs shall not be passed through to a utility or its customers. A SNG facility operating pursuant to this subsection (h-5) shall not forfeit its designation as a clean coal SNG facility or a clean coal SNG brownfield facility if the facility fails to fully comply with the applicable carbon sequestration requirements in any given year, provided the requisite offsets are purchased or requisite penalties are paid.

Responsibility for compliance with the sequestration requirements specified in this subsection (h-5) for the clean coal SNG brownfield facility shall reside solely with the clean coal SNG brownfield facility regardless of whether the facility has contracted with another party to capture, transport, or sequester carbon dioxide.

(h-7) Sequestration permitting, oversight, and investigations.

(1) No clean coal facility or clean coal SNG brownfield facility may transport or sequester carbon dioxide unless the Commission approves the method of carbon dioxide transportation or sequestration. Such approval shall be required regardless of whether the facility has contracted with another to transport or sequester the carbon dioxide. Nothing in this subsection (h-7) shall release the owner or operator of a carbon dioxide sequestration site or carbon dioxide pipeline from any other permitting requirements under applicable State and federal laws, statutes, rules, or regulations.

(2) The Commission shall review carbon dioxide transportation and sequestration methods proposed by a clean coal facility or a clean coal SNG brownfield facility and shall approve those methods it deems reasonable and cost-effective. For purposes of this review, "cost-effective" means a commercially reasonable price for similar carbon dioxide transportation or sequestration techniques. In determining whether sequestration is reasonable and cost-effective, the Commission may consult with the Illinois State Geological Survey and retain third parties to assist in its determination, provided that such third parties shall not own or control any direct or indirect interest in the facility that is proposing the carbon dioxide transportation or the carbon dioxide sequestration method and shall have no contractual relationship with that facility. If a third party is retained by the Commission, then the facility proposing the carbon dioxide transportation or sequestration method shall pay for the expert's reasonable fees, and these costs shall not be passed through to a utility or its customers.

No later than 6 months prior to the date upon which the owner intends to commence construction of a clean coal facility or the clean coal SNG brownfield facility, the owner of the facility shall file with the Commission a carbon dioxide transportation or sequestration plan. The Commission shall hold a public hearing within 30 days after receipt of the facility's carbon dioxide transportation or sequestration plan. The Commission shall post notice of the review on its website upon submission of a carbon dioxide transportation or sequestration method and shall accept written public comments. The Commission shall take the comments into account when making its decision.

The Commission may not approve a carbon dioxide sequestration method if the owner or operator of the sequestration site has not received (i) an Underground Injection Control permit from the Illinois Environmental Protection Agency pursuant to the Environmental Protection Act; (ii) an Underground Injection Control permit from the Illinois Department of Natural Resources pursuant to the Illinois Oil and Gas Act; or (iii) a permit similar to items (i) or (ii) from the state in which the sequestration site is located if the sequestration will take place outside of Illinois. The Commission shall approve or deny the carbon dioxide transportation or sequestration method within 90 days after the receipt of all required

information.

(3) At least annually, the Illinois Environmental Protection Agency shall inspect all carbon dioxide sequestration sites in Illinois. The Illinois Environmental Protection Agency may, as often as deemed necessary, monitor and conduct investigations of those sites. The owner or operator of the sequestration site must cooperate with the Illinois Environmental Protection Agency investigations of carbon dioxide sequestration sites.

If the Illinois Environmental Protection Agency determines at any time a site creates conditions that warrant the issuance of a seal order under Section 34 of the Environmental Protection Act, then the Illinois Environmental Protection Agency shall seal the site pursuant to the Environmental Protection Act. If the Illinois Environmental Protection Agency determines at any time a carbon dioxide sequestration site creates conditions that warrant the institution of a civil action for an injunction under Section 43 of the Environmental Protection Act, then the Illinois Environmental Protection Agency shall request the State's Attorney or the Attorney General institute such action. The Illinois Environmental Protection Agency shall provide notice of any such actions as soon as possible on its website. The SNG facility shall incur all reasonable costs associated with any such inspection or monitoring of the sequestration sites, and these costs shall not be recoverable from utilities or their customers.

(4) At least annually, the Commission shall inspect all carbon dioxide pipelines in Illinois that transport carbon dioxide to ensure the safety and feasibility of those pipelines. The Commission may, as often as deemed necessary, monitor and conduct investigations of those pipelines. The owner or operator of the pipeline must cooperate with the Commission investigations of the carbon dioxide pipelines.

In circumstances whereby a carbon dioxide pipeline creates a substantial danger to the environment or to the public health of persons or to the welfare of persons where such danger is to the livelihood of such persons, the State's Attorney or Attorney General, upon the request of the Commission or on his or her own motion, may institute a civil action for an immediate injunction to halt any discharge or other activity causing or contributing to the danger or to require such other action as may be necessary. The court may issue an ex parte order and shall schedule a hearing on the matter not later than 3 working days after the date of injunction. The Commission shall provide notice of any such actions as soon as possible on its website. The SNG facility shall incur all reasonable costs associated with any such inspection or monitoring of the sequestration sites, and these costs shall not be recoverable from a utility or its customers.

(h-9) The clean coal SNG brownfield facility shall have the right to recover prudently incurred increased costs or reduced revenue resulting from any new or amendatory legislation or other action. The State of Illinois pledges that the State will not enact any law or take any action to:

(1) break, or repeal the authority for, sourcing agreements approved by the Commission and entered into between public utilities and the clean coal SNG brownfield facility;

(2) deny public utilities full cost recovery for their costs incurred under those sourcing agreements;

or

(3) deny the clean coal SNG brownfield facility full cost and revenue recovery as provided under those sourcing agreements that are recoverable pursuant to subsection (h-3) of this Section.

These pledges are for the benefit of the parties to those sourcing agreements and the issuers and holders of bonds or other obligations issued or incurred to finance or refinance the clean coal SNG brownfield facility. The clean coal SNG brownfield facility is authorized to include and refer to these pledges in any financing agreement into which it may enter in regard to those sourcing agreements.

The State of Illinois retains and reserves all other rights to enact new or amendatory legislation or take any other action, without impairment of the right of the clean coal SNG brownfield facility to recover prudently incurred increased costs or reduced revenue resulting from the new or amendatory legislation or other action, including, but not limited to, such legislation or other action that would (i) directly or indirectly raise the costs the clean coal SNG brownfield facility must incur; (ii) directly or indirectly place additional restrictions, regulations, or requirements on the clean coal SNG brownfield facility; (iii) prohibit sequestration in general or prohibit a specific sequestration method or project; or (iv) increase minimum sequestration requirements for the clean coal SNG brownfield facility to the extent technically feasible. The clean coal SNG brownfield facility shall have the right to recover prudently incurred increased costs or reduced revenue resulting from the new or amendatory legislation or other action as described in this subsection (h-9).

(h-10) Contract costs for SNG incurred by an Illinois gas utility are reasonable and prudent and recoverable through the purchased gas adjustment clause and are not subject to review or disallowance by the Commission. Contract costs are costs incurred by the utility under the terms of a contract that incorporates the terms stated in subsection (h) of this Section as confirmed in writing by the Illinois Power Agency as set forth in subsection (h-20) of this Section, which confirmation shall be deemed

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conclusive, or as a consequence of or condition to its performance under the contract, including (i) amounts paid for SNG under the SNG contract and (ii) costs of transportation and storage services of SNG purchased from interstate pipelines under federally approved tariffs. Any contract, the terms of which have been confirmed in writing by the Illinois Power Agency as set forth in subsection (h-20) of this Section and the performance of the parties under such contract cannot be grounds for challenging prudence or cost recovery by the utility through the purchased gas adjustment clause, and in such cases, the Commission is directed not to consider, and has no authority to consider, any attempted challenges.

The contracts entered into by Illinois gas utilities pursuant to subsection (h) of this Section shall provide that the utility retains the right to terminate the contract without further obligation or liability to any party if the contract has been impaired as a result of any legislative, administrative, judicial, or other governmental action that is taken that eliminates all or part of the prudence protection of this subsection (h-10) or denies the recoverability of all or part of the contract costs through the purchased gas adjustment clause. Should any Illinois gas utility exercise its right under this subsection (h-10) to terminate the contract, all contract costs incurred prior to termination are and will be deemed reasonable, prudent, and recoverable as and when incurred and not subject to review or disallowance by the Commission. Any order, issued by the State requiring or authorizing the discontinuation of the merchant function, defined as the purchase and sale of natural gas by an Illinois gas utility for the ultimate consumer in its service territory shall include provisions necessary to prevent the impairment of the value of any contract hereunder over its full term.

(h-11) All costs incurred by an Illinois gas utility in procuring SNG from a clean coal SNG brownfield facility pursuant to subsection (h-1) or a third-party marketer pursuant to subsection (h-1), are reasonable and prudent and recoverable through the purchased gas adjustment clause in conjunction with a SNG brownfield facility rider mechanism and are not subject to review or disallowance by the Commission; provided that if a utility is required by law or otherwise elects to connect the clean coal SNG brownfield facility to an interstate pipeline, then the utility shall be entitled to recover pursuant to its tariffs all just and reasonable costs that are prudently incurred. Sourcing agreement costs are costs incurred by the utility under the terms of a sourcing agreement that incorporates the terms stated in subsection (h-1) of this Section as approved by the Commission as set forth in subsection (h-4) of this Section, which approval shall be deemed conclusive, or as a consequence of or condition to its performance under the contract, including (i) amounts paid for SNG under the SNG contract and (ii) costs of transportation and storage services of SNG purchased from interstate pipelines under federally approved tariffs. Any sourcing agreement, the terms of which have been approved by the Commission as set forth in subsection (h-4) of this Section, and the performance of the parties under the sourcing agreement cannot be grounds for challenging prudence or cost recovery by the utility through the purchased gas adjustment clause, and in these cases, the Commission is directed not to consider, and has no authority to consider, any attempted challenges.

(h-15) With respect to each contract entered into by the company with an Illinois utility in accordance with the terms stated in subsection (h) of this Section, within 60 days following the completion of purchases of SNG, the Illinois Power Agency shall conduct an analysis to determine (i) the average contract SNG cost, which shall be calculated as the total amount paid to a company for SNG over the contract term, plus the cost to the utility of the required transportation and storage services of SNG, divided by the total number of MMBtus of SNG actually purchased under the utility contract; (ii) the average natural gas purchase cost, which shall be calculated as the total annual supply costs paid for natural gas (excluding SNG) purchased by such utility over the contract term, plus the costs of transportation and storage services of such natural gas (excluding such costs for SNG), divided by the total number of MMBtus of natural gas (excluding SNG) actually purchased by the utility during the contract term; (iii) the cost differential, which shall be the difference between the average contract SNG cost and the average natural gas purchase cost; and (iv) the revenue share target, which shall be the cost differential multiplied by the total amount of SNG purchased under such utility contract. If the average contract SNG cost is equal to or less than the average natural gas purchase cost, then the company shall have no further obligation to the utility. If the average contract SNG cost for such SNG contract is greater than the average natural gas purchase cost for such utility, then the company shall market the daily production of SNG and distribute on a monthly basis 5% of amounts collected with respect to such future sales to the utilities in proportion to each utility's SNG purchases from the company during the term of the SNG contract to be used to reduce the utility's natural gas costs through the purchased gas adjustment clause; such payments to the utility shall continue until such time as the sum of such payments equals the revenue share target of that utility. The company or utilities shall have no obligation to repay the revenue share target except as provided for in this subsection (h-15).

(h-20) The General Assembly authorizes the Illinois Finance Authority to issue bonds to the

maximum extent permitted to finance coal gasification facilities described in this Section, which constitute both "industrial projects" under Article 801 of the Illinois Finance Authority Act and "clean coal and energy projects" under Sections 825-65 through 825-75 of the Illinois Finance Authority Act. The General Assembly further authorizes the Illinois Power Agency to become party to agreements and take such actions as necessary to enable the Illinois Power Agency or its designate to (i) review and confirm in writing that the terms stated in subsection (h) of this Section are incorporated in the SNG contract, and (ii) conduct an analysis pursuant to subsection (h-15) of this Section. Administrative costs incurred by the Illinois Finance Authority and Illinois Power Agency in performance of this subsection (h-20) shall be subject to reimbursement by the company on terms as the Illinois Finance Authority, the Illinois Power Agency, and the company may agree. The utility and its customers shall have no obligation to reimburse the company, the Illinois Finance Authority, or the Illinois Power Agency for any such costs.

(i) If a gas utility or an affiliate of a gas utility has an ownership interest in any entity that produces or sells synthetic natural gas, Article VII of this Act shall apply.

(Source: P.A. 95-1027, eff. 6-1-09; 96-1364, eff. 7-28-10.)

Section 15. The Illinois Gas Pipeline Safety Act is amended by changing Sections 2.02, 2.03, 2.04, and 3 as follows:

(220 ILCS 20/2.02) (from Ch. 111 2/3, par. 552.2)

Sec. 2.02. "Gas" means natural gas, flammable gas or gas which is toxic or corrosive. "Gas" also means carbon dioxide in any physical form, whenever transported by pipeline for the purpose of sequestration.

(Source: P.A. 76-1588.)

(220 ILCS 20/2.03) (from Ch. 111 2/3, par. 552.3)

Sec. 2.03. "Transportation of gas" means the gathering, transmission, or distribution of gas by pipeline or its storage, within this State and not subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act, except that it includes the transmission of gas through pipeline facilities within this State that transport gas from an interstate gas pipeline to a direct sales customer within this State purchasing gas for its own consumption. "Transportation of gas" also includes the conveyance of gas from a gas main through the primary fuel line to the outside wall of residential premises. If the gas meter is placed within 3 feet of the structure, the utility's responsibility shall end at the outlet side of the meter. "Transportation of gas" also includes the conveyance of carbon dioxide in any physical form for the purpose of sequestration.

(Source: P.A. 87-1092; 88-314.)

(220 ILCS 20/2.04) (from Ch. 111 2/3, par. 552.4)

Sec. 2.04. "Pipeline facilities" includes new and existing pipe rights-of-way and any equipment, facility, or building used in the transportation of gas or the treatment of gas during the course of transportation and includes facilities within this State that transport gas from an interstate gas pipeline to a direct sales customer within this State purchasing gas for its own consumption, but "rights-of-way" as used in this Act does not authorize the Commission to prescribe, under this Act, the location or routing of any pipeline facility. "Pipeline facilities" also includes new and existing pipes and lines and any other equipment, facility, or structure, except customer-owned branch lines connected to the primary fuel lines, used to convey gas from a gas main to the outside wall of residential premises, and any person who provides gas service directly to its residential customer through these facilities shall be deemed to operate such pipeline facilities for purposes of this Act irrespective of the ownership of the facilities or the location of the facilities with respect to the meter, except that a person who provides gas service to a "master meter system", as that term is defined at 49 C.F.R. Section 191.3, shall not be deemed to operate any facilities downstream of the master meter. "Pipeline facilities" also includes new and existing pipe rights-of-way and any equipment, facility, or building used in the transportation of carbon dioxide in any physical form for the purpose of sequestration.

(Source: P.A. 87-1092; 88-314.)

(220 ILCS 20/3) (from Ch. 111 2/3, par. 553)

Sec. 3. (a) As soon as practicable, but not later than 3 months after the effective date of this Act, the Commission shall adopt rules establishing minimum safety standards for the transportation of gas and for pipeline facilities. Such rules shall be at least as inclusive, as stringent, and compatible with, the minimum safety standards adopted by the Secretary of Transportation under the Federal Act. Thereafter, the Commission shall maintain such rules so that the rules are at least as inclusive, as stringent, and compatible with, the minimum standards from time to time in effect under the Federal Act. The Commission shall also adopt rules establishing minimum safety standards for the transportation of

carbon dioxide in any physical form for the purpose of sequestration and for pipeline facilities used for that function.

(b) Standards established under this Act may apply to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities. Standards affecting the design, installation, construction, initial inspection and initial testing are not applicable to pipeline facilities in existence on the date such standards are adopted. Whenever the Commission finds a particular facility to be hazardous to life or property, it may require the person operating such facility to take the steps necessary to remove the hazard.

(c) Standards established by the Commission under this Act shall, subject to paragraphs (a) and (b) of this Section 3, be practicable and designed to meet the need for pipeline safety. In prescribing such standards, the Commission shall consider: similar standards established in other states; relevant available pipeline safety data; whether such standards are appropriate for the particular type of pipeline transportation; the reasonableness of any proposed standards; and the extent to which such standards will contribute to public safety.

Rules adopted under this Act are subject to "The Illinois Administrative Procedure Act", approved September 22, 1975, as amended.

(Source: P.A. 83-333.)

Section 20. The Illinois Environmental Protection Act is amended by adding Section 13.7 as follows:  
(415 ILCS 5/13.7 new)

Sec. 13.7. Carbon dioxide sequestration sites.

(a) For purposes of this Section, the term "carbon dioxide sequestration site" means a site or facility for which the Agency has issued a permit for the underground injection of carbon dioxide.

(b) The Agency shall inspect carbon dioxide sequestration sites for compliance with this Act, rules adopted under this Act, and permits issued by the Agency.

(c) If the Agency issues a seal order under Section 34 of this Act in relation to a carbon dioxide sequestration site, or if a civil action for an injunction to halt activity at a carbon dioxide sequestration site is initiated under Section 43 of this Act at the request of the Agency, then the Agency shall post notice of such action on its website.

(d) Persons seeking a permit or permit modification for the underground injection of carbon dioxide shall be liable to the Agency for all reasonable and documented costs incurred by the Agency that are associated with review and issuance of the permit, including, but not limited to, costs associated with public hearings and the review of permit applications. Once a permit is issued, the permittee shall be liable to the Agency for all reasonable and documented costs incurred by the Agency that are associated with inspections and other oversight of the carbon dioxide sequestration site. Persons liable for costs under this subsection (d) must pay the costs upon invoicing, or other request or demand for payment, by the Agency. Costs for which a person is liable under this subsection (d) are in addition to any other fees, penalties, or other relief provided under this Act or any other law.

Moneys collected under this subsection (d) shall be deposited into the Environmental Protection Permit and Inspection Fund established under Section 22.8 of this Act. The Agency may adopt rules relating to the collection of costs due under this subsection (d).

(e) The Agency shall not issue a permit or permit modification for the underground injection of carbon dioxide unless all costs for which the permittee is liable under subsection (d) of this Section have been paid.

(f) No person shall fail or refuse to pay costs for which the person is liable under subsection (d) of this Section.

Section 85. Rulemaking. The Illinois Environmental Protection Agency, the Illinois Commerce Commission, the Capital Development Board, and the Illinois Department of Natural Resources shall have rulemaking authority to implement the provisions of this amendatory Act of the 97th General Assembly.

Section 90. Inseparability. The provisions of this Act are mutually dependent and inseparable. If any provision is held invalid, then this entire Act, including all new and amendatory provisions, is invalid.

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

**AMENDMENT NO. 2 TO SENATE BILL 1533**

AMENDMENT NO. 2. Amend Senate Bill 1533, AS AMENDED, with reference to page and

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line numbers of House Amendment No. 1 as follows:

on page 57, by replacing lines 9 through 17 with "clean coal SNG brownfield facility; provided that no utility shall be required to purchase more than 42% of the projected annual output of the clean coal SNG brownfield facility, with the remainder of such utility's obligation to be divided proportionately between the other utilities, and provided that the Illinois Power Agency shall further adjust the allocation only as required to take into account adverse consolidation, derivative, or lease impacts to the balance sheet or income statement of any gas utility."; and

on page 99, line 25, by replacing "(h-1)." with "(h-1)"; and

on page 100, by replacing line 21 with ", and in these".

Under the rules, the foregoing **Senate Bill No. 1533**, 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 amendment to a bill of the following title, to-wit:

HOUSE BILL 2972

A bill for AN ACT concerning State government.

Which amendment is as follows:

Senate Amendment No. 3 to HOUSE BILL NO. 2972

Concurred in by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

At the hour of 6:38 o'clock p.m., the Chair announced that the Senate stand at ease.

#### AT EASE

At the hour of 6:42 o'clock p.m. the Senate resumed consideration of business.  
Senator Harmon, presiding.

#### REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2011 meeting, reported the following Joint Action Motion has been assigned to the indicated Standing Committee of the Senate:

Executive: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 1533**

#### COMMITTEE MEETING ANNOUNCEMENT

The Chair announced the following committee to meet at 7:46 o'clock p.m.:

Executive in Room 212

At the hour of 6:44 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

#### AFTER RECESS

At the hour of 8:42 o'clock p.m., the Senate resumed consideration of business.

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Senator Muñoz, presiding.

### REPORTS FROM STANDING COMMITTEES

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

Motion to Concur in House Amendment 3 to Senate Bill 1852

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

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

Motion to Concur in House Amendments 2 and 4 to Senate Bill 1802

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

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

Senate Amendment No. 3 to House Bill 1237

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

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

Motion to Concur in House Amendment 1 to Senate Bill 1228

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

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

Motion to Concur in House Amendment 1 to Senate Bill 1672; Motion to Concur in House Amendments 1 and 3 to Senate Bill 1831

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

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

Senate Amendment No. 2 to House Bill 1717

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

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

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Motion to Concur in House Amendments 2 and 3 to Senate Bill 270; Motion to Concur in House Amendment 1 to Senate Bill 675; Motion to Concur in House Amendment 1 to Senate Bill 745; Motion to Concur in House Amendments 1 and 2 to Senate Bill 1533; Motion to Concur in House Amendment 1, 3 and 4 to Senate Bill 2062

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

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

Motion to Concur in House Amendment 2 to Senate Bill 2168

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

### HOUSE BILL RECALLED

On motion of Senator Koehler, **House Bill No. 1723** was recalled from the order of third reading to the order of second reading.

Senator Koehler offered the following amendment and moved its adoption:

#### AMENDMENT NO. 1 TO HOUSE BILL 1723

AMENDMENT NO. 1. Amend House Bill 1723 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Nuclear Safety Preparedness Act is amended by changing Sections 4 and 5 and by adding Section 8.5 as follows:

(420 ILCS 5/4) (from Ch. 111 1/2, par. 4304)

Sec. 4. Nuclear accident plans; fees. Persons engaged within this State in the production of electricity utilizing nuclear energy, the operation of nuclear test and research reactors, the chemical conversion of uranium, or the transportation, storage or possession of spent nuclear fuel or high-level radioactive waste shall pay fees to cover the cost of establishing plans and programs to deal with the possibility of nuclear accidents. Except as provided below, the fees shall be used exclusively to fund those Agency and local government activities defined as necessary by the Director to implement and maintain the plans and programs authorized by this Act. Local governments incurring expenses attributable to implementation and maintenance of the plans and programs authorized by this Act may apply to the Agency for compensation for those expenses, and upon approval by the Director of applications submitted by local governments, the Agency shall compensate local governments from fees collected under this Section. Compensation for local governments shall include \$250,000 in any year through fiscal year 1993, \$275,000 in fiscal year 1994 and fiscal year 1995, \$300,000 in fiscal year 1996, \$400,000 in fiscal year 1997, and \$450,000 in fiscal year 1998 and thereafter. Appropriations to the Department of Nuclear Safety (of which the Agency is the successor) for compensation to local governments from the Nuclear Safety Emergency Preparedness Fund provided for in this Section shall not exceed \$650,000 per State fiscal year. Expenditures from these appropriations shall not exceed, in a single State fiscal year, the annual compensation amount made available to local governments under this Section, unexpended funds made available for local government compensation in the previous fiscal year, and funds recovered under the Illinois Grant Funds Recovery Act during previous fiscal years. Notwithstanding any other provision of this Act, the expenditure limitation for fiscal year 1998 shall include the additional \$100,000 made available to local governments for fiscal year 1997 under this amendatory Act of 1997. Any funds within these expenditure limitations, including the additional \$100,000 made available for fiscal year 1997 under this amendatory Act of 1997, that remain unexpended at the close of business on June 30, 1997, and on June 30 of each succeeding year, shall be excluded from the calculations of credits under subparagraph (3) of this Section. The Agency shall, by rule, determine the method for compensating local governments under this Section. The appropriation shall not exceed \$500,000 in any year preceding fiscal year 1996; the appropriation shall not exceed \$625,000 in fiscal year 1996, \$725,000 in fiscal year 1997, and \$775,000 in fiscal year 1998 and thereafter. The fees shall consist of

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the following:

(1) A one-time charge of \$590,000 per nuclear power station in this State to be paid by the owners of the stations.

(2) An additional charge of \$240,000 per nuclear power station for which a fee under subparagraph (1) was paid before June 30, 1982.

(3) Through June 30, 1982, an annual fee of \$75,000 per year for each nuclear power reactor for which an operating license has been issued by the NRC, and after June 30, 1982, and through June 30, 1984 an annual fee of \$180,000 per year for each nuclear power reactor for which an operating license has been issued by the NRC, and after June 30, 1984, and through June 30, 1991, an annual fee of \$400,000 for each nuclear power reactor for which an operating license has been issued by the NRC, to be paid by the owners of nuclear power reactors operating in this State. After June 30, 1991, the owners of nuclear power reactors in this State for which operating licenses have been issued by the NRC shall pay the following fees for each such nuclear power reactor: for State fiscal year 1992, \$925,000; for State fiscal year 1993, \$975,000; for State fiscal year 1994, \$1,010,000; for State fiscal year 1995, \$1,060,000; for State fiscal years 1996 and 1997, \$1,110,000; for State fiscal year 1998, \$1,314,000; for State fiscal year 1999, \$1,368,000; for State fiscal year 2000, \$1,404,000; for State fiscal year 2001, \$1,696,455; for State fiscal year 2002, \$1,730,636; for State fiscal year 2003 through State and subsequent fiscal year 2011 years, \$1,757,727 ; for State fiscal year 2012 and subsequent fiscal years, \$1,903,182. Within 120 days after the end of the State fiscal year, the Agency shall determine, from the records of the Office of the Comptroller, the balance in the Nuclear Safety Emergency Preparedness Fund. When the balance in the fund, less any fees collected under this Section prior to their being due and payable for the succeeding fiscal year or years, exceeds \$400,000 at the close of business on June 30, 1993, 1994, 1995, 1996, 1997, and 1998, or exceeds \$500,000 at the close of business on June 30, 1999 and June 30 of each succeeding year, the excess shall be credited to the owners of nuclear power reactors who are assessed fees under this subparagraph. Credits shall be applied against the fees to be collected under this subparagraph for the subsequent fiscal year. Each owner shall receive as a credit that amount of the excess which corresponds proportionately to the amount the owner contributed to all fees collected under this subparagraph in the fiscal year that produced the excess.

(3.5) The owner of a nuclear power reactor that notifies the Nuclear Regulatory Commission that the nuclear power reactor has permanently ceased operations during State fiscal year 1998 shall pay the following fees for each such nuclear power reactor: \$1,368,000 for State fiscal year 1999 and \$1,404,000 for State fiscal year 2000.

(4) A capital expenditure surcharge of \$1,400,000 per nuclear power station in this State, whether operating or under construction, shall be paid by the owners of the station.

(5) An annual fee of \$25,000 per year for each site for which a valid operating license has been issued by NRC for the operation of an away-from-reactor spent nuclear fuel or high-level radioactive waste storage facility, to be paid by the owners of facilities for the storage of spent nuclear fuel or high-level radioactive waste for others in this State.

(6) A one-time charge of \$280,000 for each facility in this State housing a nuclear test and research reactor, to be paid by the operator of the facility. However, this charge shall not be required to be paid by any tax-supported institution.

(7) A one-time charge of \$50,000 for each facility in this State for the chemical conversion of uranium, to be paid by the owner of the facility.

(8) An annual fee of \$150,000 per year for each facility in this State housing a nuclear test and research reactor, to be paid by the operator of the facility. However, this annual fee shall not be required to be paid by any tax-supported institution.

(9) An annual fee of \$15,000 per year for each facility in this State for the chemical conversion of uranium, to be paid by the owner of the facility.

(10) A fee assessed at the rate of \$2,500 per truck for each truck shipment and \$4,500 for the first cask and \$3,000 for each additional cask for each rail shipment of spent nuclear fuel, high-level radioactive waste, transuranic waste, or a highway route controlled quantity of radioactive materials received at or departing from any nuclear power station or away-from-reactor spent nuclear fuel, high-level radioactive waste, transuranic waste storage facility, or other facility in this State to be paid by the shipper of the spent nuclear fuel, high level radioactive waste, transuranic waste, or highway route controlled quantity of radioactive material. Truck shipments of greater than 250 miles in Illinois are subject to a surcharge of \$25 per mile over 250 miles for each truck in the shipment. The amount of fees collected each fiscal year under this subparagraph shall be excluded from the calculation of credits under subparagraph (3) of this Section.

(11) A fee assessed at the rate of \$2,500 per truck for each truck shipment and \$4,500 for the first cask

and \$3,000 for each additional cask for each rail shipment of spent nuclear fuel, high-level radioactive waste, transuranic waste, or a highway route controlled quantity of radioactive materials traversing the State to be paid by the shipper of the spent nuclear fuel, high level radioactive waste, transuranic waste, or highway route controlled quantity of radioactive material. Truck shipments of greater than 250 miles in Illinois are subject to a surcharge of \$25 per mile over 250 miles for each truck in the shipment. The amount of fees collected each fiscal year under this subparagraph shall be excluded from the calculation of credits under subparagraph (3) of this Section.

(12) In each of the State fiscal years 1988 through 1991, in addition to the annual fee provided for in subparagraph (3), a fee of \$400,000 for each nuclear power reactor for which an operating license has been issued by the NRC, to be paid by the owners of nuclear power reactors operating in this State. Within 120 days after the end of the State fiscal years ending June 30, 1988, June 30, 1989, June 30, 1990, and June 30, 1991, the Agency shall determine the expenses of the Illinois Nuclear Safety Preparedness Program paid from funds appropriated for those fiscal years. When the aggregate of all fees, charges, and surcharges collected under this Section during any fiscal year exceeds the total expenditures under this Act from appropriations for that fiscal year, the excess shall be credited to the owners of nuclear power reactors who are assessed fees under this subparagraph, and the credits shall be applied against the fees to be collected under this subparagraph for the subsequent fiscal year. Each owner shall receive as a credit that amount of the excess that corresponds proportionately to the amount the owner contributed to all fees collected under this subparagraph in the fiscal year that produced the excess.

(Source: P.A. 92-576, eff. 6-26-02; 93-1029, eff. 8-25-04.)

(420 ILCS 5/5) (from Ch. 111 1/2, par. 4305)

Sec. 5. (a) Except as otherwise provided in this Section, within 30 days after the beginning of each State fiscal year, each person who possessed a valid operating license issued by the NRC for a nuclear power reactor or a spent fuel storage facility during any portion of the previous fiscal year shall pay to the Agency the fees imposed by Section 4 of this Act. The one-time facility charge assessed pursuant to subparagraph (1) of Section 4 shall be paid to the Agency not less than 2 years prior to scheduled commencement of commercial operation. The additional facility charge assessed pursuant to subparagraph (2) of Section 4 shall be paid to the Department within 90 days of June 30, 1982. Fees assessed pursuant to subparagraph (3) of Section 4 for State fiscal year 1992 shall be payable as follows: \$400,000 due on August 1, 1991, and \$525,000 due on January 1, 1992. Fees assessed pursuant to subparagraph (3) of Section 4 for State fiscal years ~~year 1993 through 2011 and subsequent fiscal years~~ shall be due and payable in two equal payments on July 1 and January 1 during the fiscal year in which the fee is due. For State fiscal year 2012 and subsequent fiscal years, fees shall be due and payable in 4 equal payments on July 1, October 1, January 1, and April 1 during the fiscal year in which the fee is due. Fees assessed pursuant to subparagraph (4) of Section 4 shall be paid in six payments, the first, in the amount of \$400,000, shall be due and payable 30 days after the effective date of this Amending Act of 1984. Subsequent payments shall be in the amount of \$200,000 each, and shall be due and payable annually on August 1, 1985 through August 1, 1989, inclusive. Fees assessed under the provisions of subparagraphs (6) and (7) of Section 4 of this Act shall be paid on or before January 1, 1990. Fees assessed under the provisions of subparagraphs (8) and (9) of Section 4 of this Act shall be paid on or before January 1st of each year, beginning January 1, 1990. Fees assessed under the provisions of subparagraphs (10) and (11) of Section 4 of this Act shall be paid to the Agency within 60 days after completion of such shipments within this State. Fees assessed pursuant to subparagraph (12) of Section 4 shall be paid to the Agency by each person who possessed a valid operating license issued by the NRC for a nuclear power reactor during any portion of the previous State fiscal year as follows: the fee due in fiscal year 1988 shall be paid on January 15, 1988, the fee due in fiscal year 1989 shall be paid on December 1, 1988, and subsequent fees shall be paid annually on December 1, 1989 through December 1, 1990.

(b) Fees assessed pursuant to paragraph (3.5) of Section 4 for State fiscal years 1999 and 2000 shall be due and payable in 2 equal payments on July 1 and January 1 during the fiscal year in which the fee is due. The fee due on July 1, 1998 shall be payable on that date, or within 10 days after the effective date of this amending Act of 1998, whichever is later.

(c) Any person who fails to pay a fee assessed under Section 4 of this Act within 90 days after the fee is payable is liable in a civil action for an amount not to exceed 4 times the amount assessed and not paid. The action shall be brought by the Attorney General at the request of the Agency. If the action involves a fixed facility in Illinois, the action shall be brought in the Circuit Court of the county in which the facility is located. If the action does not involve a fixed facility in Illinois, the action shall be brought in the Circuit Court of Sangamon County.

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(Source: P.A. 93-1029, eff. 8-25-04.)

(420 ILCS 5/8.5 new)

Sec. 8.5. Remote monitoring system upgrades and equipment replacement.

(a) Each nuclear power reactor for which an operating license has been issued by the NRC shall be subject to the fees described in this Section, which shall be paid by the owner or owners of each reactor into the Nuclear Safety Emergency Preparedness Fund. The fees in this Section shall be used solely for the purposes set forth in this Section and cannot be transferred for other purposes.

(1) Within 14 days after the Agency notifies each owner subject to the fee requirements of this Section that the Agency has entered into one or more contracts with a third party for purposes of upgrading the remote monitoring system software and that such work will commence within 30 days, the owner or owners shall make a payment of \$19,697 for each reactor owned. Thereafter, for each such reactor, the owner or owners shall submit 11 quarterly payments of \$19,697. The Agency shall use the fees collected in this subsection for purposes of upgrading remote monitoring system software and to acquire, replace, or upgrade equipment related to such monitoring, including, but not limited to, generators and transfer switches, air compressors, detection equipment, data loggers, and solar panels.

(2) Within 90 days after the effective date of this amendatory Act of the 97th General Assembly, the owner or owners subject to the fee requirements of this Section shall make a payment of \$7,575 for each reactor owned for the purposes of acquiring, replacing, and upgrading equipment, including, but not limited to, dosimeters, safety and command vehicles, liquid scintillation analyzers, an alpha spectrometry system, and compositors. Thereafter, for each such reactor, the owner or owners shall submit 11 quarterly payments of \$7,575.

(b) This Section is repealed on January 1, 2015.

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

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

**READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME**

On motion of Senator Koehler, **House Bill No. 1723**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 51; NAYS None.

The following voted in the affirmative:

Althoff	Garrett	Landek	Raoul
Bivins	Haine	Lightford	Sandack
Bomke	Harmon	Link	Sandoval
Brady	Holmes	Luechtefeld	Schmidt
Clayborne	Hunter	Maloney	Schoenberg
Collins, A.	Hutchinson	Martinez	Silverstein
Collins, J.	Jacobs	McCann	Steans
Crotty	Johnson, C.	McCarter	Sullivan
Cultra	Johnson, T.	Mulroe	Syverson
Delgado	Jones, E.	Muñoz	Trotter
Dillard	Koehler	Noland	Wilhelmi
Forby	Kotowski	Pankau	Mr. President
Frerichs	LaHood	Radogno	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

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Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

Senator Millner asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the affirmative on **House Bill No. 1723**.

### REPORT FROM STANDING COMMITTEE

Senator Holmes, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred the Motions to Concur with House Amendments to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 107; Motion to Concur in House Amendment 2 to Senate Bill 1918

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

At the hour of 8:50 o'clock p.m., Senator Crotty, presiding.

### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Kotowski, **Senate Bill No. 107**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Kotowski moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Link	Rezin
Bivins	Harmon	Luechtefeld	Righter
Bomke	Holmes	Maloney	Sandack
Brady	Hunter	Martinez	Sandoval
Clayborne	Hutchinson	McCann	Schmidt
Collins, A.	Jacobs	McCarter	Schoenberg
Collins, J.	Johnson, C.	Meeks	Silverstein
Crotty	Johnson, T.	Millner	Steans
Cultra	Jones, E.	Mulroe	Sullivan
Delgado	Jones, J.	Muñoz	Syverson
Dillard	Koehler	Murphy	Trotter
Duffy	Kotowski	Noland	Wilhelmi
Forby	LaHood	Pankau	Mr. President
Frerichs	Landek	Radogno	
Garrett	Lightford	Raoul	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 107**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 8:54 o'clock p.m., Senator Muñoz, presiding.

On motion of Senator Cullerton, **Senate Bill No. 270**, with House Amendments numbered 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cullerton moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 45; NAYS 9.

The following voted in the affirmative:

Althoff	Harmon	Link	Sandack
Brady	Holmes	Luechtefeld	Sandoval
Clayborne	Hunter	Maloney	Schoenberg
Collins, A.	Hutchinson	Martinez	Silverstein
Collins, J.	Jacobs	Millner	Steans
Crotty	Johnson, C.	Mulroe	Sullivan
Delgado	Jones, E.	Muñoz	Trotter
Dillard	Jones, J.	Murphy	Wilhelmi
Forby	Koehler	Noland	Mr. President
Frerichs	Kotowski	Pankau	
Garrett	Landek	Radogno	
Haine	Lightford	Raoul	

The following voted in the negative:

Bivins	LaHood	Rezin
Cultra	McCann	Righter
Duffy	McCarter	Schmidt

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 3 to **Senate Bill No. 270**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Jones, E. III, **Senate Bill No. 675**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Jones, E. III moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 45; NAYS 6.

The following voted in the affirmative:

Althoff	Holmes	Link	Schmidt
Bomke	Hunter	Luechtefeld	Schoenberg
Clayborne	Hutchinson	Maloney	Silverstein
Collins, J.	Jacobs	Martinez	Steans
Crotty	Johnson, C.	Mulroe	Sullivan
Cultra	Jones, E.	Muñoz	Syverson
Delgado	Jones, J.	Murphy	Trotter
Forby	Koehler	Noland	Wilhelmi
Frerichs	Kotowski	Pankau	Mr. President
Garrett	LaHood	Raoul	
Haine	Landek	Sandack	
Harmon	Lightford	Sandoval	

The following voted in the negative:

Bivins	McCann	Rezin
Duffy	McCarter	Righter

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 675**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Forby, **Senate Bill No. 745**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Forby moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 40; NAYS 14.

The following voted in the affirmative:

Clayborne	Hutchinson	Martinez	Silverstein
Collins, A.	Jacobs	Millner	Steans
Crotty	Jones, E.	Mulroe	Sullivan
Delgado	Jones, J.	Muñoz	Syverson
Forby	Koehler	Murphy	Trotter
Frerichs	Kotowski	Noland	Wilhelmi
Garrett	Landek	Pankau	Mr. President
Haine	Lightford	Radogno	
Harmon	Link	Raoul	
Holmes	Luechtefeld	Sandoval	
Hunter	Maloney	Schoenberg	

The following voted in the negative:

Bivins	Dillard	McCann	Sandack
Brady	Duffy	McCarter	Schmidt
Collins, J.	Johnson, C.	Meeks	
Cultra	LaHood	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 745**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Dillard, **Senate Bill No. 1228**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Dillard moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 57; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Righter
Bivins	Harmon	Maloney	Sandack
Bomke	Holmes	Martinez	Sandoval
Brady	Hunter	McCann	Schmidt
Clayborne	Jacobs	McCarter	Schoenberg
Collins, A.	Johnson, C.	Meeks	Silverstein
Collins, J.	Jones, E.	Millner	Steans

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Crotty	Jones, J.	Mulroe	Sullivan
Cultra	Koehler	Muñoz	Syverson
Delgado	Kotowski	Murphy	Trotter
Dillard	LaHood	Noland	Wilhelmi
Duffy	Landek	Pankau	Mr. President
Forby	Lauzen	Radogno	
Frerichs	Lightford	Raoul	
Garrett	Link	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1228**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Trotter, **Senate Bill No. 1533**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Trotter moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 39; NAYS 16; Present 1.

The following voted in the affirmative:

Brady	Hutchinson	Luechtefeld	Sandack
Clayborne	Jacobs	Maloney	Sandoval
Collins, A.	Jones, E.	Martinez	Schoenberg
Crotty	Jones, J.	McCann	Silverstein
Delgado	Koehler	Meeks	Steans
Forby	Kotowski	Millner	Sullivan
Garrett	Landek	Mulroe	Trotter
Harmon	Lauzen	Muñoz	Wilhelmi
Holmes	Lightford	Noland	Mr. President
Hunter	Link	Raoul	

The following voted in the negative:

Bivins	Haine	Pankau	Syverson
Bomke	Johnson, C.	Radogno	
Cultra	LaHood	Rezin	
Duffy	McCarter	Righter	
Frerichs	Murphy	Schmidt	

The following voted present:

Collins, J.

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1533**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 9:16 o'clock p.m., Senator Harmon, presiding.

On motion of Senator Raoul, **Senate Bill No. 1672**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Raoul

moved that the Senate concur with the House in the adoption of their amendment to said bill.  
And on that motion, a call of the roll was had resulting as follows:

YEAS 57; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Righter
Bivins	Harmon	Maloney	Sandack
Bomke	Holmes	Martinez	Sandoval
Brady	Hunter	McCann	Schmidt
Clayborne	Hutchinson	McCarter	Schoenberg
Collins, A.	Jacobs	Meeks	Silverstein
Collins, J.	Johnson, C.	Millner	Steans
Crotty	Jones, E.	Mulroe	Sullivan
Cultra	Jones, J.	Muñoz	Syverson
Delgado	Koehler	Murphy	Trotter
Dillard	Kotowski	Noland	Wilhelmi
Duffy	LaHood	Pankau	Mr. President
Forby	Landek	Radogno	
Frerichs	Lightford	Raoul	
Garrett	Link	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1672**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 1802**, with House Amendments numbered 2 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 57; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Righter
Bivins	Harmon	Maloney	Sandack
Bomke	Holmes	Martinez	Sandoval
Brady	Hunter	McCann	Schmidt
Clayborne	Hutchinson	McCarter	Schoenberg
Collins, A.	Jacobs	Meeks	Silverstein
Collins, J.	Johnson, C.	Millner	Steans
Crotty	Jones, E.	Mulroe	Sullivan
Cultra	Jones, J.	Muñoz	Syverson
Delgado	Koehler	Murphy	Trotter
Dillard	Kotowski	Noland	Wilhelmi
Duffy	LaHood	Pankau	Mr. President
Forby	Landek	Radogno	
Frerichs	Lightford	Raoul	
Garrett	Link	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 4 to **Senate Bill No. 1802**.

Ordered that the Secretary inform the House of Representatives thereof.

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On motion of Senator Raoul, **Senate Bill No. 1831**, with House Amendments numbered 1 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Raoul moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 55; NAYS None.

The following voted in the affirmative:

Althoff	Garrett	Lightford	Rezin
Bivins	Haine	Link	Righter
Bomke	Harmon	Luechtefeld	Sandack
Brady	Holmes	Maloney	Sandoval
Clayborne	Hunter	Martinez	Schmidt
Collins, A.	Hutchinson	McCann	Schoenberg
Collins, J.	Jacobs	McCarter	Silverstein
Crotty	Johnson, C.	Meeks	Steans
Cultra	Jones, E.	Mulroe	Sullivan
Delgado	Jones, J.	Muñoz	Syverson
Dillard	Koehler	Noland	Trotter
Duffy	Kotowski	Pankau	Wilhelmi
Forby	LaHood	Radogno	Mr. President
Frerichs	Landek	Raoul	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 1831**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Luechtefeld, **Senate Bill No. 1852**, with House Amendment No. 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Luechtefeld moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 57; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Righter
Bivins	Harmon	Maloney	Sandack
Bomke	Holmes	Martinez	Sandoval
Brady	Hunter	McCann	Schmidt
Clayborne	Hutchinson	McCarter	Schoenberg
Collins, A.	Jacobs	Meeks	Silverstein
Collins, J.	Johnson, C.	Millner	Steans
Crotty	Jones, E.	Mulroe	Sullivan
Cultra	Jones, J.	Muñoz	Syverson
Delgado	Koehler	Murphy	Trotter
Dillard	Kotowski	Noland	Wilhelmi
Duffy	LaHood	Pankau	Mr. President
Forby	Landek	Radogno	
Frerichs	Lightford	Raoul	
Garrett	Link	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 3 to **Senate Bill No. 1852**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Trotter, **Senate Bill No. 1918**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Trotter moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 57; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Righter
Bivins	Harmon	Maloney	Sandack
Bomke	Holmes	Martinez	Sandoval
Brady	Hunter	McCann	Schmidt
Clayborne	Hutchinson	McCarter	Schoenberg
Collins, A.	Jacobs	Meeks	Silverstein
Collins, J.	Johnson, C.	Millner	Steans
Crotty	Jones, E.	Mulroe	Sullivan
Cultra	Jones, J.	Muñoz	Syverson
Delgado	Koehler	Murphy	Trotter
Dillard	Kotowski	Noland	Wilhelmi
Duffy	LaHood	Pankau	Mr. President
Forby	Landek	Radogno	
Frerichs	Lightford	Raoul	
Garrett	Link	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 1918**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Sullivan, **Senate Bill No. 2062**, with House Amendments numbered 1, 3 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Sullivan moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAY 1; Present 1.

The following voted in the affirmative:

Althoff	Harmon	Luechtefeld	Righter
Bomke	Holmes	Maloney	Sandack
Brady	Hunter	Martinez	Schmidt
Clayborne	Hutchinson	McCann	Schoenberg
Collins, A.	Jacobs	McCarter	Silverstein
Crotty	Johnson, C.	Meeks	Steans
Cultra	Jones, E.	Millner	Sullivan
Delgado	Jones, J.	Mulroe	Syverson
Dillard	Koehler	Muñoz	Trotter
Duffy	Kotowski	Noland	Wilhelmi
Forby	LaHood	Pankau	Mr. President
Frerichs	Landek	Radogno	
Garrett	Lightford	Raoul	
Haine	Link	Rezin	

The following voted in the negative:

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Sandoval

The following voted present:

Collins, J.

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 3 and 4 to **Senate Bill No. 2062**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Clayborne, **Senate Bill No. 2168**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Clayborne moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 58; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Link	Rezin
Bivins	Harmon	Luechtefeld	Righter
Bomke	Holmes	Maloney	Sandack
Brady	Hunter	Martinez	Sandoval
Clayborne	Hutchinson	McCann	Schmidt
Collins, A.	Jacobs	McCarter	Schoenberg
Collins, J.	Johnson, C.	Meeks	Silverstein
Crotty	Jones, E.	Millner	Steans
Cultra	Jones, J.	Mulroe	Sullivan
Delgado	Koehler	Muñoz	Syverson
Dillard	Kotowski	Murphy	Trotter
Duffy	LaHood	Noland	Wilhelmi
Forby	Landek	Pankau	Mr. President
Frerichs	Laufen	Radogno	
Garrett	Lightford	Raoul	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 2168**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hutchinson, **Senate Bill No. 2288**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Hutchinson moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS 2.

The following voted in the affirmative:

Althoff	Holmes	Maloney	Righter
Bomke	Hunter	Martinez	Sandack
Clayborne	Hutchinson	McCann	Sandoval
Collins, A.	Jacobs	McCarter	Schmidt
Collins, J.	Johnson, C.	Meeks	Silverstein
Crotty	Jones, E.	Millner	Steans

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Cultra	Jones, J.	Mulroe	Sullivan
Delgado	Koehler	Muñoz	Syverson
Dillard	Kotowski	Murphy	Trotter
Duffy	LaHood	Noland	Wilhelmi
Forby	Landek	Pankau	Mr. President
Frerichs	Lightford	Radogno	
Haine	Link	Raoul	
Harmon	Luechtefeld	Rezin	

The following voted in the negative:

Garrett  
Schoenberg

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2288**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 9:32 o'clock p.m., Senator Sullivan, presiding.

#### HOUSE BILL RECALLED

On motion of Senator Harmon, **House Bill No. 1717** was recalled from the order of third reading to the order of second reading.

Senator Harmon offered the following amendment and moved its adoption:

#### AMENDMENT NO. 1 TO HOUSE BILL 1717

AMENDMENT NO. 1. Amend House Bill 1717 by replacing everything after the enacting clause with the following:

"Section 5. The State Officials and Employees Ethics Act is amended by adding Section 5-57 as follows:

(5 ILCS 430/5-57 new)

Sec. 5-57. Divesting and freezing of election funds of board and commission members.

(a) This Section applies to an appointed member of a board or commission (i) whose appointment requires the advice and consent of the Senate, (ii) who is confirmed by the Senate, who holds office by a temporary appointment under Section 9 of Article V of the Illinois Constitution, or who is appointed by the Governor pursuant to any statute to serve as an acting member of a board or commission, and (iii) who receives a salary from the State for serving on that board or commission.

(b) A member who maintains or controls a candidate political committee must divest or freeze the funds in his or her candidate political committee as provided in Section 9-8.7 of the Election Code.

(c) A member may not establish a candidate political committee for the duration of his or her term on the board or commission.

(d) For purposes of this Section, "salary" means compensation other than reimbursement for reasonable expenses related to travel and attendance at meetings.

Section 10. The Election Code is amended by adding Section 9-8.7 as follows:

(10 ILCS 5/9-8.7 new)

Sec. 9-8.7. Divesting or freezing of campaign funds controlled by State board and commission members.

(a) This Section applies to an appointed member of a board or commission (i) whose appointment requires the advice and consent of the Senate, (ii) who is confirmed by the Senate, who holds office by a temporary appointment made under Section 9 of Article V of the Illinois Constitution, or who is appointed by the Governor pursuant to any statute to serve as an acting member of a board or commission, and (iii) who receives a salary from the State for serving on that board or commission.

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(b) A member who maintains or controls a candidate political committee must divest or freeze the funds in his or her candidate political committee.

(c) A member may not establish a candidate political committee for the duration of his or her term on the board or commission.

(d) A member must:

(1) divest himself or herself of any funds in the candidate political committee by (A) a direct return of funds to contributors in amounts not to exceed his or her individual contributions; (B) a transfer of funds to a charitable organization or organizations; or (C) a combination of items (A) and (B); or

(2) freeze the funds in the candidate political committee by placing the funds in an account that is frozen for the duration of his or her term as a member of the board or commission; for the purposes of this paragraph (2), an account is deemed frozen if the only activity in the account is related to covering the reasonable costs of maintaining the account or preparing reports required by this Code; "reasonable costs" shall be defined by the Board by rule.

If the member's committee has outstanding debt, then the member may maintain his or her committee for the purpose of paying any debt owed by that member's committee only if the debt was incurred by the committee prior to the member's appointment. During the member's term on the board or commission, the committee may make payments on the committee's outstanding debt, may pay reasonable costs of maintaining the account or preparing reports required by this Code, and may accept contributions from the member and the member's spouse, parent, sibling, or child as provided by this Code. "Reasonable costs" shall be defined by the Board by rule.

A member whose term of office begins on or after the effective date of this amendatory Act of the 97th General Assembly must divest or freeze those funds within 15 days after he or she is confirmed by the Senate or, if the member holds office by a temporary appointment or as an acting member, within 15 days after he or she is appointed. A member who is serving on a board or commission on the effective date of this amendatory Act of the 97th General Assembly must divest or freeze those funds within 60 days after the effective date of this amendatory Act of the 97th General Assembly.

(e) A member who maintains or controls a candidate political committee must submit an affidavit to the State Board of Elections that states that the member maintains or controls a candidate political committee, that the candidate political committee has been divested or frozen, and that the member will not establish a candidate political committee for the duration of his or her term on the board or commission. Each other member must submit an affidavit to the State Board of Elections that states that the member does not maintain or control a candidate political committee and will not establish such a committee for the duration of his or her term on the board or commission. A member whose term of office begins on or after the effective date of this amendatory Act of the 97th General Assembly must submit an affidavit under this subsection (e) within 15 days after he or she is confirmed by the Senate or, if the member holds office by a temporary appointment or as an acting member, within 15 days after he or she is appointed. A member who is serving on a board or commission on the effective date of this amendatory Act of the 97th General Assembly must submit an affidavit under this subsection (e) within 60 days after the effective date of this amendatory Act of the 97th General Assembly.

(f) Failure to divest or freeze an account in accordance with this Section shall result in forfeiture of all funds maintained in the candidate political committee account. Forfeited funds shall be deposited into the General Revenue Fund. A member who establishes a candidate political committee during his or her term on the board or commission is subject to a \$5,000 fine.

(g) Nothing in this Section prevents the spouse or immediate family members of a member from seeking elected office or establishing or maintaining a candidate political committee.

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

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Harmon offered the following amendment and moved its adoption:

#### **AMENDMENT NO. 2 TO HOUSE BILL 1717**

AMENDMENT NO. 2. Amend House Bill 1717, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 1, line 5, after "by", by inserting "changing Section 5-45 and by"; and

on page 1, immediately below line 5, by inserting the following:

"(5 ILCS 430/5-45)

Sec. 5-45. Procurement; revolving door prohibition.

(a) No former officer, member, or State employee, or spouse or immediate family member living with such person, shall, within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the officer, member, or State employee, during the year immediately preceding termination of State employment, participated personally and substantially in the award of State contracts, or the issuance of State contract change orders, with a cumulative value of \$25,000 or more to the person or entity, or its parent or subsidiary.

(b) No former officer of the executive branch or State employee of the executive branch with regulatory or licensing authority, or spouse or immediate family member living with such person, shall, within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the officer or State employee, during the year immediately preceding termination of State employment, participated personally and substantially in making a regulatory or licensing decision that directly applied to the person or entity, or its parent or subsidiary.

(c) Within 6 months after the effective date of this amendatory Act of the 96th General Assembly, each executive branch constitutional officer and legislative leader, the Auditor General, and the Joint Committee on Legislative Support Services shall adopt a policy delineating which State positions under his or her jurisdiction and control, by the nature of their duties, may have the authority to participate personally and substantially in the award of State contracts or in regulatory or licensing decisions. The Governor shall adopt such a policy for all State employees of the executive branch not under the jurisdiction and control of any other executive branch constitutional officer.

The policies required under subsection (c) of this Section shall be filed with the appropriate ethics commission established under this Act or, for the Auditor General, with the Office of the Auditor General.

(d) Each Inspector General shall have the authority to determine that additional State positions under his or her jurisdiction, not otherwise subject to the policies required by subsection (c) of this Section, are nonetheless subject to the notification requirement of subsection (f) below due to their involvement in the award of State contracts or in regulatory or licensing decisions.

(e) The Joint Committee on Legislative Support Services, the Auditor General, and each of the executive branch constitutional officers and legislative leaders subject to subsection (c) of this Section shall provide written notification to all employees in positions subject to the policies required by subsection (c) or a determination made under subsection (d): (1) upon hiring, promotion, or transfer into the relevant position; and (2) at the time the employee's duties are changed in such a way as to qualify that employee. An employee receiving notification must certify in writing that the person was advised of the prohibition and the requirement to notify the appropriate Inspector General in subsection (f).

(f) Any State employee in a position subject to the policies required by subsection (c) or to a determination under subsection (d), but who does not fall within the prohibition of subsection (h) below, who is offered non-State employment during State employment or within a period of one year immediately after termination of State employment shall, prior to accepting such non-State employment, notify the appropriate Inspector General. Within 10 calendar days after receiving notification from an employee in a position subject to the policies required by subsection (c), such Inspector General shall make a determination as to whether the State employee is restricted from accepting such employment by subsection (a) or (b). In making a determination, in addition to any other relevant information, an Inspector General shall assess the effect of the prospective employment or relationship upon decisions referred to in subsections (a) and (b), based on the totality of the participation by the former officer, member, or State employee in those decisions. A determination by an Inspector General must be in writing, signed and dated by the Inspector General, and delivered to the subject of the determination within 10 calendar days or the person is deemed eligible for the employment opportunity. For purposes of this subsection, "appropriate Inspector General" means (i) for members and employees of the legislative branch, the Legislative Inspector General; (ii) for the Auditor General and employees of the Office of the Auditor General, the Inspector General provided for in Section 30-5 of this Act; and (iii) for executive branch officers and employees, the Inspector General having jurisdiction over the officer or employee. Notice of any determination of an Inspector General and of any such appeal shall be given to the ultimate jurisdictional authority, the Attorney General, and the Executive Ethics Commission.

(g) An Inspector General's determination regarding restrictions under subsection (a) or (b) may be appealed to the appropriate Ethics Commission by the person subject to the decision or the Attorney General no later than the 10th calendar day after the date of the determination.

On appeal, the Ethics Commission or Auditor General shall seek, accept, and consider written public comments regarding a determination. In deciding whether to uphold an Inspector General's determination, the appropriate Ethics Commission or Auditor General shall assess, in addition to any other relevant information, the effect of the prospective employment or relationship upon the decisions referred to in subsections (a) and (b), based on the totality of the participation by the former officer, member, or State employee in those decisions. The Ethics Commission shall decide whether to uphold an Inspector General's determination within 10 calendar days or the person is deemed eligible for the employment opportunity.

(h) The following officers, members, or State employees shall not, within a period of one year immediately after termination of office or State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the person or entity or its parent or subsidiary, during the year immediately preceding termination of State employment, was a party to a State contract or contracts with a cumulative value of \$25,000 or more involving the officer, member, or State employee's State agency, or was the subject of a regulatory or licensing decision involving the officer, member, or State employee's State agency, regardless of whether he or she participated personally and substantially in the award of the State contract or contracts or the making of the regulatory or licensing decision in question:

- (1) members or officers;
- (2) members of a commission or board created by the Illinois Constitution;
- (3) persons whose appointment to office is subject to the advice and consent of the Senate;
- (4) the head of a department, commission, board, division, bureau, authority, or other administrative unit within the government of this State;
- (5) chief procurement officers, State purchasing officers, and their designees whose duties are directly related to State procurement; and
- (6) chiefs of staff, deputy chiefs of staff, associate chiefs of staff, assistant chiefs of staff, and deputy governors.

(i) Notwithstanding any law to the contrary, the provisions of this Section do not apply to former officers, members, or State employees who accept employment from any federal, State, or local governmental unit.

(Source: P.A. 96-555, eff. 8-18-09.)"

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

### READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Harmon, **House Bill No. 1717**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 55; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Link	Rezin
Bivins	Harmon	Luechtefeld	Righter
Bomke	Holmes	Maloney	Sandack
Brady	Hunter	Martinez	Sandoval
Clayborne	Hutchinson	McCann	Schmidt
Collins, J.	Jacobs	McCarter	Schoenberg
Crotty	Johnson, C.	Millner	Silverstein
Cultra	Jones, E.	Mulroe	Steans
Delgado	Jones, J.	Muñoz	Sullivan
Dillard	Koehler	Murphy	Syverson

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Duffy	Kotowski	Noland	Trotter
Forby	LaHood	Pankau	Wilhelmi
Frerichs	Landek	Radogno	Mr. President
Garrett	Lightford	Raoul	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

On motion of Senator Raoul, **House Bill No. 1719**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 57; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Righter
Bivins	Harmon	Maloney	Sandack
Bomke	Holmes	Martinez	Sandoval
Brady	Hunter	McCann	Schmidt
Clayborne	Hutchinson	McCarter	Schoenberg
Collins, A.	Jacobs	Meeks	Silverstein
Collins, J.	Johnson, C.	Millner	Steans
Crotty	Jones, E.	Mulroe	Sullivan
Cultra	Jones, J.	Muñoz	Syverson
Delgado	Koehler	Murphy	Trotter
Dillard	Kotowski	Noland	Wilhelmi
Duffy	LaHood	Pankau	Mr. President
Forby	Landek	Radogno	
Frerichs	Lightford	Raoul	
Garrett	Link	Rezin	

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof.

### 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. 2188

A bill for AN ACT concerning State government.

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

House Amendment No. 1 to SENATE BILL NO. 2188

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

### AMENDMENT NO. 1 TO SENATE BILL 2188

AMENDMENT NO. 1. Amend Senate Bill 2188 on page 1, by replacing line 5 with the following:

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"Sections 4c and 9 as follows:

(20 ILCS 415/4c) (from Ch. 127, par. 63b104c)

Sec. 4c. General exemptions. The following positions in State service shall be exempt from jurisdictions A, B, and C, unless the jurisdictions shall be extended as provided in this Act:

(1) All officers elected by the people.

(2) All positions under the Lieutenant Governor, Secretary of State, State Treasurer, State Comptroller, State Board of Education, Clerk of the Supreme Court, Attorney General, and State Board of Elections.

(3) Judges, and officers and employees of the courts, and notaries public.

(4) All officers and employees of the Illinois General Assembly, all employees of legislative commissions, all officers and employees of the Illinois Legislative Reference Bureau, the Legislative Research Unit, and the Legislative Printing Unit.

(5) All positions in the Illinois National Guard and Illinois State Guard, paid from federal funds or positions in the State Military Service filled by enlistment and paid from State funds.

(6) All employees of the Governor at the executive mansion and on his immediate personal staff.

(7) Directors of Departments, the Adjutant General, the Assistant Adjutant General, the Director of the Illinois Emergency Management Agency, members of boards and commissions, and all other positions appointed by the Governor by and with the consent of the Senate.

(8) The presidents, other principal administrative officers, and teaching, research and extension faculties of Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Illinois Community College Board, Southern Illinois University, Illinois Board of Higher Education, University of Illinois, State Universities Civil Service System, University Retirement System of Illinois, and the administrative officers and scientific and technical staff of the Illinois State Museum.

(9) All other employees except the presidents, other principal administrative officers, and teaching, research and extension faculties of the universities under the jurisdiction of the Board of Regents and the colleges and universities under the jurisdiction of the Board of Governors of State Colleges and Universities, Illinois Community College Board, Southern Illinois University, Illinois Board of Higher Education, Board of Governors of State Colleges and Universities, the Board of Regents, University of Illinois, State Universities Civil Service System, University Retirement System of Illinois, so long as these are subject to the provisions of the State Universities Civil Service Act.

(10) The State Police so long as they are subject to the merit provisions of the State Police Act.

(11) (Blank).

(12) The technical and engineering staffs of the Department of Transportation, the Department of Nuclear Safety, the Pollution Control Board, and the Illinois Commerce Commission, ~~and the technical and engineering staff providing architectural and engineering services in the Department of Central Management Services.~~

(13) All employees of the Illinois State Toll Highway Authority.

(14) The Secretary of the Illinois Workers' Compensation Commission.

(15) All persons who are appointed or employed by the Director of Insurance under authority of Section 202 of the Illinois Insurance Code to assist the Director of Insurance in discharging his responsibilities relating to the rehabilitation, liquidation, conservation, and dissolution of companies that are subject to the jurisdiction of the Illinois Insurance Code.

(16) All employees of the St. Louis Metropolitan Area Airport Authority.

(17) All investment officers employed by the Illinois State Board of Investment.

(18) Employees of the Illinois Young Adult Conservation Corps program, administered by the Illinois Department of Natural Resources, authorized grantee under Title VIII of the Comprehensive Employment and Training Act of 1973, 29 USC 993.

(19) Seasonal employees of the Department of Agriculture for the operation of the Illinois State Fair and the DuQuoin State Fair, no one person receiving more than 29 days of such employment in any calendar year.

(20) All "temporary" employees hired under the Department of Natural Resources' Illinois Conservation Service, a youth employment program that hires young people to work in State parks for a period of one year or less.

(21) All hearing officers of the Human Rights Commission.

- (22) All employees of the Illinois Mathematics and Science Academy.
  - (23) All employees of the Kankakee River Valley Area Airport Authority.
  - (24) The commissioners and employees of the Executive Ethics Commission.
  - (25) The Executive Inspectors General, including special Executive Inspectors General, and employees of each Office of an Executive Inspector General.
  - (26) The commissioners and employees of the Legislative Ethics Commission.
  - (27) The Legislative Inspector General, including special Legislative Inspectors General, and employees of the Office of the Legislative Inspector General.
  - (28) The Auditor General's Inspector General and employees of the Office of the Auditor General's Inspector General.
- (Source: P.A. 95-728, eff. 7-1-08 - See Sec. 999.)".

Under the rules, the foregoing **Senate Bill No. 2188**, 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. 42

A bill for AN ACT concerning local government.

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

House Amendment No. 1 to SENATE BILL NO. 42

House Amendment No. 2 to SENATE BILL NO. 42

House Amendment No. 3 to SENATE BILL NO. 42

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 1 TO SENATE BILL 42

AMENDMENT NO. 1. Amend Senate Bill 42 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by changing Section 15-301 as follows:

(625 ILCS 5/15-301) (from Ch. 95 1/2, par. 15-301)

Sec. 15-301. Permits for excess size and weight.

(a) ~~The~~ Department with respect to highways under its jurisdiction and local authorities with respect to highways under their jurisdiction may, in their discretion, upon application and good cause being shown therefor, issue a special permit authorizing the applicant to operate or move a vehicle or combination of vehicles of a size or weight of vehicle or load exceeding the maximum specified in this Act or otherwise not in conformity with this Act upon any highway under the jurisdiction of the party granting such permit and for the maintenance of which the party is responsible. Applications and permits other than those in written or printed form may only be accepted from and issued to the company or individual making the movement. Except for an application to move directly across a highway, it shall be the duty of the applicant to establish in the application that the load to be moved by such vehicle or combination is composed of a single nondivisible object that cannot reasonably be dismantled or disassembled. For the purpose of over length movements, more than one object may be carried side by side as long as the height, width, and weight laws are not exceeded and the cause for the over length is not due to multiple objects. For the purpose of over height movements, more than one object may be carried as long as the cause for the over height is not due to multiple objects and the length, width, and weight laws are not exceeded. For the purpose of an over width movement, more than one object may be carried as long as the cause for the over width is not due to multiple objects and length, height, and weight laws are not exceeded. No state or local agency shall authorize the issuance of excess size or weight permits for vehicles and loads that are divisible and that can be carried, when divided, within the existing size or weight maximums specified in this Chapter. Any excess size or weight permit issued in violation of the provisions of this Section shall be void at issue and any movement made thereunder shall not be authorized under the terms of the void permit. In any prosecution for a violation of this Chapter when the authorization of an excess size or weight permit is at issue, it is the burden of the defendant to

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establish that the permit was valid because the load to be moved could not reasonably be dismantled or disassembled, or was otherwise nondivisible.

(b) The application for any such permit shall: (1) state whether such permit is requested for a single trip or for limited continuous operation; (2) state if the applicant is an authorized carrier under the Illinois Motor Carrier of Property Law, if so, his certificate, registration or permit number issued by the Illinois Commerce Commission; (3) specifically describe and identify the vehicle or vehicles and load to be operated or moved except that for vehicles or vehicle combinations registered by the Department as provided in Section 15-319 of this Chapter, only the Illinois Department of Transportation's (IDT) registration number or classification need be given; (4) state the routing requested including the points of origin and destination, and may identify and include a request for routing to the nearest certified scale in accordance with the Department's rules and regulations, provided the applicant has approval to travel on local roads; and (5) state if the vehicles or loads are being transported for hire. No permits for the movement of a vehicle or load for hire shall be issued to any applicant who is required under the Illinois Motor Carrier of Property Law to have a certificate, registration or permit and does not have such certificate, registration or permit.

(c) The Department or local authority when not inconsistent with traffic safety is authorized to issue or withhold such permit at its discretion; or, if such permit is issued at its discretion to prescribe the route or routes to be traveled, to limit the number of trips, to establish seasonal or other time limitations within which the vehicles described may be operated on the highways indicated, or otherwise to limit or prescribe conditions of operations of such vehicle or vehicles, when necessary to assure against undue damage to the road foundations, surfaces or structures, and may require such undertaking or other security as may be deemed necessary to compensate for any injury to any roadway or road structure. The Department shall maintain a daily record of each permit issued along with the fee and the stipulated dimensions, weights, conditions and restrictions authorized and this record shall be presumed correct in any case of questions or dispute. The Department shall install an automatic device for recording applications received and permits issued by telephone. In making application by telephone, the Department and applicant waive all objections to the recording of the conversation.

(d) The Department shall, upon application in writing from any local authority, issue an annual permit authorizing the local authority to move oversize highway construction, transportation, utility and maintenance equipment over roads under the jurisdiction of the Department. The permit shall be applicable only to equipment and vehicles owned by or registered in the name of the local authority, and no fee shall be charged for the issuance of such permits.

(e) As an exception to paragraph (a) of this Section, the Department and local authorities, with respect to highways under their respective jurisdictions, in their discretion and upon application in writing may issue a special permit for limited continuous operation, authorizing the applicant to move loads of agricultural commodities on a 2 axle single vehicle registered by the Secretary of State with axle loads not to exceed 35%, on a 3 or 4 axle vehicle registered by the Secretary of State with axle loads not to exceed 20%, and on a 5 axle vehicle registered by the Secretary of State not to exceed 10% above those provided in Section 15-111. The total gross weight of the vehicle, however, may not exceed the maximum gross weight of the registration class of the vehicle allowed under Section 3-815 or 3-818 of this Code.

As used in this Section, "agricultural commodities" means:

- (1) cultivated plants or agricultural produce grown including, but is not limited to, corn, soybeans, wheat, oats, grain sorghum, canola, and rice;
- (2) livestock, including but not limited to hogs, equine, sheep, and poultry;
- (3) ensilage; and
- (4) fruits and vegetables.

Permits may be issued for a period not to exceed 40 days and moves may be made of a distance not to exceed 50 miles from a field, an on-farm grain storage facility, a warehouse as defined in the Illinois Grain Code, or a livestock management facility as defined in the Livestock Management Facilities Act over any highway except the National System of Interstate and Defense Highways. The operator of the vehicle, however, must abide by posted bridge and posted highway weight limits. All implements of husbandry operating under this Section between sunset and sunrise shall be equipped as prescribed in Section 12-205.1.

(e-1) Upon a declaration by the Governor that an emergency harvest situation exists, a special permit issued by the Department under this Section shall not be required from September 1 through December 31 during harvest season emergencies, provided that the weight does not exceed 20% above the limits provided in Section 15-111. All other restrictions that apply to permits issued under this Section shall apply during the declared time period. With respect to highways under the jurisdiction of local

authorities, the local authorities may, at their discretion, waive special permit requirements during harvest season emergencies. This permit exemption shall apply to all vehicles eligible to obtain permits under this Section, including commercial vehicles in use during the declared time period.

(f) The form and content of the permit shall be determined by the Department with respect to highways under its jurisdiction and by local authorities with respect to highways under their jurisdiction. Every permit shall be in written form and carried in the vehicle or combination of vehicles to which it refers and shall be open to inspection by any police officer or authorized agent of any authority granting the permit and no person shall violate any of the terms or conditions of such special permit. Violation of the terms and conditions of the permit shall not be deemed a revocation of the permit; however, any vehicle and load found to be off the route prescribed in the permit shall be held to be operating without a permit. Any off route vehicle and load shall be required to obtain a new permit or permits, as necessary, to authorize the movement back onto the original permit routing. No rule or regulation, nor anything herein shall be construed to authorize any police officer, court, or authorized agent of any authority granting the permit to remove the permit from the possession of the permittee unless the permittee is charged with a fraudulent permit violation as provided in paragraph (i). However, upon arrest for an offense of violation of permit, operating without a permit when the vehicle is off route, or any size or weight offense under this Chapter when the permittee plans to raise the issuance of the permit as a defense, the permittee, or his agent, must produce the permit at any court hearing concerning the alleged offense.

If the permit designates and includes a routing to a certified scale, the permittee, while enroute to the designated scale, shall be deemed in compliance with the weight provisions of the permit provided the axle or gross weights do not exceed any of the permitted limits by more than the following amounts:

Single axle	2000 pounds
Tandem axle	3000 pounds
Gross	5000 pounds

(g) The Department is authorized to adopt, amend, and to make available to interested persons a policy concerning reasonable rules, limitations and conditions or provisions of operation upon highways under its jurisdiction in addition to those contained in this Section for the movement by special permit of vehicles, combinations, or loads which cannot reasonably be dismantled or disassembled, including manufactured and modular home sections and portions thereof. All rules, limitations and conditions or provisions adopted in the policy shall have due regard for the safety of the traveling public and the protection of the highway system and shall have been promulgated in conformity with the provisions of the Illinois Administrative Procedure Act. The requirements of the policy for flagmen and escort vehicles shall be the same for all moves of comparable size and weight. When escort vehicles are required, they shall meet the following requirements:

(1) All operators shall be 18 years of age or over and properly licensed to operate the vehicle.

(2) Vehicles escorting oversized loads more than 12-feet wide must be equipped with a rotating or flashing amber light mounted on top as specified under Section 12-215.

The Department shall establish reasonable rules and regulations regarding liability insurance or self insurance for vehicles with oversized loads promulgated under The Illinois Administrative Procedure Act. Police vehicles may be required for escort under circumstances as required by rules and regulations of the Department.

(h) Violation of any rule, limitation or condition or provision of any permit issued in accordance with the provisions of this Section shall not render the entire permit null and void but the violator shall be deemed guilty of violation of permit and guilty of exceeding any size, weight or load limitations in excess of those authorized by the permit. The prescribed route or routes on the permit are not mere rules, limitations, conditions, or provisions of the permit, but are also the sole extent of the authorization granted by the permit. If a vehicle and load are found to be off the route or routes prescribed by any permit authorizing movement, the vehicle and load are operating without a permit. Any off route movement shall be subject to the size and weight maximums, under the applicable provisions of this Chapter, as determined by the type or class highway upon which the vehicle and load are being operated.

(i) Whenever any vehicle is operated or movement made under a fraudulent permit the permit shall be void, and the person, firm, or corporation to whom such permit was granted, the driver of such vehicle in addition to the person who issued such permit and any accessory, shall be guilty of fraud and either one or all persons may be prosecuted for such violation. Any person, firm, or corporation committing such violation shall be guilty of a Class 4 felony and the Department shall not issue permits to the person, firm or corporation convicted of such violation for a period of one year after the date of conviction. Penalties for violations of this Section shall be in addition to any penalties imposed for violation of other

Sections of this Act.

(j) Whenever any vehicle is operated or movement made in violation of a permit issued in accordance with this Section, the person to whom such permit was granted, or the driver of such vehicle, is guilty of such violation and either, but not both, persons may be prosecuted for such violation as stated in this subsection (j). Any person, firm or corporation convicted of such violation shall be guilty of a petty offense and shall be fined for the first offense, not less than \$50 nor more than \$200 and, for the second offense by the same person, firm or corporation within a period of one year, not less than \$200 nor more than \$300 and, for the third offense by the same person, firm or corporation within a period of one year after the date of the first offense, not less than \$300 nor more than \$500 and the Department shall not issue permits to the person, firm or corporation convicted of a third offense during a period of one year after the date of conviction for such third offense.

(k) Whenever any vehicle is operated on local roads under permits for excess width or length issued by local authorities, such vehicle may be moved upon a State highway for a distance not to exceed one-half mile without a permit for the purpose of crossing the State highway.

(l) Notwithstanding any other provision of this Section, the Department, with respect to highways under its jurisdiction, and local authorities, with respect to highways under their jurisdiction, may at their discretion authorize the movement of a vehicle in violation of any size or weight requirement, or both, that would not ordinarily be eligible for a permit, when there is a showing of extreme necessity that the vehicle and load should be moved without unnecessary delay.

For the purpose of this subsection, showing of extreme necessity shall be limited to the following: shipments of livestock, hazardous materials, liquid concrete being hauled in a mobile cement mixer, or hot asphalt.

(m) Penalties for violations of this Section shall be in addition to any penalties imposed for violating any other Section of this Code.

(n) The Department with respect to highways under its jurisdiction and local authorities with respect to highways under their jurisdiction, in their discretion and upon application in writing, may issue a special permit for continuous limited operation, authorizing the applicant to operate a tow-truck that exceeds the weight limits provided for in subsection (d) of Section 15-111, provided:

(1) no rear single axle of the tow-truck exceeds 26,000 pounds;

(2) no rear tandem axle of the tow-truck exceeds 50,000 pounds;

(2.1) no triple rear axle on a manufactured recovery unit exceeds 60,000 pounds;

(3) neither the disabled vehicle nor the disabled combination of vehicles exceed the weight restrictions imposed by this Chapter 15, or the weight limits imposed under a permit issued by the Department prior to hookup;

(4) the tow-truck prior to hookup does not exceed the weight restrictions imposed by this Chapter 15;

(5) during the tow operation the tow-truck does not violate any weight restriction sign;

(6) the tow-truck is equipped with flashing, rotating, or oscillating amber lights, visible for at least 500 feet in all directions;

(7) the tow-truck is specifically designed and licensed as a tow-truck;

(8) the tow-truck has a gross vehicle weight rating of sufficient capacity to safely handle the load;

(9) the tow-truck is equipped with air brakes;

(10) the tow-truck is capable of utilizing the lighting and braking systems of the disabled vehicle or combination of vehicles;

(11) the tow commences at the initial point of wreck or disablement and terminates at a point where the repairs are actually to occur;

(12) the permit issued to the tow-truck is carried in the tow-truck and exhibited on demand by a police officer; and

(13) the movement shall be valid only on state routes approved by the Department.

(o) The Department, with respect to highways under its jurisdiction, and local authorities, with respect to highways under their jurisdiction, in their discretion and upon application in writing, may issue a special permit for continuous limited operation, authorizing the applicant to transport raw milk that exceeds the weight limits provided for in subsections (b) and (f) of Section 15-111 of this Code, provided:

(1) no single axle exceeds 20,000 pounds;

(2) no gross weight exceeds 80,000 pounds;

(3) permits issued by the State are good only for federal and State highways and are not applicable to interstate highways; and

(4) all road and bridge postings must be obeyed.  
 (Source: P.A. 95-331, eff. 8-21-07; 95-666, eff. 10-11-07.)

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

**AMENDMENT NO. 2 TO SENATE BILL 42**

AMENDMENT NO. 2. Amend Senate Bill 42 by replacing everything after the enacting clause with the following:

"Section 5. The Counties Code is amended by changing Section 5-1005 as follows:  
 (55 ILCS 5/5-1005) (from Ch. 34, par. 5-1005)

Sec. 5-1005. Powers. Each county shall have power:

1. To purchase ~~and~~ hold the real and personal estate necessary for the uses of the county, and to purchase and hold, for the benefit of the county, real estate sold by virtue of judicial proceedings in which the county is plaintiff.
2. To sell and convey or lease any real or personal estate owned by the county.
3. To make all contracts and do all other acts in relation to the property and concerns of the county necessary to the exercise of its corporate powers.
4. To take all necessary measures and institute proceedings to enforce all laws for the prevention of cruelty to animals.
5. To purchase and hold or lease real estate upon which may be erected and maintained buildings to be utilized for purposes of agricultural experiments and to purchase, hold and use personal property for the care and maintenance of such real estate in connection with such experimental purposes.
6. To cause to be erected, or otherwise provided, suitable buildings for, and maintain a county hospital and necessary branch hospitals and/or a county sheltered care home or county nursing home for the care of such sick, chronically ill or infirm persons as may by law be proper charges upon the county, or upon other governmental units, and to provide for the management of the same. The county board may establish rates to be paid by persons seeking care and treatment in such hospital or home in accordance with their financial ability to meet such charges, either personally or through a hospital plan or hospital insurance, and the rates to be paid by governmental units, including the State, for the care of sick, chronically ill or infirm persons admitted therein upon the request of such governmental units. Any hospital maintained by a county under this Section is authorized to provide any service and enter into any contract or other arrangement not prohibited for a hospital that is licensed under the Hospital Licensing Act, incorporated under the General Not-For-Profit Corporation Act, and exempt from taxation under paragraph (3) of subsection (c) of Section 501 of the Internal Revenue Code.
7. To contribute such sums of money toward erecting, building, maintaining, and supporting any non-sectarian public hospital located within its limits as the county board of the county shall deem proper.
8. To purchase and hold real estate for the preservation of forests, prairies and other natural areas and to maintain and regulate the use thereof.
9. To purchase and hold real estate for the purpose of preserving historical spots in the county, to restore, maintain and regulate the use thereof and to donate any historical spot to the State.
10. To appropriate funds from the county treasury to be used in any manner to be determined by the board for the suppression, eradication and control of tuberculosis among domestic cattle in such county.
11. To take all necessary measures to prevent forest fires and encourage the maintenance and planting of trees and the preservation of forests.
12. To authorize the closing on Saturday mornings of all offices of all county officers at the county seat of each county, and to otherwise regulate and fix the days and the hours of opening and closing of such offices, except when the days and the hours of opening and closing of the office of any county officer are otherwise fixed by law; but the power herein conferred shall not apply to the office of State's Attorney and the offices of judges and clerks of courts and, in counties of 500,000 or more population, the offices of county clerk.
13. To provide for the conservation, preservation and propagation of insectivorous birds through the expenditure of funds provided for such purpose.
14. To appropriate funds from the county treasury and expend the same for care and

treatment of tuberculosis residents.

15. In counties having less than 1,000,000 inhabitants, to take all necessary or proper steps for the extermination of mosquitoes, flies or other insects within the county.

16. To install an adequate system of accounts and financial records in the offices and divisions of the county, suitable to the needs of the office and in accordance with generally accepted principles of accounting for governmental bodies, which system may include such reports as the county board may determine.

17. To purchase and hold real estate for the construction and maintenance of motor vehicle parking facilities for persons using county buildings, but the purchase and use of such real estate shall not be for revenue producing purposes.

18. To acquire and hold title to real property located within the county, or partly within and partly outside the county by dedication, purchase, gift, legacy or lease, for park and recreational purposes and to charge reasonable fees for the use of or admission to any such park or recreational area and to provide police protection for such park or recreational area. Personnel employed to provide such police protection shall be conservators of the peace within such park or recreational area and shall have power to make arrests on view of the offense or upon warrants for violation of any of the ordinances governing such park or recreational area or for any breach of the peace in the same manner as the police in municipalities organized and existing under the general laws of the State. All such real property outside the county shall be contiguous to the county and within the boundaries of the State of Illinois.

19. To appropriate funds from the county treasury to be used to provide supportive social services designed to prevent the unnecessary institutionalization of elderly residents, or, for operation of, and equipment for, senior citizen centers providing social services to elderly residents.

20. To appropriate funds from the county treasury and loan such funds to a county water commission created under the "Water Commission Act", approved June 30, 1984, as now or hereafter amended, in such amounts and upon such terms as the county may determine or the county and the commission may agree. The county shall not under any circumstances be obligated to make such loans. The county shall not be required to charge interest on any such loans.

21. To appropriate and expend funds from the county treasury for economic development purposes, including the making of grants to any other governmental entity or commercial enterprise deemed necessary or desirable for the promotion of economic development in the county.

22. To lease space on a telecommunications tower to a public or private entity.

23. In counties having a population of 100,000 or less and a public building commission organized by the county seat of the county, to cause to be erected or otherwise provided, and to maintain or cause to be maintained, suitable facilities to house students pursuing a post-secondary education at an academic institution located within the county. The county may provide for the management of the facilities.

All contracts for the purchase of coal under this Section shall be subject to the provisions of "An Act concerning the use of Illinois mined coal in certain plants and institutions", filed July 13, 1937, as amended.

(Source: P.A. 95-197, eff. 8-16-07; 95-813, eff. 1-1-09; 96-622, eff. 8-24-09)."

#### AMENDMENT NO. 3 TO SENATE BILL 42

AMENDMENT NO. 3. Amend Senate Bill 42 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by changing Section 15-301 as follows:

(625 ILCS 5/15-301) (from Ch. 95 1/2, par. 15-301)

Sec. 15-301. Permits for excess size and weight.

(a) The Department with respect to highways under its jurisdiction and local authorities with respect to highways under their jurisdiction may, in their discretion, upon application and good cause being shown therefor, issue a special permit authorizing the applicant to operate or move a vehicle or combination of vehicles of a size or weight of vehicle or load exceeding the maximum specified in this Act or otherwise not in conformity with this Act upon any highway under the jurisdiction of the party granting such permit and for the maintenance of which the party is responsible. Applications and permits other than those in written or printed form may only be accepted from and issued to the company or individual making the movement. Except for an application to move directly across a highway, it shall be the duty of the applicant to establish in the application that the load to be moved by such vehicle or combination ~~is composed of a single nondivisible object that~~ cannot reasonably be dismantled or

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disassembled, the reasonableness of which shall be determined by the Secretary of the Department. For the purpose of over length movements, more than one object may be carried side by side as long as the height, width, and weight laws are not exceeded and the cause for the over length is not due to multiple objects. For the purpose of over height movements, more than one object may be carried as long as the cause for the over height is not due to multiple objects and the length, width, and weight laws are not exceeded. For the purpose of an over width movement, more than one object may be carried as long as the cause for the over width is not due to multiple objects and length, height, and weight laws are not exceeded. No state or local agency shall authorize the issuance of excess size or weight permits for vehicles and loads that are divisible and that can be carried, when divided, within the existing size or weight maximums specified in this Chapter. Any excess size or weight permit issued in violation of the provisions of this Section shall be void at issue and any movement made thereunder shall not be authorized under the terms of the void permit. In any prosecution for a violation of this Chapter when the authorization of an excess size or weight permit is at issue, it is the burden of the defendant to establish that the permit was valid because the load to be moved could not reasonably be dismantled or disassembled, or was otherwise nondivisible.

(b) The application for any such permit shall: (1) state whether such permit is requested for a single trip or for limited continuous operation; (2) state if the applicant is an authorized carrier under the Illinois Motor Carrier of Property Law, if so, his certificate, registration or permit number issued by the Illinois Commerce Commission; (3) specifically describe and identify the vehicle or vehicles and load to be operated or moved except that for vehicles or vehicle combinations registered by the Department as provided in Section 15-319 of this Chapter, only the Illinois Department of Transportation's (IDT) registration number or classification need be given; (4) state the routing requested including the points of origin and destination, and may identify and include a request for routing to the nearest certified scale in accordance with the Department's rules and regulations, provided the applicant has approval to travel on local roads; and (5) state if the vehicles or loads are being transported for hire. No permits for the movement of a vehicle or load for hire shall be issued to any applicant who is required under the Illinois Motor Carrier of Property Law to have a certificate, registration or permit and does not have such certificate, registration or permit.

(c) The Department or local authority when not inconsistent with traffic safety is authorized to issue or withhold such permit at its discretion; or, if such permit is issued at its discretion to prescribe the route or routes to be traveled, to limit the number of trips, to establish seasonal or other time limitations within which the vehicles described may be operated on the highways indicated, or otherwise to limit or prescribe conditions of operations of such vehicle or vehicles, when necessary to assure against undue damage to the road foundations, surfaces or structures, and may require such undertaking or other security as may be deemed necessary to compensate for any injury to any roadway or road structure. The Department shall maintain a daily record of each permit issued along with the fee and the stipulated dimensions, weights, conditions and restrictions authorized and this record shall be presumed correct in any case of questions or dispute. The Department shall install an automatic device for recording applications received and permits issued by telephone. In making application by telephone, the Department and applicant waive all objections to the recording of the conversation.

(d) The Department shall, upon application in writing from any local authority, issue an annual permit authorizing the local authority to move oversize highway construction, transportation, utility and maintenance equipment over roads under the jurisdiction of the Department. The permit shall be applicable only to equipment and vehicles owned by or registered in the name of the local authority, and no fee shall be charged for the issuance of such permits.

(e) As an exception to paragraph (a) of this Section, the Department and local authorities, with respect to highways under their respective jurisdictions, in their discretion and upon application in writing may issue a special permit for limited continuous operation, authorizing the applicant to move loads of agricultural commodities on a 2 axle single vehicle registered by the Secretary of State with axle loads not to exceed 35%, on a 3 or 4 axle vehicle registered by the Secretary of State with axle loads not to exceed 20%, and on a 5 axle vehicle registered by the Secretary of State not to exceed 10% above those provided in Section 15-111. The total gross weight of the vehicle, however, may not exceed the maximum gross weight of the registration class of the vehicle allowed under Section 3-815 or 3-818 of this Code.

As used in this Section, "agricultural commodities" means:

- (1) cultivated plants or agricultural produce grown including, but is not limited to, corn, soybeans, wheat, oats, grain sorghum, canola, and rice;
- (2) livestock, including but not limited to hogs, equine, sheep, and poultry;
- (3) ensilage; and

## (4) fruits and vegetables.

Permits may be issued for a period not to exceed 40 days and moves may be made of a distance not to exceed 50 miles from a field, an on-farm grain storage facility, a warehouse as defined in the Illinois Grain Code, or a livestock management facility as defined in the Livestock Management Facilities Act over any highway except the National System of Interstate and Defense Highways. The operator of the vehicle, however, must abide by posted bridge and posted highway weight limits. All implements of husbandry operating under this Section between sunset and sunrise shall be equipped as prescribed in Section 12-205.1.

(e-1) Upon a declaration by the Governor that an emergency harvest situation exists, a special permit issued by the Department under this Section shall not be required from September 1 through December 31 during harvest season emergencies, provided that the weight does not exceed 20% above the limits provided in Section 15-111. All other restrictions that apply to permits issued under this Section shall apply during the declared time period. With respect to highways under the jurisdiction of local authorities, the local authorities may, at their discretion, waive special permit requirements during harvest season emergencies. This permit exemption shall apply to all vehicles eligible to obtain permits under this Section, including commercial vehicles in use during the declared time period.

(f) The form and content of the permit shall be determined by the Department with respect to highways under its jurisdiction and by local authorities with respect to highways under their jurisdiction. Every permit shall be in written form and carried in the vehicle or combination of vehicles to which it refers and shall be open to inspection by any police officer or authorized agent of any authority granting the permit and no person shall violate any of the terms or conditions of such special permit. Violation of the terms and conditions of the permit shall not be deemed a revocation of the permit; however, any vehicle and load found to be off the route prescribed in the permit shall be held to be operating without a permit. Any off route vehicle and load shall be required to obtain a new permit or permits, as necessary, to authorize the movement back onto the original permit routing. No rule or regulation, nor anything herein shall be construed to authorize any police officer, court, or authorized agent of any authority granting the permit to remove the permit from the possession of the permittee unless the permittee is charged with a fraudulent permit violation as provided in paragraph (i). However, upon arrest for an offense of violation of permit, operating without a permit when the vehicle is off route, or any size or weight offense under this Chapter when the permittee plans to raise the issuance of the permit as a defense, the permittee, or his agent, must produce the permit at any court hearing concerning the alleged offense.

If the permit designates and includes a routing to a certified scale, the permittee, while enroute to the designated scale, shall be deemed in compliance with the weight provisions of the permit provided the axle or gross weights do not exceed any of the permitted limits by more than the following amounts:

Single axle	2000 pounds
Tandem axle	3000 pounds
Gross	5000 pounds

(g) The Department is authorized to adopt, amend, and to make available to interested persons a policy concerning reasonable rules, limitations and conditions or provisions of operation upon highways under its jurisdiction in addition to those contained in this Section for the movement by special permit of vehicles, combinations, or loads which cannot reasonably be dismantled or disassembled, including manufactured and modular home sections and portions thereof. All rules, limitations and conditions or provisions adopted in the policy shall have due regard for the safety of the traveling public and the protection of the highway system and shall have been promulgated in conformity with the provisions of the Illinois Administrative Procedure Act. The requirements of the policy for flagmen and escort vehicles shall be the same for all moves of comparable size and weight. When escort vehicles are required, they shall meet the following requirements:

(1) All operators shall be 18 years of age or over and properly licensed to operate the vehicle.

(2) Vehicles escorting oversized loads more than 12-feet wide must be equipped with a rotating or flashing amber light mounted on top as specified under Section 12-215.

The Department shall establish reasonable rules and regulations regarding liability insurance or self insurance for vehicles with oversized loads promulgated under The Illinois Administrative Procedure Act. Police vehicles may be required for escort under circumstances as required by rules and regulations of the Department.

(h) Violation of any rule, limitation or condition or provision of any permit issued in accordance with the provisions of this Section shall not render the entire permit null and void but the violator shall be deemed guilty of violation of permit and guilty of exceeding any size, weight or load limitations in

excess of those authorized by the permit. The prescribed route or routes on the permit are not mere rules, limitations, conditions, or provisions of the permit, but are also the sole extent of the authorization granted by the permit. If a vehicle and load are found to be off the route or routes prescribed by any permit authorizing movement, the vehicle and load are operating without a permit. Any off route movement shall be subject to the size and weight maximums, under the applicable provisions of this Chapter, as determined by the type or class highway upon which the vehicle and load are being operated.

(i) Whenever any vehicle is operated or movement made under a fraudulent permit the permit shall be void, and the person, firm, or corporation to whom such permit was granted, the driver of such vehicle in addition to the person who issued such permit and any accessory, shall be guilty of fraud and either one or all persons may be prosecuted for such violation. Any person, firm, or corporation committing such violation shall be guilty of a Class 4 felony and the Department shall not issue permits to the person, firm or corporation convicted of such violation for a period of one year after the date of conviction. Penalties for violations of this Section shall be in addition to any penalties imposed for violation of other Sections of this Act.

(j) Whenever any vehicle is operated or movement made in violation of a permit issued in accordance with this Section, the person to whom such permit was granted, or the driver of such vehicle, is guilty of such violation and either, but not both, persons may be prosecuted for such violation as stated in this subsection (j). Any person, firm or corporation convicted of such violation shall be guilty of a petty offense and shall be fined for the first offense, not less than \$50 nor more than \$200 and, for the second offense by the same person, firm or corporation within a period of one year, not less than \$200 nor more than \$300 and, for the third offense by the same person, firm or corporation within a period of one year after the date of the first offense, not less than \$300 nor more than \$500 and the Department shall not issue permits to the person, firm or corporation convicted of a third offense during a period of one year after the date of conviction for such third offense.

(k) Whenever any vehicle is operated on local roads under permits for excess width or length issued by local authorities, such vehicle may be moved upon a State highway for a distance not to exceed one-half mile without a permit for the purpose of crossing the State highway.

(l) Notwithstanding any other provision of this Section, the Department, with respect to highways under its jurisdiction, and local authorities, with respect to highways under their jurisdiction, may at their discretion authorize the movement of a vehicle in violation of any size or weight requirement, or both, that would not ordinarily be eligible for a permit, when there is a showing of extreme necessity that the vehicle and load should be moved without unnecessary delay.

For the purpose of this subsection, showing of extreme necessity shall be limited to the following: shipments of livestock, hazardous materials, liquid concrete being hauled in a mobile cement mixer, or hot asphalt.

(m) Penalties for violations of this Section shall be in addition to any penalties imposed for violating any other Section of this Code.

(n) The Department with respect to highways under its jurisdiction and local authorities with respect to highways under their jurisdiction, in their discretion and upon application in writing, may issue a special permit for continuous limited operation, authorizing the applicant to operate a tow-truck that exceeds the weight limits provided for in subsection (d) of Section 15-111, provided:

- (1) no rear single axle of the tow-truck exceeds 26,000 pounds;
- (2) no rear tandem axle of the tow-truck exceeds 50,000 pounds;
- (2.1) no triple rear axle on a manufactured recovery unit exceeds 60,000 pounds;
- (3) neither the disabled vehicle nor the disabled combination of vehicles exceed the weight restrictions imposed by this Chapter 15, or the weight limits imposed under a permit issued by the Department prior to hookup;
- (4) the tow-truck prior to hookup does not exceed the weight restrictions imposed by this Chapter 15;
- (5) during the tow operation the tow-truck does not violate any weight restriction sign;
- (6) the tow-truck is equipped with flashing, rotating, or oscillating amber lights, visible for at least 500 feet in all directions;
- (7) the tow-truck is specifically designed and licensed as a tow-truck;
- (8) the tow-truck has a gross vehicle weight rating of sufficient capacity to safely handle the load;
- (9) the tow-truck is equipped with air brakes;
- (10) the tow-truck is capable of utilizing the lighting and braking systems of the disabled vehicle or combination of vehicles;
- (11) the tow commences at the initial point of wreck or disablement and terminates at a



point where the repairs are actually to occur;

(12) the permit issued to the tow-truck is carried in the tow-truck and exhibited on demand by a police officer; and

(13) the movement shall be valid only on state routes approved by the Department.

(o) The Department, with respect to highways under its jurisdiction, and local authorities, with respect to highways under their jurisdiction, in their discretion and upon application in writing, may issue a special permit for continuous limited operation, authorizing the applicant to transport raw milk that exceeds the weight limits provided for in subsections (b) and (f) of Section 15-111 of this Code, provided:

(1) no single axle exceeds 20,000 pounds;

(2) no gross weight exceeds 80,000 pounds;

(3) permits issued by the State are good only for federal and State highways and are not applicable to interstate highways; and

(4) all road and bridge postings must be obeyed.

(p) In determining whether a load may be reasonably dismantled or disassembled for the purpose of paragraph (a), the Department shall consider whether there is a significant negative impact on the condition of the pavement and structures along the proposed route, whether the load or vehicle as proposed causes a safety hazard to the traveling public, whether dismantling or disassembling the load promotes or stifles economic development and whether the proposed route travels less than 5 miles. A load is not required to be dismantled or disassembled for the purposes of paragraph (a) if the Secretary of the Department determines there will be no significant negative impact to pavement or structures along the proposed route, the proposed load or vehicle causes no safety hazard to the traveling public, dismantling or disassembling the load does not promote economic development and the proposed route travels less than 5 miles. The Department may promulgate rules for the purpose of establishing the divisibility of a load pursuant to paragraph (a). Any load determined by the Secretary to be nondivisible shall otherwise comply with the existing size or weight maximums specified in this Chapter.  
(Source: P.A. 95-331, eff. 8-21-07; 95-666, eff. 10-11-07.)

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

Under the rules, the foregoing **Senate Bill No. 42**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

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

SENATE BILL NO. 335

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. 335

House Amendment No. 2 to SENATE BILL NO. 335

House Amendment No. 3 to SENATE BILL NO. 335

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

#### **AMENDMENT NO. 1 TO SENATE BILL 335**

AMENDMENT NO. 1. Amend Senate Bill 335 by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by changing Section 1.1 as follows:

(30 ILCS 105/1.1) (from Ch. 127, par. 137.1)

Sec. 1.1. This Act shall be known and ~~and~~ may be cited as the "State Finance Act".

(Source: P.A. 86-109.)"

#### **AMENDMENT NO. 2 TO SENATE BILL 335**

AMENDMENT NO. 2. Amend Senate Bill 335, AS AMENDED, by replacing everything after

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the enacting clause with the following:

"Article 1. SHORT TITLE; PURPOSE

Section 1. Short title. This Act may be cited as the FY2012 Budget Implementation (Finance) Act.

Section 5. Purpose. It is the purpose of this Act to make changes in State programs that are necessary to implement the Fiscal Year 2012 budget recommendations concerning finance.

Article 5. AMENDATORY PROVISIONS

Section 5-5. The State Comptroller Act is amended by changing Section 21 as follows:  
(15 ILCS 405/21) (from Ch. 15, par. 221)

Sec. 21. Rules and Regulations - Imprest accounts. The Comptroller shall promulgate rules and regulations to implement the exercise of his or her powers and performance of his or her duties under this Act and to guide and assist State agencies in complying with this Act. Any rule or regulation specifically requiring the approval of the State Treasurer under this Act for adoption by the Comptroller shall require the approval of the State Treasurer for modification or repeal.

The Comptroller may provide in his or her rules and regulations for periodic transfers, with the approval of the State Treasurer, for use in accordance with the imprest system, subject to the rules and regulations of the Comptroller as respects vouchers, controls and reports, as follows:

(a) 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, and State Community College of East St. Louis under the jurisdiction of the Illinois Community College Board (abolished under Section 2-12.1 of the Public Community College Act), not to exceed \$200,000 for each campus.

(b) To the Department of Agriculture and the Department of Commerce and Economic Opportunity for the operation and closing of overseas offices, not to exceed \$500,000 ~~\$200,000~~ for each Department for each overseas office.

(c) To the Department of Agriculture for the purpose of making change for activities at each State Fair, not to exceed \$200,000, to be returned within 5 days of the termination of such activity.

(d) To the Department of Agriculture to pay (i) State Fair premiums and awards and State Fair entertainment contracts at each State Fair, and (ii) ticket refunds for cancelled events. The amount transferred from any fund shall not exceed the appropriation for each specific purpose. This authorization shall terminate each year within 60 days of the close of each State Fair. The Department shall be responsible for withholding State income tax, where necessary, as required by Section 709 of the Illinois Income Tax Act.

(e) To the State Treasurer to pay for securities' safekeeping charges assessed by the Board of Governors of the Federal Reserve System as a consequence of the Treasurer's use of the government securities' book-entry system. This account shall not exceed \$25,000.

(f) To the Illinois Mathematics and Science Academy, not to exceed \$100,000.

(g) To the Department of Natural Resources to pay out cash prizes associated with competitions held at the World Shooting and Recreational Complex, to purchase awards associated with competitions held at the World Shooting and Recreational Complex, to pay State and national membership dues associated with competitions held at the World Shooting and Recreational Complex, and to pay State and national membership target fees associated with competitions held at the World Shooting and Recreational Complex. The amount of funds advanced to the account created by this subsection (g) must not exceed \$250,000 in any fiscal year.

(Source: P.A. 95-220, eff. 8-16-07; 96-785, eff. 8-28-09; 96-1118, eff. 7-20-10; revised 9-16-10.)

Section 5-10. The State Finance Act is amended by changing Sections 5h, 6z-43, 6z-69, 6z-70, 8.3, and 8g, and by adding Section 5.786 as follows:

(30 ILCS 105/5.786 new)

Sec. 5.786. Attorney General Tobacco Fund. There is hereby created in the State Treasury the Attorney General Tobacco Fund to be used, subject to appropriation, exclusively by the Attorney General for enforcement of the tobacco Master Settlement Agreement and for law enforcement activities of the Attorney General.

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(30 ILCS 105/5h)

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, the Hospital Relief Fund, and the Common School Fund, on and after July 1, 2010 and through June 30, 2011, the State Treasurer and the State Comptroller shall make transfers to the General Revenue Fund, the Hospital Relief 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, the Hospital Relief 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, the Hospital Relief 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, the Hospital Relief 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, the Hospital Relief Fund, or

the Common School Fund, whichever the case may be, on the date the transfer was made.

(Source: P.A. 96-958, eff. 7-1-10; 96-1500, eff. 1-18-11.)

(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 and the Attorney General Tobacco Fund 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 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 Attorney General Tobacco Fund Tobacco Settlement Residual Account for use only by the Attorney General's office. The scheduled \$2,500,000 deposit into the Tobacco Settlement Residual Account for fiscal year 2011 should be transferred to the Attorney General Tobacco Fund in fiscal year 2012 as soon as this fund has been established ~~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. 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) 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, 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.

(d) All federal financial participation moneys received pursuant to expenditures from the Fund shall be deposited into the General Account.

(Source: P.A. 95-331, eff. 8-21-07; 96-958, eff. 7-1-10.)

(30 ILCS 105/6z-69)

Sec. 6z-69. Comprehensive Regional Planning Fund.

(a) As soon as possible after July 1, 2007, and on each July 1 thereafter until July 1, 2010, the State Treasurer shall transfer \$5,000,000 from the General Revenue Fund to the Comprehensive Regional Planning Fund.

(b) Subject to appropriation, the Illinois Department of Transportation shall make lump sum distributions from the Comprehensive Regional Planning Fund as soon as possible after each July 1 to the recipients and in the amounts specified in subsection (c). The recipients must use the moneys for comprehensive regional planning purposes.

(c) Each year's distribution under subsection (b) shall be as follows: (i) 70% to the Chicago Metropolitan Agency for Planning (CMAP); (ii) 25% to the State's other Metropolitan Planning Organizations (exclusive of CMAP), each Organization receiving a percentage equal to the percent its area population represents to the total population of the areas of all the State's Metropolitan Planning Organizations (exclusive of CMAP); and (iii) 5% to the State's Rural Planning Agencies, each Agency receiving a percentage equal to the percent its area population represents to the total population of the areas of all the State's Rural Planning Agencies.

(d) Notwithstanding any other provision of law, in addition to any other transfers that may be provided by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the remaining balance from the Comprehensive Regional Planning Fund into the General Revenue Fund. Upon completion of the transfers, the Comprehensive Regional Planning Fund is dissolved, and any future deposits due to that Fund and any outstanding obligations or liabilities of that Fund pass to the General Revenue Fund.

(Source: P.A. 95-677, eff. 10-11-07; 96-328, eff. 8-11-09.)

(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
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:

Registered Limited Liability Partnership Fund.....	\$287,000
Securities Investors Education Board.....	\$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

(g) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2011, and until June 30, 2012, 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>Division of Corporations Registered Limited Liability Partnership Fund.....</u>	<u>\$287,000</u>
<u>Securities Investors Education Fund.....</u>	<u>\$750,000</u>
<u>Securities Audit and Enforcement Fund.....</u>	<u>\$3,500,000</u>
<u>Department of Business Services Special 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; 96-959, eff. 7-1-10.)

(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, during fiscal year 2012 only, for the purposes of a grant not to exceed \$8,500,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses; 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, except during fiscal year 2012 only when no more than \$40,000,000 may be expended;

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, except during fiscal year 2012 only when no more than \$40,000,000 may be expended, 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.

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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, or during fiscal year 2012 only for the purposes of a grant not to exceed \$8,500,000 to the Regional Transportation Authority on behalf of PACE for the purpose of ADA/Para-transit expenses, 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 monies 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 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; 96-959, eff. 7-1-10.)

(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

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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.
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(p) On or after July 1, 2003 and until May 1, 2004, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Governor, the State Comptroller 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.....	\$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 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 \$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.

(yyy) In addition to any other transfers that may be provided for by law, on and after July 1, 2011 and until May 1, 2012, 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, 2012.

(zzz) In addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$1,000,000 from the General Revenue Fund to the Illinois Veterans Assistance Fund.

(aaaa) In addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$8,000,000 from the General Revenue Fund to the Presidential Library and Museum Operating 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; 96-959, eff. 7-1-10.)

(30 ILCS 105/5.86 rep.)

Section 5-12. The State Finance Act is amended by repealing Section 5.86.

Section 5-15. Downstate Public Transportation Act is amended by changing Section 2-15 as follows:

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

Sec. 2-15. Residual fund balance.

(a) Except as otherwise provided in this Section, all funds which remain in the Downstate Public Transportation Fund or the Metro-East Public Transportation Fund after the payment of the fourth quarterly payment to participants other than Metro-East Transit District participants and the last monthly payment to Metro-East Transit participants in each fiscal year shall be transferred (i) to the General Revenue Fund through fiscal year 2008 and (ii) to the Downstate Transit Improvement Fund for fiscal year 2009 and each fiscal year thereafter. Transfers shall be made no later than 90 days following the end of such fiscal year. Beginning fiscal year 2010, all moneys each year in the Downstate Transit Improvement Fund, held solely for the benefit of the participants in the Downstate Public Transportation

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Fund and shall be appropriated to the Department to make competitive capital grants to the participants of the respective funds. However, such amount as the Department determines to be necessary for (1) allocation to participants for the purposes of Section 2-7 for the first quarter of the succeeding fiscal year and (2) an amount equal to 2% of the total allocations to participants in the fiscal year just ended to be used for the purpose of audit adjustments shall be retained in such Funds to be used by the Department for such purposes.

(b) Notwithstanding any other provision of law, in addition to any other transfers that may be provided by law, on July 1, 2011, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the remaining balance from the Metro East Public Transportation Fund into the General Revenue Fund. Upon completion of the transfers, the Metro East Public Transportation Fund is dissolved, and any future deposits due to that Fund and any outstanding obligations or liabilities of that Fund pass to the General Revenue Fund.

(Source: P.A. 95-708, eff. 1-18-08.)

Section 5-20. The Motor Fuel Tax Law is amended by changing Section 8 as follows:

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

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

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

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

(c) \$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

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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, refunds for overpayment of decal fees paid under Section 13a.4 of this Act, and refunds provided for 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, ~~2012~~ ~~2011~~, 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 prior to 2011, 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. Beginning July 1, 2011 and each July 1 thereafter, an allocation shall be made for any road district if it levied a tax for road and bridge purposes. In counties other than DuPage County, if the amount of the tax levy requires the extension of the tax against the taxable property in the road district at a rate that is less than 0.08% of the value thereof, based upon the assessment for the year immediately prior to the year in which the tax was levied and as equalized by the Department of Revenue, then the amount of the allocation for that road district shall be a percentage of the maximum allocation equal to the percentage obtained by dividing the rate extended by the district by 0.08%. In DuPage County, if the amount of the tax levy requires the extension of the tax against the taxable property in the road district at a rate that is less than the lesser of (i) 0.08% of the value of the taxable property in the road district, 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 (ii) a rate that will yield an amount equal to \$12,000 per mile of road under the jurisdiction of the road district, then the amount of the allocation for the road district shall be a percentage of the maximum allocation equal to the percentage obtained by dividing the rate extended by the district by the lesser of (i) 0.08% or (ii) the rate that will yield an amount equal to \$12,000 per mile of road under the jurisdiction of the road district.

Prior to 2011, 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. Beginning in 2011 and thereafter, if any road district has levied a special tax for road purposes under Sections 6-601, 6-602, and 6-603 of the Illinois Highway Code, and the tax was levied in an amount that would require extension at a rate of not less than 0.08% of the value of the taxable property of that road district, 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, that levy shall be deemed a proper compliance with this Section and shall qualify such road district for a full, rather than proportionate, allotment under this Section. If the levy for the special tax is less than 0.08% of the value of the taxable property, or, in DuPage County if the levy for the special tax is less than the lesser of (i) 0.08% or (ii) \$12,000 per mile of road under the jurisdiction of the road district, and if the levy for the special tax is more than any other levy for road and bridge purposes, then the levy for the special tax qualifies the road district for a proportionate, rather than full, allotment under this Section. If the levy for the special tax is equal to or less than any other levy for road and bridge purposes, then any allotment under this Section shall be determined by the other levy for road and bridge purposes.

Prior to 2011, 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 or, beginning in 2011, their entitlement to a full 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 or, beginning in 2011, its entitlement to a full 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, "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; 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1024, eff. 7-12-10; 96-1384, eff. 7-29-10; revised 9-2-10.)

Section 5-25. The School Code is amended by adding Section 2-3.153 as follows:  
(105 ILCS 5/2-3.153 new)

Sec. 2-3.153. Low Performing Schools Intervention Program. From any funds appropriated to the State Board of Education for the purposes of intervening in low performing schools, the State Superintendent may, in his or her discretion, select school districts and schools in which to directly or indirectly intervene; provided however that such school districts and schools are within the lowest 5% in terms of performance in the State as determined by the State Superintendent. Intervention may take the form of a needs assessment or additional, more intensive intervention, as determined by the State Superintendent. Expenditures from funds appropriated for this purpose may include, without limitation, contracts, grants and travel to support the intervention.

## 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
- (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

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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 ~~through 2012~~, ~~2007~~, ~~2008~~, ~~2009~~, ~~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 ~~2013~~ ~~2012~~ 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. 95-950, eff. 8-29-08; 96-959, eff. 7-1-10.)

#### Article 15. ADDITIONAL AMENDATORY PROVISIONS

Section 15-5. The Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997 is amended by changing Section 6-5.5 as follows:

(20 ILCS 687/6-5.5)

(Section scheduled to be repealed on December 12, 2015)

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Sec. 6-5.5. Renewable energy grants.

(a) Subject to appropriation, the Department ~~shall~~ ~~may~~ establish and operate a renewable energy grant program to assist public schools and community colleges with engineering studies and feasibility studies and in training green economy technology and in the installation, acquisition, construction, and improvement of renewable energy resources, including without limitation smart grid technology, solar energy (such as solar panels), geothermal energy, and wind energy.

(b) Application for a grant under this Section must be in the form and manner established by the Department. The schools and community colleges may accept private funds for their portion of the cost.

(c) The Department may adopt any rules that are necessary to carry out its responsibilities under this Section.

(Source: P.A. 95-46, eff. 8-10-07; 96-725, eff. 8-25-09.)

Section 15-25. 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), (a-3), and (a-4) 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.

(a-4) In fiscal year 2012 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 the applicable fiscal year by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. In fiscal year 2012 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 and fiscal year 2011 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; 96-958, eff. 7-1-10; 96-1497, eff. 1-14-11.)

Section 15-30. The State Prompt Payment Act is amended by changing Section 3-2 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 and except as provided under paragraph (1.05).

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 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 60-day~~ period, until final payment is made. Any bill, except a bill for pharmacy or nursing facility services or goods, and except as provided under paragraph 1.05 of this Section, 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. Any bill for pharmacy or nursing facility services or goods submitted under Article V of the Illinois Public Aid Code, except as provided under paragraph (1.05) of this Section, 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 ~~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 ~~60-day~~ period, until final payment is made.

(1.05) For State fiscal year 2012 and future fiscal years, any bill approved for payment under this Section must be paid or the payment issued to the payee within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-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 90-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.

(3) The provisions of Public Act 96-1501 ~~this amendatory Act of the 96th General Assembly~~ reducing the interest rate on pharmacy claims under Article V of the Illinois Public Aid Code to 1.0% per month shall apply to any pharmacy bills for services and goods under Article V of the Illinois Public Aid Code received on or after the date 60 days before January 25, 2011 (the effective date of Public Act 96-1501) except as provided under paragraph (1.05) of this Section ~~this amendatory Act of the 96th General Assembly~~.

(Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10; 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff. 1-25-11; 96-1530, eff. 2-16-11; revised 2-22-11.)"; and

Section 15-35. 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), (e), (f), and (g) 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 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 and continuing through January 31, 2011, 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. Beginning February 1, 2011, and continuing through January 31, 2015, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 6% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 5% individual income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 6.86% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 7% corporate income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning February 1, 2015 and continuing through January 31, 2025, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 8% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 3.75% individual income tax rate after 2014) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 9.14% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 5.25% corporate income tax rate after 2014) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning February 1, 2025, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 9.23% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 3.25% individual income tax rate after 2024) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 10% of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. 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 Education Assistance Fund, the Income Tax Surcharge Local Government Distributive Fund, the Fund for the Advancement of Education, and the Commitment to Human Services 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 fiscal year 2012, 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,

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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 fiscal year 2012, 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.

(f) Deposits into the Fund for the Advancement of Education. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act during the preceding month, minus deposits into the Income Tax Refund Fund, into the Fund for the Advancement of Education:

- (1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
- (2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (f) on or after the effective date of the reduction.

(g) Deposits into the Commitment to Human Services Fund. Beginning February 1, 2015, the Department shall deposit the following portions of the revenue realized from the tax imposed upon individuals, trusts, and estates by subsections (a) and (b) of Section 201 of this Act during the preceding month, minus deposits into the Income Tax Refund Fund, into the Commitment to Human Services Fund:

- (1) beginning February 1, 2015, and prior to February 1, 2025, 1/30; and
- (2) beginning February 1, 2025, 1/26.

If the rate of tax imposed by subsection (a) and (b) of Section 201 is reduced pursuant to Section 201.5 of this Act, the Department shall not make the deposits required by this subsection (g) on or after the effective date of the reduction.

(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; 96-959, eff. 7-1-10; 96-1496, eff. 1-13-11.)

Section 15-40. The Illinois Pension Code is amended by changing Section 14-131 as follows:  
(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

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(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 ~~years year~~ 2010 and 2012 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 ~~years year~~ 2010 and 2012 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 contribution as certified by appropriation to the System pursuant to Section 14-135.08 of the Illinois Pension Code.

(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 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 April 1, 2011 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 in fiscal year 2003 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 in fiscal year 2003 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.

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(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) 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.

(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.

(k) For fiscal year 2012 only, after the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in the fiscal year have been made, the Comptroller shall provide to the System a certification of the sum of all expenditures in the fiscal year for personal services. 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 the fiscal year 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 for the fiscal year. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year Shortfall" for purposes of this Section, and the Fiscal Year 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 Overpayment" for purposes of this Section, and the Fiscal Year 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; 96-1000, eff. 7-2-10; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; revised 4-6-11.)

Section 15-50. The Public Community College Act is amended by changing Section 2-16.02 as follows:

(110 ILCS 805/2-16.02) (from Ch. 122, par. 102-16.02)

Sec. 2-16.02. Grants. Any community college district that maintains a community college recognized by the State Board shall receive, when eligible, grants enumerated in this Section. Funded semester credit hours or other measures or both as specified by the State Board shall be used to distribute grants to community colleges. Funded semester credit hours shall be defined, for purposes of this Section, as the greater of (1) the number of semester credit hours, or equivalent, in all funded instructional categories of students who have been certified as being in attendance at midterm during the respective terms of the base fiscal year or (2) the average of semester credit hours, or equivalent, in all funded instructional categories of students who have been certified as being in attendance at midterm during the respective terms of the base fiscal year and the 2 prior fiscal years. For purposes of this Section, "base fiscal year" means the fiscal year 2 years prior to the fiscal year for which the grants are appropriated. Such students

shall have been residents of Illinois and shall have been enrolled in courses that are part of instructional program categories approved by the State Board and that are applicable toward an associate degree or certificate. Courses that are eligible for reimbursement are those courses for which the district pays 50% or more of the program costs from unrestricted revenue sources, with the exception of courses offered by contract with the Department of Corrections in correctional institutions. For the purposes of this Section, "unrestricted revenue sources" means those revenues in which the provider of the revenue imposes no financial limitations upon the district as it relates to the expenditure of the funds. Except for Fiscal Year 2012, base Base operating grants shall be paid based on rates per funded semester credit hour or equivalent calculated by the State Board for funded instructional categories using cost of instruction, enrollment, inflation, and other relevant factors. For Fiscal Year 2012, the allocations for base operating grants to community college districts shall be the same as they were in Fiscal Year 2011, reduced or increased proportionately according to the appropriation for base operating grants for Fiscal Year 2012. A portion of the base operating grant shall be allocated on the basis of non-residential gross square footage of space maintained by the district.

Equalization grants shall be calculated by the State Board by determining a local revenue factor for each district by: (A) adding (1) each district's Corporate Personal Property Replacement Fund allocations from the base fiscal year or the average of the base fiscal year and prior year, whichever is less, divided by the applicable statewide average tax rate to (2) the district's most recently audited year's equalized assessed valuation or the average of the most recently audited year and prior year, whichever is less, (B) then dividing by the district's audited full-time equivalent resident students for the base fiscal year or the average for the base fiscal year and the 2 prior fiscal years, whichever is greater, and (C) then multiplying by the applicable statewide average tax rate. The State Board shall calculate a statewide weighted average threshold by applying the same methodology to the totals of all districts' Corporate Personal Property Tax Replacement Fund allocations, equalized assessed valuations, and audited full-time equivalent district resident students and multiplying by the applicable statewide average tax rate. The difference between the statewide weighted average threshold and the local revenue factor, multiplied by the number of full-time equivalent resident students, shall determine the amount of equalization funding that each district is eligible to receive. A percentage factor, as determined by the State Board, may be applied to the statewide threshold as a method for allocating equalization funding. A minimum equalization grant of an amount per district as determined by the State Board shall be established for any community college district which qualifies for an equalization grant based upon the preceding criteria, but becomes ineligible for equalization funding, or would have received a grant of less than the minimum equalization grant, due to threshold prorations applied to reduce equalization funding. As of July 1, 2004, a community college district must maintain a minimum required combined in-district tuition and universal fee rate per semester credit hour equal to 85% of the State-average combined rate, as determined by the State Board, for equalization funding. As of July 1, 2004, a community college district must maintain a minimum required operating tax rate equal to at least 95% of its maximum authorized tax rate to qualify for equalization funding. This 95% minimum tax rate requirement shall be based upon the maximum operating tax rate as limited by the Property Tax Extension Limitation Law.

The State Board shall distribute such other grants as may be authorized or appropriated by the General Assembly.

Each community college district entitled to State grants under this Section must submit a report of its enrollment to the State Board not later than 30 days following the end of each semester, quarter, or term in a format prescribed by the State Board. These semester credit hours, or equivalent, shall be certified by each district on forms provided by the State Board. Each district's certified semester credit hours, or equivalent, are subject to audit pursuant to Section 3-22.1.

The State Board shall certify, prepare, and submit monthly vouchers to the State Comptroller setting forth an amount equal to one-twelfth of the grants approved by the State Board for base operating grants and equalization grants. The State Board shall prepare and submit to the State Comptroller vouchers for payments of other grants as appropriated by the General Assembly. If the amount appropriated for grants is different from the amount provided for such grants under this Act, the grants shall be proportionately reduced or increased accordingly.

For the purposes of this Section, "resident student" means a student in a community college district who maintains residency in that district or meets other residency definitions established by the State Board, and who was enrolled either in one of the approved instructional program categories in that district, or in another community college district to which the resident's district is paying tuition under Section 6-2 or with which the resident's district has entered into a cooperative agreement in lieu of such tuition.

For the purposes of this Section, a "full-time equivalent" student is equal to 30 semester credit hours.

The Illinois Community College Board Contracts and Grants Fund is hereby created in the State Treasury. Items of income to this fund shall include any grants, awards, endowments, or like proceeds, and where appropriate, other funds made available through contracts with governmental, public, and private agencies or persons. The General Assembly shall from time to time make appropriations payable from such fund for the support, improvement, and expenses of the State Board and Illinois community college districts.

(Source: P.A. 96-911, eff. 7-1-10.)

Section 15-60. The Illinois Public Aid Code is amended by changing Section 5A-10 as follows:  
(305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

Sec. 5A-10. Applicability.

(a) The assessment imposed by Section 5A-2 shall not take effect or shall cease to be imposed, and any moneys remaining in the Fund shall be refunded to hospital providers in proportion to the amounts paid by them, if:

(1) The sum of the appropriations for State fiscal years 2004 and 2005 from the General Revenue Fund for hospital payments under the medical assistance program is less than \$4,500,000,000 or the appropriation for each of State fiscal years 2006, 2007 and 2008 from the General Revenue Fund for hospital payments under the medical assistance program is less than \$2,500,000,000 increased annually to reflect any increase in the number of recipients, or the annual appropriation for State fiscal years 2009, 2010, 2011, 2013, and 2014 ~~through 2014~~, from the General Revenue Fund combined with the Hospital Provider Fund as authorized in Section 5A-8 for hospital payments under the medical assistance program, is less than the amount appropriated for State fiscal year 2009, adjusted annually to reflect any change in the number of recipients, excluding State fiscal year 2009 supplemental appropriations made necessary by the enactment of the American Recovery and Reinvestment Act of 2009; or

(2) For State fiscal years prior to State fiscal year 2009, the Department of Healthcare and Family Services (formerly Department of Public Aid) makes changes in its rules that reduce the hospital inpatient or outpatient payment rates, including adjustment payment rates, in effect on October 1, 2004, except for hospitals described in subsection (b) of Section 5A-3 and except for changes in the methodology for calculating outlier payments to hospitals for exceptionally costly stays, so long as those changes do not reduce aggregate expenditures below the amount expended in State fiscal year 2005 for such services; or

(2.1) For State fiscal years 2009 through 2014, the Department of Healthcare and Family Services adopts any administrative rule change to reduce payment rates or alters any payment methodology that reduces any payment rates made to operating hospitals under the approved Title XIX or Title XXI State plan in effect January 1, 2008 except for:

- (A) any changes for hospitals described in subsection (b) of Section 5A-3; or
- (B) any rates for payments made under this Article V-A; or
- (C) any changes proposed in State plan amendment transmittal numbers 08-01, 08-02, 08-04, 08-06, and 08-07; or

(D) in relation to any admissions on or after January 1, 2011, a modification in the methodology for calculating outlier payments to hospitals for exceptionally costly stays, for hospitals reimbursed under the diagnosis-related grouping methodology; provided that the Department shall be limited to one such modification during the 36-month period after the effective date of this amendatory Act of the 96th General Assembly; or

(3) The payments to hospitals required under Section 5A-12 or Section 5A-12.2 are changed or are not eligible for federal matching funds under Title XIX or XXI of the Social Security Act.

(b) The assessment imposed by Section 5A-2 shall not take effect or shall cease to be imposed if the assessment is determined to be an impermissible tax under Title XIX of the Social Security Act. Moneys in the Hospital Provider Fund derived from assessments imposed prior thereto shall be disbursed in accordance with Section 5A-8 to the extent federal financial participation is not reduced due to the impermissibility of the assessments, and any remaining moneys shall be refunded to hospital providers in proportion to the amounts paid by them.

(Source: P.A. 95-331, eff. 8-21-07; 95-859, eff. 8-19-08; 96-8, eff. 4-28-09; 96-1530, eff. 2-16-11.)

Section 20-2. The State Revenue Sharing Act is amended by changing Section 12 as follows:  
(30 ILCS 115/12) (from Ch. 85, par. 616)

Sec. 12. Personal Property Tax Replacement Fund. There is hereby created the Personal Property Tax Replacement Fund, a special fund in the State Treasury into which shall be paid all revenue realized:

(a) all amounts realized from the additional personal property tax replacement income tax imposed by subsections (c) and (d) of Section 201 of the Illinois Income Tax Act, except for those amounts deposited into the Income Tax Refund Fund pursuant to subsection (c) of Section 901 of the Illinois Income Tax Act; and

(b) all amounts realized from the additional personal property replacement invested capital taxes imposed by Section 2a.1 of the Messages Tax Act, Section 2a.1 of the Gas Revenue Tax Act, Section 2a.1 of the Public Utilities Revenue Act, and Section 3 of the Water Company Invested Capital Tax Act, and amounts payable to the Department of Revenue under the Telecommunications Infrastructure Maintenance Fee Act.

As soon as may be after the end of each month, the Department of Revenue shall certify to the Treasurer and the Comptroller the amount of all refunds paid out of the General Revenue Fund through the preceding month on account of overpayment of liability on taxes paid into the Personal Property Tax Replacement Fund. Upon receipt of such certification, the Treasurer and the Comptroller shall transfer the amount so certified from the Personal Property Tax Replacement Fund into the General Revenue Fund.

The payments of revenue into the Personal Property Tax Replacement Fund shall be used exclusively for distribution to taxing districts as provided in this Section, payment of the ordinary and contingent expenses of the Property Tax Appeal Board, payment of the expenses of the Department of Revenue incurred in administering the collection and distribution of monies paid into the Personal Property Tax Replacement Fund and transfers due to refunds to taxpayers for overpayment of liability for taxes paid into the Personal Property Tax Replacement Fund.

As soon as may be after the effective date of this amendatory Act of 1980, the Department of Revenue shall certify to the Treasurer the amount of net replacement revenue paid into the General Revenue Fund prior to that effective date from the additional tax imposed by Section 2a.1 of the Messages Tax Act; Section 2a.1 of the Gas Revenue Tax Act; Section 2a.1 of the Public Utilities Revenue Act; Section 3 of the Water Company Invested Capital Tax Act; amounts collected by the Department of Revenue under the Telecommunications Infrastructure Maintenance Fee Act; and the additional personal property tax replacement income tax imposed by the Illinois Income Tax Act, as amended by Public Act 81-1st Special Session-1. Net replacement revenue shall be defined as the total amount paid into and remaining in the General Revenue Fund as a result of those Acts minus the amount outstanding and obligated from the General Revenue Fund in state vouchers or warrants prior to the effective date of this amendatory Act of 1980 as refunds to taxpayers for overpayment of liability under those Acts.

All interest earned by monies accumulated in the Personal Property Tax Replacement Fund shall be deposited in such Fund. All amounts allocated pursuant to this Section are appropriated on a continuing basis.

Prior to December 31, 1980, as soon as may be after the end of each quarter beginning with the quarter ending December 31, 1979, and on and after December 31, 1980, as soon as may be after January 1, March 1, April 1, May 1, July 1, August 1, October 1 and December 1 of each year, the Department of Revenue shall allocate to each taxing district as defined in Section 1-150 of the Property Tax Code, in accordance with the provisions of paragraph (2) of this Section the portion of the funds held in the Personal Property Tax Replacement Fund which is required to be distributed, as provided in paragraph (1), for each quarter. Provided, however, under no circumstances shall any taxing district during each of the first two years of distribution of the taxes imposed by this amendatory Act of 1979 be entitled to an annual allocation which is less than the funds such taxing district collected from the 1978 personal property tax. Provided further that under no circumstances shall any taxing district during the third year of distribution of the taxes imposed by this amendatory Act of 1979 receive less than 60% of the funds such taxing district collected from the 1978 personal property tax. In the event that the total of the allocations made as above provided for all taxing districts, during either of such 3 years, exceeds the amount available for distribution the allocation of each taxing district shall be proportionately reduced. Except as provided in Section 13 of this Act, the Department shall then certify, pursuant to appropriation, such allocations to the State Comptroller who shall pay over to the several taxing districts the respective amounts allocated to them.

Any township which receives an allocation based in whole or in part upon personal property taxes which it levied pursuant to Section 6-507 or 6-512 of the Illinois Highway Code and which was previously required to be paid over to a municipality shall immediately pay over to that municipality a

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proportionate share of the personal property replacement funds which such township receives.

Any municipality or township, other than a municipality with a population in excess of 500,000, which receives an allocation based in whole or in part on personal property taxes which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the Illinois Local Library Act and which was previously required to be paid over to a public library shall immediately pay over to that library a proportionate share of the personal property tax replacement funds which such municipality or township receives; provided that if such a public library has converted to a library organized under The Illinois Public Library District Act, regardless of whether such conversion has occurred on, after or before January 1, 1988, such proportionate share shall be immediately paid over to the library district which maintains and operates the library. However, any library that has converted prior to January 1, 1988, and which hitherto has not received the personal property tax replacement funds, shall receive such funds commencing on January 1, 1988.

Any township which receives an allocation based in whole or in part on personal property taxes which it levied pursuant to Section 1c of the Public Graveyards Act and which taxes were previously required to be paid over to or used for such public cemetery or cemeteries shall immediately pay over to or use for such public cemetery or cemeteries a proportionate share of the personal property tax replacement funds which the township receives.

Any taxing district which receives an allocation based in whole or in part upon personal property taxes which it levied for another governmental body or school district in Cook County in 1976 or for another governmental body or school district in the remainder of the State in 1977 shall immediately pay over to that governmental body or school district the amount of personal property replacement funds which such governmental body or school district would receive directly under the provisions of paragraph (2) of this Section, had it levied its own taxes.

(1) The portion of the Personal Property Tax Replacement Fund required to be distributed as of the time allocation is required to be made shall be the amount available in such Fund as of the time allocation is required to be made.

The amount available for distribution shall be the total amount in the fund at such time minus the necessary administrative expenses as limited by the appropriation and the amount determined by: (a) \$2.8 million for fiscal year 1981; (b) for fiscal year 1982, .54% of the funds distributed from the fund during the preceding fiscal year; (c) for fiscal year 1983 through fiscal year 1988, .54% of the funds distributed from the fund during the preceding fiscal year less .02% of such fund for fiscal year 1983 and less .02% of such funds for each fiscal year thereafter; ~~or~~ (d) for fiscal year 1989 through fiscal year 2011 and beyond no more than 105% of the actual administrative expenses of the prior fiscal year; or (e) for fiscal year 2012 and beyond, a sufficient amount to pay (i) stipends, additional compensation, salary reimbursements, and other amounts directed to be paid out of this Fund for local government officials as authorized or required by statute and (ii) no more than 105% of the actual administrative expenses of the prior fiscal year, including payment of the ordinary and contingent expenses of the Property Tax Appeal Board and payment of the expenses of the Department of Revenue incurred in administering the collection and distribution of moneys paid into the Fund. Such portion of the fund shall be determined after the transfer into the General Revenue Fund due to refunds, if any, paid from the General Revenue Fund during the preceding quarter. If at any time, for any reason, there is insufficient amount in the Personal Property Tax Replacement Fund for payment of costs of administration or for transfers due to refunds at the end of any particular month, the amount of such insufficiency shall be carried over for the purposes of transfers into the General Revenue Fund and for purposes of costs of administration to the following month or months. Net replacement revenue held, and defined above, shall be transferred by the Treasurer and Comptroller to the Personal Property Tax Replacement Fund within 10 days of such certification.

(2) Each quarterly allocation shall first be apportioned in the following manner: 51.65% for taxing districts in Cook County and 48.35% for taxing districts in the remainder of the State.

The Personal Property Replacement Ratio of each taxing district outside Cook County shall be the ratio which the Tax Base of that taxing district bears to the Downstate Tax Base. The Tax Base of each taxing district outside of Cook County is the personal property tax collections for that taxing district for the 1977 tax year. The Downstate Tax Base is the personal property tax collections for all taxing districts in the State outside of Cook County for the 1977 tax year. The Department of Revenue shall have authority to review for accuracy and completeness the personal property tax collections for each taxing district outside Cook County for the 1977 tax year.

The Personal Property Replacement Ratio of each Cook County taxing district shall be the ratio which the Tax Base of that taxing district bears to the Cook County Tax Base. The Tax Base of each Cook County taxing district is the personal property tax collections for that taxing district for the 1976 tax

year. The Cook County Tax Base is the personal property tax collections for all taxing districts in Cook County for the 1976 tax year. The Department of Revenue shall have authority to review for accuracy and completeness the personal property tax collections for each taxing district within Cook County for the 1976 tax year.

For all purposes of this Section 12, amounts paid to a taxing district for such tax years as may be applicable by a foreign corporation under the provisions of Section 7-202 of the Public Utilities Act, as amended, shall be deemed to be personal property taxes collected by such taxing district for such tax years as may be applicable. The Director shall determine from the Illinois Commerce Commission, for any tax year as may be applicable, the amounts so paid by any such foreign corporation to any and all taxing districts. The Illinois Commerce Commission shall furnish such information to the Director. For all purposes of this Section 12, the Director shall deem such amounts to be collected personal property taxes of each such taxing district for the applicable tax year or years.

Taxing districts located both in Cook County and in one or more other counties shall receive both a Cook County allocation and a Downstate allocation determined in the same way as all other taxing districts.

If any taxing district in existence on July 1, 1979 ceases to exist, or discontinues its operations, its Tax Base shall thereafter be deemed to be zero. If the powers, duties and obligations of the discontinued taxing district are assumed by another taxing district, the Tax Base of the discontinued taxing district shall be added to the Tax Base of the taxing district assuming such powers, duties and obligations.

If two or more taxing districts in existence on July 1, 1979, or a successor or successors thereto shall consolidate into one taxing district, the Tax Base of such consolidated taxing district shall be the sum of the Tax Bases of each of the taxing districts which have consolidated.

If a single taxing district in existence on July 1, 1979, or a successor or successors thereto shall be divided into two or more separate taxing districts, the tax base of the taxing district so divided shall be allocated to each of the resulting taxing districts in proportion to the then current equalized assessed value of each resulting taxing district.

If a portion of the territory of a taxing district is disconnected and annexed to another taxing district of the same type, the Tax Base of the taxing district from which disconnection was made shall be reduced in proportion to the then current equalized assessed value of the disconnected territory as compared with the then current equalized assessed value within the entire territory of the taxing district prior to disconnection, and the amount of such reduction shall be added to the Tax Base of the taxing district to which annexation is made.

If a community college district is created after July 1, 1979, beginning on the effective date of this amendatory Act of 1995, its Tax Base shall be 3.5% of the sum of the personal property tax collected for the 1977 tax year within the territorial jurisdiction of the district.

The amounts allocated and paid to taxing districts pursuant to the provisions of this amendatory Act of 1979 shall be deemed to be substitute revenues for the revenues derived from taxes imposed on personal property pursuant to the provisions of the "Revenue Act of 1939" or "An Act for the assessment and taxation of private car line companies", approved July 22, 1943, as amended, or Section 414 of the Illinois Insurance Code, prior to the abolition of such taxes and shall be used for the same purposes as the revenues derived from ad valorem taxes on real estate.

Monies received by any taxing districts from the Personal Property Tax Replacement Fund shall be first applied toward payment of the proportionate amount of debt service which was previously levied and collected from extensions against personal property on bonds outstanding as of December 31, 1978 and next applied toward payment of the proportionate share of the pension or retirement obligations of the taxing district which were previously levied and collected from extensions against personal property. For each such outstanding bond issue, the County Clerk shall determine the percentage of the debt service which was collected from extensions against real estate in the taxing district for 1978 taxes payable in 1979, as related to the total amount of such levies and collections from extensions against both real and personal property. For 1979 and subsequent years' taxes, the County Clerk shall levy and extend taxes against the real estate of each taxing district which will yield the said percentage or percentages of the debt service on such outstanding bonds. The balance of the amount necessary to fully pay such debt service shall constitute a first and prior lien upon the monies received by each such taxing district through the Personal Property Tax Replacement Fund and shall be first applied or set aside for such purpose. In counties having fewer than 3,000,000 inhabitants, the amendments to this paragraph as made by this amendatory Act of 1980 shall be first applicable to 1980 taxes to be collected in 1981. (Source: P.A. 96-45, eff. 7-15-09.)

Section 20-5. The Property Tax Code is amended by changing Sections 3-20, 3-40, 4-10, 4-15, and

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4-20 as follows:

(35 ILCS 200/3-20)

Sec. 3-20. Reimbursement when serving more than 1 county. When 2 or more counties have, with Department approval, elected or appointed the same person as county supervisor of assessments, subject to appropriation, the Department shall pay out of the Personal Property Tax Replacement Fund to the counties a total of \$5,000 per year to be applied toward the person's salary. The Department shall apportion the \$5,000 among such counties in proportion to each county's share of the salary.

The amount payable under this Section is in addition to the 50% reimbursement provided for in Section 3-40, but in no event shall the total paid under this Section and the reimbursement under Section 3-40 exceed the compensation of the supervisor of assessments.

(Source: P.A. 80-366; 88-455.)

(35 ILCS 200/3-40)

Sec. 3-40. Compensation of supervisors of assessments.

(a) A supervisor of assessments shall receive annual compensation in an amount fixed by the county board subject to the following minimum amounts:

In counties with less than 14,000 inhabitants, not less than \$7,500;

In counties with 14,000 or more but less than 30,000 inhabitants, not less than \$8,000;

In counties with 30,000 or more but less than 60,000 inhabitants, not less than \$9,000;

In counties with 60,000 or more but less than 100,000 inhabitants, not less than \$10,000;

In counties with 100,000 or more but less than 200,000 inhabitants, not less than \$11,500;

In counties with 200,000 or more but less than 300,000 inhabitants, not less than \$13,000;

In counties with 300,000 or more but less than 1,000,000 inhabitants, not less than \$15,000.

For purposes of this subsection, the number of inhabitants shall be determined by the latest Federal decennial or special census of the county.

(b) Elected supervisors of assessments who began a term of office before December 1, 1990 shall be compensated at the rate of their base salary. "Base salary" is the compensation paid for their position before July 1, 1989.

(c) Elected supervisors of assessments beginning a term of office on or after December 1, 1990 shall, beginning December 1, 1993, receive their base salary plus at least 12% of base salary.

Any supervisor of assessments who has been presented a Certified Assessing Evaluator Certificate by the International Association of Assessing Officers shall receive an additional compensation of \$500 per year to be paid out of funds appropriated to the Department from the Personal Property Tax Replacement Fund.

The salary set by the county board shall be paid in equal monthly installments out of the treasury of the county in which he or she is appointed or elected. If the Department has determined that the total assessed value of property in a county, as equalized by the supervisor of assessments under Section 9-210, is between 31 1/3% and 35 1/3% of the total fair cash value of property in the county, subject to appropriation, the Department State of Illinois shall reimburse the county monthly from the Personal Property Tax Replacement Fund State treasury 50% of the amount of salary the county paid to the officer for the preceding month.

The county board shall provide necessary office space for the officer and pay all necessary expenses of the office out of the county treasury.

Each supervisor of assessments may, with the advice and consent of the county board, appoint necessary deputies and clerks, their compensation to be fixed by the county board and paid by the county.

(Source: P.A. 86-482; 86-1475; 88-455.)

(35 ILCS 200/4-10)

Sec. 4-10. Compensation for Certified Illinois Assessing Officers. Subject to the requirements for continued training, any supervisor of assessments, assessor, deputy assessor or member of a board of review in any county who has earned a Certified Illinois Assessing Officers Certificate from the Illinois Property Assessment Institute shall receive from the State, out of funds appropriated to the Department from the Personal Property Tax Replacement Fund, additional compensation of \$500 per year.

To receive a Certified Illinois Assessing Officer certificate, a person shall complete successfully and pass examinations on a basic course in assessment practice approved by the Department and conducted by the Institute and additional courses totaling not less than 60 class hours that are designated and

approved by the Department, on the cost, market and income approaches to value, mass appraisal techniques, and property tax administration.

To continue to be eligible for the additional compensation, a Certified Illinois Assessing Officer must complete successfully a minimum of 15 class hours requiring a written examination, and the equivalent of one seminar course of 15 class hours which does not require a written examination, in each year for which additional compensation is sought after receipt of the certificate. The Department shall designate and approve courses acceptable for additional training, including courses in business and computer techniques, and class hours applicable to each course. The Department shall specify procedures for certifying the completion of the additional training.

The courses and training shall be conducted annually at various convenient locations throughout the State. At least one course shall be conducted annually in each county with more than 400,000 inhabitants.

(Source: P.A. 88-455; 89-126, eff. 7-11-95; 89-671, eff. 8-14-96.)

(35 ILCS 200/4-15)

Sec. 4-15. Compensation of local assessment officers holding other designations. Any assessor, deputy assessor or member of a board of review who has been awarded a Certified Assessment Evaluator certificate by the International Association of Assessing Officers shall receive an additional compensation of \$500 per year from funds appropriated to the Department from the Personal Property Tax Replacement Fund.

Any assessor, deputy assessor or member of a board of review who has been awarded a Residential Evaluation Specialist, Assessment Administration Specialist, or Cadastral Mapping Specialist certificate by the International Association of Assessing Officers, but who has not been awarded a Certified Assessment Evaluator certificate, shall receive additional compensation of \$250 per year from funds appropriated to the Department from the Personal Property Tax Replacement Fund. If any assessor, deputy assessor, or member of a board of review has been awarded more than one certificate, but has not been awarded a Certified Assessment Evaluator certificate, the maximum additional compensation shall be \$250.

To continue to qualify for the additional compensation after receipt of a certificate, any assessor, deputy assessor or member of a board of review must, each year that additional compensation is sought, complete successfully a minimum of 15 class hours requiring a written examination, and the equivalent of one seminar course of 15 class hours which does not require a written examination.

(Source: P.A. 91-436, eff. 8-6-99.)

(35 ILCS 200/4-20)

Sec. 4-20. Additional compensation based on performance. Any assessor in counties with less than 3,000,000 but more than 50,000 inhabitants each year may petition the Department to receive additional compensation based on performance. To receive additional compensation, the official's assessment jurisdiction must meet the following criteria:

- (1) the median level of assessment must be no more than 35 1/3% and no less than 31 1/3% of fair cash value of property in his or her assessment jurisdiction; and
- (2) the coefficient of dispersion must not be greater than 15%.

For purposes of this Section, "coefficient of dispersion" means the average deviation of all assessments from the median level. For purposes of this Section, the number of inhabitants shall be determined by the latest federal decennial census. When the most recent census shows an increase in inhabitants to over 50,000 or a decrease to 50,000 or fewer, then the assessment year used to compute the coefficient of dispersion and the most recent year of the 3-year average level of assessments is the year that determines qualification for additional compensation. The Department will promulgate rules and regulations to determine whether an assessor meets these criteria.

Any assessor in a county of 50,000 or fewer inhabitants may petition the Department for consideration to receive additional compensation each year based on performance. In order to receive the additional compensation, the assessments in the official's assessment jurisdiction must meet the following criteria:

(i) the median level of assessments must be no more than 35 1/3% and no less than 31 1/3% of fair cash value of property in his or her assessment jurisdiction; and (ii) the coefficient of dispersion must not be greater than 40% in 1994, 38% in 1995, 36% in 1996, 34% in 1997, 32% in 1998, and 30% in 1999 and every year thereafter.

Real estate transfer declarations used by the Department in annual sales-assessment ratio studies will be used to evaluate applications for additional compensation. The Department will audit other property to determine if the sales-assessment ratio study data is representative of the assessment jurisdiction. If the ratio study is found not representative, appraisals and other information may be utilized. If the ratio study is representative, upon certification by the Department, the assessor shall receive additional

compensation of \$3,000 for that year, to be paid out of funds appropriated to the Department from the Personal Property Tax Replacement Fund.

As used in this Section, "assessor" means any township or multi-township assessor, or supervisor of assessments.

(Source: P.A. 93-643, eff. 6-1-04.)

Section 20-10. The Counties Code is amended by changing Sections 3-4007, 3-10007, 4-2001, 4-3001, 4-6001, 4-6002, 4-6003, and 4-8002 as follows:

(55 ILCS 5/3-4007) (from Ch. 34, par. 3-4007)

Sec. 3-4007. Compensation.

(a) The public defender shall be paid out of the county treasury, and, subject to appropriation, shall be paid by the Department of Revenue out of the Personal Property Tax Replacement Fund or the General Revenue Fund ~~State treasury~~ as provided in subsection (b), as the sole compensation for his or her services a salary in an amount fixed by the County Board. When a Public Defender in a county of 30,000 or more population is receiving not less than 90% of the compensation of the State's Attorney of such county, that Public Defender shall not engage in the private practice of law.

(b) The State ~~treasury~~ must pay 66 2/3% of the public defender's annual salary. If the public defender is employed full-time in that capacity, his or her salary must be at least 90% of that county's State's attorney's annual compensation. Subject to appropriation, these ~~These~~ amounts furnished by the State shall be payable monthly by from the Department of Revenue out of the Personal Property Tax Replacement Fund or the General Revenue Fund ~~State treasury~~ to the county in which each Public Defender is employed.

(c) In cases where 2 or more adjoining counties have joined to form a common office of Public Defender, the salary of the Public Defender shall be set and paid as provided by a joint resolution of the various county boards involved.

(Source: P.A. 92-508, eff. 7-1-02.)

(55 ILCS 5/3-10007) (from Ch. 34, par. 3-10007)

Sec. 3-10007. Annual stipend. In addition to all other compensation provided by law, every elected county treasurer, for additional duties mandated by State law, shall receive an annual stipend of (i) \$5,000 if his or her term begins before December 1, 1998, (ii) \$5,500 after December 1, 1998 and \$6,500 after December 1, 1999 if his or her term begins on or after December 1, 1998 but before December 1, 2000, and (iii) \$6,500 if his or her term begins December 1, 2000 or thereafter, to be annually appropriated from the Personal Property Tax Replacement ~~General Revenue~~ Fund by the General Assembly to the Department of Revenue which shall distribute the awards in annual lump sum payments to every elected county treasurer. This annual stipend shall not affect any other compensation provided by law to be paid to elected county treasurers. No county board may reduce or otherwise impair the compensation payable from county funds to an elected county treasurer if such reduction or impairment is the result of his receiving an annual stipend under this Section.

(Source: P.A. 90-713, eff. 12-1-98.)

(55 ILCS 5/4-2001) (from Ch. 34, par. 4-2001)

Sec. 4-2001. State's attorney salaries.

(a) There shall be allowed to the several state's attorneys in this State, except the state's attorney of Cook County, the following annual salary:

(1) Subject to paragraph (5), to each state's attorney in counties containing less than 10,000 inhabitants, \$40,500 until December 31, 1988, \$45,500 until June 30, 1994, and \$55,500 thereafter or as set by the Compensation Review Board, whichever is greater.

(2) Subject to paragraph (5), to each state's attorney in counties containing 10,000 or more inhabitants but less than 20,000 inhabitants, \$46,500 until December 31, 1988, \$61,500 until June 30, 1994, and \$71,500 thereafter or as set by the Compensation Review Board, whichever is greater.

(3) Subject to paragraph (5), to each state's attorney in counties containing 20,000 or more but less than 30,000 inhabitants, \$51,000 until December 31, 1988, \$65,000 until June 30, 1994, and \$75,000 thereafter or as set by the Compensation Review Board, whichever is greater.

(4) To each state's attorney in counties of 30,000 or more inhabitants, \$65,500 until December 31, 1988, \$80,000 until June 30, 1994, and \$96,837 thereafter or as set by the Compensation Review Board, whichever is greater.

(5) Effective December 1, 2000, to each state's attorney in counties containing fewer than 30,000 inhabitants, the same salary plus any cost of living adjustments as authorized by the Compensation Review Board to take effect after January 1, 1999, for state's attorneys in counties

containing 20,000 or more but fewer than 30,000 inhabitants, or as set by the Compensation Review Board whichever is greater.

The State shall furnish 66 2/3% of the total annual compensation to be paid to each state's attorney in Illinois based on the salary in effect on December 31, 1988, and 100% of the increases in salary taking effect after December 31, 1988.

Subject to appropriation, said ~~Said~~ amounts furnished by the State shall be payable monthly by from the Department of Revenue out of the Personal Property Tax Replacement Fund or the General Revenue Fund ~~state treasury~~ to the county in which each state's attorney is elected.

Each county shall be required to furnish 33 1/3% of the total annual compensation to be paid to each state's attorney in Illinois based on the salary in effect on December 31, 1988.

Within 90 days after the effective date of this amendatory Act of the 96th General Assembly, the county board of any county with a population between 15,000 and 50,000 by resolution or ordinance may increase the amount of compensation to be paid to each eligible state's attorney in their county in the form of a longevity stipend which shall be added to and become part of the salary of the state's attorney for that year. To be eligible, the state's attorney must have served in the elected position for at least 20 continuous years and elect to participate in a program for an alternative annuity for county officers and make the required additional optional contributions as authorized by P.A. 90-32.

(b) Effective December 1, 2000, no state's attorney may engage in the private practice of law. However, until November 30, 2000, (i) the state's attorneys in counties containing fewer than 10,000 inhabitants may engage in the practice of law, and (ii) in any county between 10,000 and 30,000 inhabitants or in any county containing 30,000 or more inhabitants which reached that population between 1970 and December 31, 1981, the state's attorney may declare his or her intention to engage in the private practice of law, and may do so through no later than November 30, 2000, by filing a written declaration of intent to engage in the private practice of law with the county clerk. The declaration of intention shall be irrevocable during the remainder of the term of office. The declaration shall be filed with the county clerk within 30 days of certification of election or appointment, or within 60 days of March 15, 1989, whichever is later. In that event the annual salary of such state's attorney shall be as follows:

(1) In counties containing 10,000 or more inhabitants but less than 20,000 inhabitants, \$46,500 until December 31, 1988, \$51,500 until June 30, 1994, and \$61,500 thereafter or as set by the Compensation Review Board, whichever is greater. The State shall furnish 100% of the increases taking effect after December 31, 1988.

(2) In counties containing 20,000 or more inhabitants but less than 30,000 inhabitants, and in counties containing 30,000 or more inhabitants which reached said population between 1970 and December 31, 1981, \$51,500 until December 31, 1988, \$56,000 until June 30, 1994, and \$65,000 thereafter or as set by the Compensation Review Board, whichever is greater. The State shall furnish 100% of the increases taking effect after December 31, 1988.

(c) In counties where a state mental health institution, as hereinafter defined, is located, one assistant state's attorney shall, subject to appropriation, receive for his services, payable monthly by from the Department of Revenue out of the Personal Property Tax Replacement Fund or the General Revenue Fund ~~state treasury~~ to the county in which he is appointed, the following:

(1) To each assistant state's attorney in counties containing less than 10,000 inhabitants, the sum of \$2,500 per annum;

(2) To each assistant state's attorney in counties containing not less than 10,000 inhabitants and not more than 20,000 inhabitants, the sum of \$3,500 per annum;

(3) To each assistant state's attorney in counties containing not less than 20,000 inhabitants and not more than 30,000 inhabitants, the sum of \$4,000 per annum;

(4) To each assistant state's attorney in counties containing not less than 30,000 inhabitants and not more than 40,000 inhabitants, the sum of \$4,500 per annum;

(5) To each assistant state's attorney in counties containing not less than 40,000 inhabitants and not more than 70,000 inhabitants, the sum of \$5,000 per annum;

(6) To each assistant state's attorney in counties containing not less than 70,000 inhabitants and not more than 1,000,000 inhabitants, the sum of \$6,000 per annum.

(d) The population of all counties for the purpose of fixing salaries as herein provided shall be based upon the last Federal census immediately previous to the appointment of an assistant state's attorney in each county.

(e) At the request of the county governing authority, in counties where one or more state correctional institutions, as hereinafter defined, are located, one or more assistant state's attorneys shall, subject to appropriation, receive for their services, provided that such services are performed in connection with

the state correctional institution, payable monthly by ~~from~~ the Department of Revenue out of the Personal Property Tax Replacement Fund or the General Revenue Fund state treasury to the county in which they are appointed, the following:

(1) \$22,000 for each assistant state's attorney in counties with one or more State correctional institutions with a total average daily inmate population in excess of 2,000, on the basis of 2 assistant state's attorneys when the total average daily inmate population exceeds 2,000 but is less than 4,000; and 3 assistant state's attorneys when such population exceeds 4,000; with reimbursement to be based on actual services rendered.

(2) \$15,000 per year for one assistant state's attorney in counties having one or more correctional institutions with a total average daily inmate population of between 750 and 2,000 inmates, with reimbursement to be based on actual services rendered.

(3) A maximum of \$12,000 per year for one assistant state's attorney in counties having less than 750 inmates, with reimbursement to be based on actual services rendered.

Upon application of the county governing authority and certification of the State's Attorney, the Director of Corrections may, in his discretion and subject to appropriation, increase the amount of salary reimbursement to a county in the event special circumstances require the county to incur extraordinary salary expenditures as a result of services performed in connection with State correctional institutions in that county.

In determining whether or not to increase the amount of salary reimbursement, the Director shall consider, among other matters:

(1) the nature of the services rendered;

(2) the results or dispositions obtained;

(3) whether or not the county was required to employ additional attorney personnel as a direct result of the services actually rendered in connection with a particular service to a State correctional institution.

(f) In counties where a State senior institution of higher education is located, the assistant state's attorneys specified by this Section shall, subject to appropriation, receive for their services, payable monthly by ~~from~~ the Department of Revenue out of the Personal Property Tax Replacement Fund or the General Revenue Fund State treasury to the county in which appointed, the following:

(1) \$14,000 per year each for employment on a full time basis for 2 assistant state's attorneys in counties having a State university or State universities with combined full time enrollment of more than 15,000 students.

(2) \$7,200 per year for one assistant state's attorney with no limitation on other practice in counties having a State university or State universities with combined full time enrollment of 10,000 to 15,000 students.

(3) \$4,000 per year for one assistant state's attorney with no limitation on other practice in counties having a State university or State universities with combined full time enrollment of less than 10,000 students.

Such salaries shall be paid to the state's attorney and the assistant state's attorney in equal monthly installments by such county out of the county treasury provided that, subject to appropriation, the Department of Revenue State of Illinois shall reimburse each county monthly, out of the Personal Property Tax Replacement Fund or the General Revenue Fund, from the state treasury the amount of such salary. This Section shall not prevent the payment of such additional compensation to the state's attorney or assistant state's attorney of any county, out of the treasury of that county as may be provided by law.

(g) For purposes of this Section, "State mental health institution" means any institution under the jurisdiction of the Department of Human Services that is listed in Section 4 of the Mental Health and Developmental Disabilities Administrative Act.

For purposes of this Section, "State correctional institution" means any facility of the Department of Corrections including adult facilities, juvenile facilities, pre-release centers, community correction centers, and work camps.

For purposes of this Section, "State 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, Western Illinois University, and any public community college which has established a program of interinstitutional cooperation with one of the foregoing institutions whereby a student, after earning an associate degree from the community college, pursues a course of study at the community college campus leading to a baccalaureate degree from the foregoing institution (also known as a "2 Plus 2" degree program).

(h) A number of assistant state's attorneys shall be appointed in each county that chooses to

participate, as provided in this subsection, for the prosecution of alcohol-related traffic offenses. Each county shall receive monthly a subsidy for payment of the salaries and benefits of these assistant state's attorneys from State funds appropriated to the Department of Revenue out of the Personal Property Tax Replacement Fund or the General Revenue Fund ~~county~~ for that purpose. The amounts of subsidies provided by this subsection shall be adjusted for inflation each July 1 using the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor.

When a county chooses to participate in the subsidy program described in this subsection (h), the number of assistant state's attorneys who are prosecuting alcohol-related traffic offenses must increase according to the subsidy provided in this subsection. These appointed assistant state's attorneys shall be in addition to any other assistant state's attorneys assigned to those cases on the effective date of this amendatory Act of the 91st General Assembly, and may not replace those assistant state's attorneys. In counties where the state's attorney is the sole prosecutor, this subsidy shall be used to provide an assistant state's attorney to prosecute alcohol-related traffic offenses along with the state's attorney. In counties where the state's attorney is the sole prosecutor, and in counties where a judge presides over cases involving a variety of misdemeanors, including alcohol-related traffic matters, assistant state's attorneys appointed and subsidized by this subsection (h) may also prosecute the different misdemeanor cases at the direction of the state's attorney.

Assistant state's attorneys shall be appointed under this subsection in the following number and counties shall receive the following annual subsidies:

- (1) In counties with fewer than 30,000 inhabitants, one at \$35,000.
- (2) In counties with 30,000 or more but fewer than 100,000 inhabitants, one at \$45,000.
- (3) In counties with 100,000 or more but fewer than 300,000 inhabitants, 2 at \$45,000 each.
- (4) In counties, other than Cook County, with 300,000 or more inhabitants, 4 at \$50,000 each.

The amounts appropriated under this Section must be segregated by population classification and disbursed monthly.

If in any year the amount appropriated for the purposes of this subsection (h) is insufficient to pay all of the subsidies specified in this subsection, the amount appropriated shall first be prorated by the population classifications of this subsection (h) and then among the counties choosing to participate within each of those classifications. If any of the appropriated moneys for each population classification remain at the end of a fiscal year, the remainder of the moneys may be allocated to participating counties that were not fully funded during the course of the year. Nothing in this subsection prohibits 2 or more State's attorneys from combining their subsidies to appoint a joint assistant State's attorney to prosecute alcohol-related traffic offenses in multiple counties. Nothing in this subsection prohibits a State's attorney from appointing an assistant State's attorney by contract or otherwise.

(Source: P.A. 96-259, eff. 8-11-09.)

(55 ILCS 5/4-3001) (from Ch. 34, par. 4-3001)

Sec. 4-3001. State's attorney; assistants.

(a) The State's Attorney of Cook County shall be paid an annual salary of \$75,000 until December 31, 1988, \$90,000 until November 30, 1990, \$100,000 until June 30, 1994, and \$112,124 thereafter or as set by the Compensation Review Board, whichever is greater.

Such sums shall be in full payment for all services rendered by him. ~~Until July 1, 2011, the State shall furnish from the State treasury 66 2/3% of such salary in effect on December 31, 1988, and 100% of the increases in salary taking effect after December 31, 1988, and~~ Beginning on July 1, 2011, the Department of Revenue shall furnish from State funds appropriated to it out of the Personal Property Tax Replacement Fund or the General Revenue Fund for that purpose 66 2/3% of such salary in effect on December 31, 1988 and 100% of the increases in salary taking effect after December 31, 1988. ~~and~~ Cook County shall furnish 33 1/3% of such salary in effect on December 31, 1988. The State's Attorney of Cook County may not engage in the private practice of law.

(b) If Cook County chooses to participate in the subsidy program described in this subsection (b), 24 assistant state's attorneys shall be appointed for the prosecution of alcohol-related traffic offenses. Cook County shall annually receive a subsidy for the payment of the salaries and benefits of these assistant state's attorneys from State funds appropriated to the Department of Revenue out of the Personal Property Tax Replacement Fund or the General Revenue Fund for distribution to Cook County for that purpose. The amount of the subsidy shall equal \$50,000 per assistant state's attorney appointed under this subsection, adjusted for inflation each July 1 using the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor. If in any year the amount appropriated for the purposes of this subsection (b) is insufficient, the annual subsidy shall be reduced accordingly.



When and if Cook County chooses to participate in the subsidy program described in this subsection (b), the number of assistant state's attorneys who are prosecuting alcohol-related traffic offenses must increase by 24. These appointed assistant state's attorneys shall be in addition to any other assistant state's attorneys assigned to those cases on the effective date of this amendatory Act of the 91st General Assembly, and may not replace those assistant state's attorneys. Cook County assistant state's attorneys appointed and subsidized by this subsection (b) may also prosecute other types of misdemeanor cases at the direction of the Cook County State's Attorney.

(Source: P.A. 90-375, eff. 8-14-97; 91-273, eff. 1-1-00; 91-704, eff. 7-1-00.)

(55 ILCS 5/4-6001) (from Ch. 34, par. 4-6001)

Sec. 4-6001. Officers in counties of less than 2,000,000.

(a) In all counties of less than 2,000,000 inhabitants, the compensation of Coroners, County Treasurers, County Clerks, Recorders and Auditors shall be determined under this Section. The County Board in those counties shall fix the amount of the necessary clerk hire, stationery, fuel and other expenses of those officers. The compensation of those officers shall be separate from the necessary clerk hire, stationery, fuel and other expenses, and such compensation (except for coroners in those counties with less than 2,000,000 population in which the coroner's compensation is set in accordance with Section 4-6002) shall be fixed within the following limits:

To each such officer in counties containing less than 14,000 inhabitants, not less than \$13,500 per annum.

To each such officer in counties containing 14,000 or more inhabitants, but less than 30,000 inhabitants, not less than \$14,500 per annum.

To each such officer in counties containing 30,000 or more inhabitants but less than 60,000 inhabitants, not less than \$15,000 per annum.

To each such officer in counties containing 60,000 or more inhabitants but less than 100,000 inhabitants, not less than \$15,000 per annum.

To each such officer in counties containing 100,000 or more inhabitants but less than 200,000 inhabitants, not less than \$16,500 per annum.

To each such officer in counties containing 200,000 or more inhabitants but less than 300,000 inhabitants, not less than \$18,000 per annum.

To each such officer in counties containing 300,000 or more inhabitants but less than 2,000,000 inhabitants, not less than \$20,000 per annum.

(b) Those officers beginning a term of office before December 1, 1990 shall be compensated at the rate of their base salary. "Base salary" is the compensation paid for each of those offices, respectively, before July 1, 1989.

(c) Those officers beginning a term of office on or after December 1, 1990 shall be compensated as follows:

(1) Beginning December 1, 1990, base salary plus at least 3% of base salary.

(2) Beginning December 1, 1991, base salary plus at least 6% of base salary.

(3) Beginning December 1, 1992, base salary plus at least 9% of base salary.

(4) Beginning December 1, 1993, base salary plus at least 12% of base salary.

(d) In addition to but separate and apart from the compensation provided in this Section, the county clerk of each county, the recorder of each county, and the chief clerk of each county board of election commissioners shall receive an award as follows:

(1) \$4,500 per year after January 1, 1998;

(2) \$5,500 per year after January 1, 1999; and

(3) \$6,500 per year after January 1, 2000.

The total amount required for such awards each year shall be appropriated by the General Assembly to the State Board of Elections which shall distribute the awards in annual lump sum payments to the several county clerks, recorders, and chief election clerks. Beginning December 1, 1990, this annual award, and any other award or stipend paid out of State funds to county officers, shall not affect any other compensation provided by law to be paid to county officers.

(e) Beginning December 1, 1990, no county board may reduce or otherwise impair the compensation payable from county funds to a county officer if the reduction or impairment is the result of the county officer receiving an award or stipend payable from State funds.

(f) The compensation, necessary clerk hire, stationery, fuel and other expenses of the county auditor, as fixed by the county board, shall be paid by the county.

(g) The population of all counties for the purpose of fixing compensation, as herein provided, shall be based upon the last Federal census immediately previous to the election of the officer in question in each county.

(h) With respect to an auditor who takes office on or after the effective date of this amendatory Act of the 95th General Assembly, the auditor shall receive an annual stipend of \$6,500 per year. The General Assembly shall appropriate the total amount required for the stipend each year from the Personal Property Tax Replacement Fund to the Department of Revenue, and the Department of Revenue shall distribute the awards in an annual lump sum payment to each county auditor. The stipend shall be in addition to, but separate and apart from, the compensation provided in this Section. No county board may reduce or otherwise impair the compensation payable from county funds to the auditor if the reduction or impairment is the result of the auditor receiving an award or stipend pursuant to this subsection.

(Source: P.A. 95-782, eff. 8-5-08.)

(55 ILCS 5/4-6002) (from Ch. 34, par. 4-6002)

Sec. 4-6002. Coroners in counties of less than 2,000,000.

(a) The County Board, in all counties of less than 2,000,000 inhabitants, shall fix the compensation of Coroners within the limitations fixed by this Division, and shall appropriate for their necessary clerk hire, stationery, fuel, supplies, and other expenses. The compensation of the Coroner shall be fixed separately from his necessary clerk hire, stationery, fuel and other expenses, and such compensation shall be fixed within the following limits:

To each Coroner in counties containing less than 5,000 inhabitants, not less than \$4,500 per annum.

To each Coroner in counties containing 5,000 or more inhabitants but less than 14,000 inhabitants, not less than \$6,000 per annum.

To each Coroner in counties containing 14,000 or more inhabitants, but less than 30,000 inhabitants, not less than \$9,000 per annum.

To each Coroner in counties containing 30,000 or more inhabitants, but less than 60,000 inhabitants, not less than \$14,000 per annum.

To each Coroner in counties containing 60,000 or more inhabitants, but less than 100,000 inhabitants, not less than \$15,000 per annum.

To each Coroner in counties containing 100,000 or more inhabitants, but less than 200,000 inhabitants, not less than \$16,500 per annum.

To each Coroner in counties containing 200,000 or more inhabitants, but less than 300,000 inhabitants, not less than \$18,000 per annum.

To each Coroner in counties containing 300,000 or more inhabitants, but less than 2,000,000 inhabitants, not less than \$20,000 per annum.

The population of all counties for the purpose of fixing compensation, as herein provided, shall be based upon the last Federal census immediately previous to the election of the Coroner in question in each county. This Section does not apply to a county which has abolished the elective office of coroner.

(b) Those coroners beginning a term of office on or after December 1, 1990 shall be compensated as follows:

(1) Beginning December 1, 1990, base salary plus at least 3% of base salary.

(2) Beginning December 1, 1991, base salary plus at least 6% of base salary.

(3) Beginning December 1, 1992, base salary plus at least 9% of base salary.

(4) Beginning December 1, 1993, base salary plus at least 12% of base salary.

"Base salary", as used in this subsection (b), means the salary in effect before July 1, 1989.

(c) In addition to, but separate and apart from, the compensation provided in this Section, subject to appropriation, the coroner of each county shall receive an annual stipend of \$6,500 to be paid by the Illinois Department of Revenue out of the Personal Property Tax Replacement Fund State if his or her term begins on or after December 1, 2000.

(Source: P.A. 91-908, eff. 7-7-00.)

(55 ILCS 5/4-6003) (from Ch. 34, par. 4-6003)

Sec. 4-6003. Compensation of sheriffs for certain expenses in counties of less than 2,000,000.

(a) The County Board, in all counties of less than 2,000,000 inhabitants, shall fix the compensation of sheriffs, with the amount of their necessary clerk hire, stationery, fuel and other expenses. The county shall supply the sheriff with all necessary uniforms, guns and ammunition. The compensation of each such officer shall be fixed separately from his necessary clerk hire, stationery, fuel and other expenses. Beginning immediately, no county with a population under 2,000,000 may reduce the rate of compensation of its sheriff below the rate of compensation that it was actually paying to its sheriff on January 1, 2002 or the effective date of this amendatory Act of the 92nd General Assembly, whichever is greater.

(b) In addition to the requirement of subsection (a), the rate of compensation payable to the sheriff by the county shall not be less than the following:

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To each such sheriff in counties containing less than 10,000 inhabitants, not less than \$27,000 per annum.

To each such sheriff in counties containing 10,000 or more inhabitants but less than 20,000 inhabitants, not less than \$31,000 per annum.

To each such sheriff in counties containing 20,000 or more inhabitants but less than 30,000 inhabitants, not less than \$34,000 per annum.

To each such sheriff in counties containing 30,000 or more inhabitants but less than 60,000 inhabitants, not less than \$37,000 per annum.

To each such sheriff in counties containing 60,000 or more inhabitants but less than 100,000 inhabitants, not less than \$40,000 per annum.

To each such sheriff in counties containing 100,000 or more inhabitants but less than 2,000,000 inhabitants, not less than \$43,000 per annum.

The population of each county for the purpose of fixing compensation as herein provided, shall be based upon the last federal census immediately previous to the election of the sheriff in question in such county.

(c) (Blank).

(d) In addition to the salary provided for in subsections (a), (b), and (c), beginning December 1, 1998, subject to appropriation, each sheriff, for his or her additional duties imposed by other statutes or laws, shall receive an annual stipend to be paid by the Illinois Department of Revenue out of the Personal Property Tax Replacement Fund State in the amount of \$6,500.

(e) No county board may reduce or otherwise impair the compensation payable from county funds to a sheriff if the reduction or impairment is the result of the sheriff receiving an award or stipend payable from State funds.

(Source: P.A. 92-616, eff. 7-8-02.)

(55 ILCS 5/4-8002) (from Ch. 34, par. 4-8002)

Sec. 4-8002. Additional compensation of sheriff and recorder.

(a) In addition to any salary otherwise provided by law, beginning December 1, 1998, subject to appropriation, the sheriff of Cook County for his or her additional duties imposed by other statutes or laws shall receive an annual stipend to be paid by the Illinois Department of Revenue out of the Personal Property Tax Replacement Fund State in the amount of \$6,500. The county board shall not reduce or otherwise impair the compensation payable from county funds to the sheriff if the reduction or impairment is the result of the sheriff receiving a stipend payable from State funds.

(b) In addition to any salary otherwise provided by law, beginning December 1, 2000, subject to appropriation, the recorder of deeds of Cook County for his or her additional duties imposed by law shall receive an annual stipend to be paid by the Illinois Department of Revenue out of the Personal Property Tax Replacement Fund State in an amount equal to the stipend paid to each recorder in other counties under subsection (d) of Section 4-6001 of this Code. The county board may not reduce or otherwise impair the compensation payable from county funds to the recorder of deeds if the reduction or impairment is the result of the recorder of deeds receiving a stipend payable from State funds.

(Source: P.A. 90-713, eff. 12-1-98; 91-908, eff. 7-7-00.)

#### ARTICLE 97. SEVERABILITY

Section 97-97. 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, 2011."

#### AMENDMENT NO. 3 TO SENATE BILL 335

AMENDMENT NO. 3. Amend Senate Bill 335, AS AMENDED, with reference to page and line numbers of House Amendment No. 2, as follows:

on page 5, line 2, by replacing "Hospital" with "Healthcare Provider"; and

on page 5, line 6, by replacing "Hospital" with "Healthcare Provider"; and

on page 5, line 24, by replacing "Hospital" with "Healthcare Provider"; and

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on page 6, line 3, by replacing "Hospital" with "Healthcare Provider"; and

on page 6, line 25, by replacing "Hospital" with "Healthcare Provider"; and

on page 7, line 4, by replacing "Hospital" with "Healthcare Provider".

Under the rules, the foregoing **Senate Bill No. 335**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

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

SENATE BILL NO. 1914

A bill for AN ACT concerning criminal law.

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

House Amendment No. 3 to SENATE BILL NO. 1914

House Amendment No. 4 to SENATE BILL NO. 1914

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 3 TO SENATE BILL 1914**

AMENDMENT NO. 3. Amend Senate Bill 1914 on page 4, by inserting immediately after line 21 the following:

"(b-15) Subsections (b-5) and (b-10) do not apply to real property located in a municipality of over 2,000,000 inhabitants."

**AMENDMENT NO. 4 TO SENATE BILL 1914**

AMENDMENT NO. 4. Amend Senate Bill 1914 on page 3, by inserting after line 21 the following:

"Nothing in this subsection (b-5) shall be construed to authorize the owner or lessee of any real property to place any purple marks on any tree or post or to install any post or fence if doing so would violate any applicable law, rule, ordinance, order, covenant, bylaw, declaration, regulation, restriction, contract, or instrument."

Under the rules, the foregoing **Senate Bill No. 1914**, with House Amendments numbered 3 and 4, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

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

SENATE BILL NO. 63

A bill for AN ACT concerning elections.

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. 63

House Amendment No. 3 to SENATE BILL NO. 63

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 63**

AMENDMENT NO. 1. Amend Senate Bill 63 by replacing everything after the enacting clause with the following:

[May 31, 2011]

"Section 5. The Circuit Courts Act is amended by changing Sections 1 and 2f-9 and by adding Sections 2f-10 and 2f-11 as follows:

(705 ILCS 35/1) (from Ch. 37, par. 72.1)

Sec. 1. Judicial circuits created. The county of Cook shall be one judicial circuit and the State of Illinois, exclusive of the county of Cook, shall be and is divided into judicial circuits as follows:

First Circuit--The counties of Alexander, Pulaski, Massac, Pope, Johnson, Union, Jackson, Williamson and Saline.

Second Circuit--The counties of Hardin, Gallatin, White, Hamilton, Franklin, Wabash, Edwards, Wayne, Jefferson, Richland, Lawrence and Crawford.

Third Circuit--The counties of Madison and Bond.

Fourth Circuit--The counties of Clinton, Marion, Clay, Fayette, Effingham, Jasper, Montgomery, Shelby and Christian.

Fifth Circuit--The counties of Vermilion, Edgar, Clark, Cumberland and Coles.

Sixth Circuit--The counties of Champaign, Douglas, Moultrie, Macon, DeWitt and Piatt.

Seventh Circuit--The counties of Sangamon, Macoupin, Morgan, Scott, Greene and Jersey.

Eighth Circuit--The counties of Adams, Schuyler, Mason, Cass, Brown, Pike, Calhoun and Menard.

Ninth Circuit--The counties of Knox, Warren, Henderson, Hancock, McDonough and Fulton.

Tenth Circuit--The counties of Peoria, Marshall, Putnam, Stark and Tazewell.

Eleventh Circuit--The counties of McLean, Livingston, Logan, Ford and Woodford.

Twelfth Circuit--The county of Will.

Thirteenth Circuit--The counties of Bureau, LaSalle and Grundy.

Fourteenth Circuit--The counties of Rock Island, Mercer, Whiteside and Henry.

Fifteenth Circuit--The counties of JoDaviess, Stephenson, Carroll, Ogle and Lee.

Sixteenth Circuit--Before December 3, 2012, the counties of Kane, DeKalb, and Kendall. On and after December 3, 2012, the County of Kane. ~~The counties of Kane, DeKalb and Kendall.~~

Seventeenth Circuit--The counties of Winnebago and Boone.

Eighteenth Circuit--The county of DuPage.

Nineteenth Circuit--Before December 4, 2006, the counties of Lake and McHenry. On and after December 4, 2006, the County of Lake.

Twentieth Circuit--The counties of Randolph, Monroe, St. Clair, Washington and Perry.

Twenty-first Circuit--The counties of Iroquois and Kankakee.

Twenty-second Circuit--On and after December 4, 2006, the County of McHenry.

Twenty-third Circuit--On and after December 3, 2012, the counties of DeKalb and Kendall.

(Source: P.A. 93-541, eff. 8-18-03.)

(705 ILCS 35/2f-9)

Sec. 2f-9. 16th judicial circuit; subcircuits.

(a) The 16th circuit shall be divided into 4 § subcircuits. Subcircuits 1, 2, and 4 of the 16th circuit in existence on April 15, 2011 shall continue to use their established boundaries in the new 16th Circuit as of December 3, 2012. Subcircuit 3 in existence on April 15, 2011 shall continue to use its established boundary until December 3, 2012 or until the conclusion of the existing term of office, following the 2012 general election, and upon the conclusion of the existing term of office, the new boundary shall go into effect. The new boundary for subcircuit 3 shall contain and be made up of the following townships in the county of Kane, excluding the portions of the townships currently served by subcircuit 1, 2, or 4: Blackberry, Big Rock, Burlington, Campton, Hampshire, Kaneville, Plato, Rutland, Sugar Grove, and Virgil. The subcircuits shall be compact, contiguous, and substantially equal in population. The General Assembly by law shall create the subcircuits, using population data as determined by the 2000 federal census, and shall determine a numerical order for the 4 § subcircuits. That numerical order shall be the basis for the order in which resident judgeships are assigned to the subcircuits. Once a resident judgeship is assigned to a subcircuit, it shall continue to be assigned to that subcircuit for all purposes.

(b) (Blank). Of the 16th circuit's 16 circuit judgeships existing on April 7, 2005 (7 at large and 9 resident), but not including the 3 resident judgeships added by this amendatory Act of the 96th General Assembly, 5 of the 9 resident judgeships shall be allotted as 16th circuit resident judgeships under subsection (c) as (i) the first resident judgeship of DeKalb County, (ii) the first resident judgeship of Kendall County, and (iii) the first 2 resident judgeships of Kane County are or become vacant on or after the effective date of this amendatory Act of the 93rd General Assembly, and (iv) the first resident judgeship of Kane County (in addition to the 2 vacancies under item (iii)) is or becomes vacant after the effective date of this amendatory Act of the 94th General Assembly. These 5 resident subcircuit judgeships and the remaining 7 resident judgeships shall constitute all of the resident judgeships of the 16th circuit. As used in this subsection, a vacancy does not include the expiration of a term of a resident

judge who seeks retention in that office at the next term.

(c) The Supreme Court shall allot the first eligible DeKalb County vacancy, the first eligible Kendall County vacancy, and the first 3 eligible Kane County vacancies in resident judgeships of the 16th circuit as provided in subsection (b), for election from the various subcircuits. The judgeships shall be assigned to the subcircuits based upon the numerical order of the 5 subcircuits. No resident judge of the 16th circuit serving on the effective date of this amendatory Act of the 93rd General Assembly shall be required to change his or her residency in order to continue serving in office or to seek retention in office as judgeships are allotted by the Supreme Court in accordance with this Section. No resident judge elected from a subcircuit serving on the effective date of this amendatory Act of the 97th General Assembly shall be required to change his or her residency in order to continue serving in office until the 2012 general election, or until the conclusion of the existing term.

(d) A resident judge elected from a subcircuit shall continue to reside in that subcircuit as long as he or she holds that office. A resident judge elected from a subcircuit after January 1, 2008, must retain residency as a registered voter in the subcircuit to run for retention from the circuit at large thereafter. A resident judge elected from a subcircuit after January 1, 2011, must retain residency as a registered voter in the subcircuit to run for retention from the circuit at large thereafter.

(e) Vacancies in resident judgeships of the 16th circuit shall be filled in the manner provided in Article VI of the Illinois Constitution.

(Source: P.A. 95-610, eff. 9-11-07; 96-108, eff. 7-30-09.)

(705 ILCS 35/2f-10 new)

Sec. 2f-10. 16th and 23rd judicial circuits.

(a) On December 3, 2012, the 16th judicial circuit is divided into the 16th and 23rd judicial circuits as provided in Section 1 of the Circuit Courts Act. This division does not invalidate any action taken by the 16th judicial circuit or any of its judges, officers, employees, or agents before December 3, 2012. This division does not affect any person's rights, obligations, or duties, including applicable civil and criminal penalties, arising out of any action taken by the 16th judicial circuit or any of its judges, officers, employees, or agents before December 3, 2012.

(b) The Supreme Court shall assign to the 16th circuit the 7 circuit judgeships elected at large in the 16th circuit before and at the general election in 2012. The 3 resident judgeships elected from Kane County before the general election of 2012 shall become at-large circuit judgeships on December 3, 2012. An individual seeking election to one of the 7 judgeships at large or a judge seeking retention to one of the 7 judgeships at large at the general election in 2012, shall seek election or retention solely within the boundaries of Kane County. The 7 circuit judgeships assigned to the 16th circuit shall continue to be elected at large, and the 3 resident judges shall be elected at large at the first general election following the expiration of a term of office. Of the 7 circuit judgeships elected at large as of April 15, 2011, and the 3 resident judgeships elected from Kane County before the general election of 2012 converting to at large judgeships on December 3, 2012, the first vacancy occurring after December 3, 2012 shall be assigned to the 23rd circuit as a Kendall County resident judge. As used in this subsection, a vacancy does not include the expiration of a term of an at large judge or of a resident judge who intends to seek retention in that office at the next term.

(c) The 3 resident judgeships elected from DeKalb County before the general election in 2012 shall become resident judgeships from DeKalb County in the 23rd circuit on December 3, 2012, and the 2 resident judgeships elected from Kendall County before the general election in 2012 shall become resident judgeships from Kendall County in the 23rd circuit on December 3, 2012.

(d) The 4 subcircuit judgeships of the 16th circuit elected as of April 15, 2011, shall become the 4 subcircuit judgeships of the 16th circuit as established in Section 2f-9. The remaining unfilled subcircuit of the 16th circuit as of April 15, 2011 shall be eliminated. If the judgeship of the 5th subcircuit of the 16th circuit is filled prior to the effective date of this amendatory Act of the 97th General Assembly, that judgeship shall be eliminated on December 3, 2012.

(e) On December 3, 2012, the Supreme Court shall allocate the associate judgeships of the 16th circuit before that date between the 16th and 23rd circuits. The number of associate judges allocated to the 23rd circuit shall be no less than 5.

(f) On December 3, 2012, the Supreme Court shall allocate personnel, books, records, documents, property (real and personal), funds, assets, liabilities, and pending matters concerning the 16th circuit before that date between the 16th and 23rd circuits based on the population and staffing needs of those circuits and the efficient and proper administration of the judicial system. The rights of employees under applicable collective bargaining agreements are not affected by this amendatory Act of the 97th General Assembly.

(g) The judgeships set forth in this Section include the judgeships authorized under Sections 2g, 2h,

2j, 2k, 2m, and 2n. The judgeships authorized in those Sections are not in addition to those set forth in this Section.

(705 ILCS 35/2f-11 new)

Sec. 2f-11. 23rd judicial circuit.

(a) The 23rd circuit shall have a total of 6 resident judgeships (5 resident judgeships existing on the effective date of this amendatory Act of the 97th General Assembly, and the resident judgeship for Kendall County created by the first vacancy of an at large resident judgeship or resident judgeship in the new 16th circuit).

(b) Vacancies in resident judgeships of the 23rd circuit shall be filled in the manner provided in Article VI of the Illinois Constitution."

### AMENDMENT NO. 3 TO SENATE BILL 63

AMENDMENT NO. 3. Amend Senate Bill 63, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Circuit Courts Act is amended by changing Sections 1 and 2f-9 and by adding Sections 2f-10 and 2f-11 as follows:

(705 ILCS 35/1) (from Ch. 37, par. 72.1)

Sec. 1. Judicial circuits created. The county of Cook shall be one judicial circuit and the State of Illinois, exclusive of the county of Cook, shall be and is divided into judicial circuits as follows:

First Circuit--The counties of Alexander, Pulaski, Massac, Pope, Johnson, Union, Jackson, Williamson and Saline.

Second Circuit--The counties of Hardin, Gallatin, White, Hamilton, Franklin, Wabash, Edwards, Wayne, Jefferson, Richland, Lawrence and Crawford.

Third Circuit--The counties of Madison and Bond.

Fourth Circuit--The counties of Clinton, Marion, Clay, Fayette, Effingham, Jasper, Montgomery, Shelby and Christian.

Fifth Circuit--The counties of Vermilion, Edgar, Clark, Cumberland and Coles.

Sixth Circuit--The counties of Champaign, Douglas, Moultrie, Macon, DeWitt and Piatt.

Seventh Circuit--The counties of Sangamon, Macoupin, Morgan, Scott, Greene and Jersey.

Eighth Circuit--The counties of Adams, Schuyler, Mason, Cass, Brown, Pike, Calhoun and Menard.

Ninth Circuit--The counties of Knox, Warren, Henderson, Hancock, McDonough and Fulton.

Tenth Circuit--The counties of Peoria, Marshall, Putnam, Stark and Tazewell.

Eleventh Circuit--The counties of McLean, Livingston, Logan, Ford and Woodford.

Twelfth Circuit--The county of Will.

Thirteenth Circuit--The counties of Bureau, LaSalle and Grundy.

Fourteenth Circuit--The counties of Rock Island, Mercer, Whiteside and Henry.

Fifteenth Circuit--The counties of JoDavie, Stephenson, Carroll, Ogle and Lee.

Sixteenth Circuit--Before December 3, 2012, the counties of Kane, DeKalb, and Kendall. On and after December 3, 2012, the County of Kane. ~~The counties of Kane, DeKalb and Kendall.~~

Seventeenth Circuit--The counties of Winnebago and Boone.

Eighteenth Circuit--The county of DuPage.

Nineteenth Circuit--Before December 4, 2006, the counties of Lake and McHenry. On and after December 4, 2006, the County of Lake.

Twentieth Circuit--The counties of Randolph, Monroe, St. Clair, Washington and Perry.

Twenty-first Circuit--The counties of Iroquois and Kankakee.

Twenty-second Circuit--On and after December 4, 2006, the County of McHenry.

Twenty-third Circuit--On and after December 3, 2012, the counties of DeKalb and Kendall.

(Source: P.A. 93-541, eff. 8-18-03.)

(705 ILCS 35/2f-9)

Sec. 2f-9. 16th judicial circuit; subcircuits.

(a) The 16th circuit shall be divided into 4 subcircuits. Subcircuits 1, 2, and 4 of the 16th circuit in existence on April 15, 2011 shall continue to use their established boundaries in the new 16th circuit as of December 3, 2012. Subcircuit 3 in existence on April 15, 2011 shall continue to use its established boundary until December 3, 2012. For a judge elected to subcircuit 3 as of April 15, 2011 the current boundaries in existence as of April 15, 2011 shall continue until the conclusion of the existing term of office, following the 2012 general election, and upon the conclusion of the existing term of office, the new boundary shall go into effect. The new boundary for subcircuit 3 shall contain and be made up of the following townships in the county of Kane, excluding the portions of the townships currently served

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by subcircuit 1, 2, or 4: Aurora, Blackberry, Big Rock, Burlington, Campton, Dundee, Elgin, Hampshire, Kaneville, Plato, Rutland, Sugar Grove, and Virgil. The subcircuits shall be compact, contiguous, and substantially equal in population. The General Assembly by law shall create the subcircuits, using population data as determined by the 2000 federal census, and shall determine a numerical order for the 4-5 subcircuits. That numerical order shall be the basis for the order in which resident judgeships are assigned to the subcircuits. Once a resident judgeship is assigned to a subcircuit, it shall continue to be assigned to that subcircuit for all purposes.

(b) ~~(Blank). Of the 16th circuit's 16 circuit judgeships existing on April 7, 2005 (7 at large and 9 resident), but not including the 3 resident judgeships added by this amendatory Act of the 96th General Assembly, 5 of the 9 resident judgeships shall be allotted as 16th circuit resident judgeships under subsection (c) as (i) the first resident judgeship of DeKalb County, (ii) the first resident judgeship of Kendall County, and (iii) the first 2 resident judgeships of Kane County are or become vacant on or after the effective date of this amendatory Act of the 93rd General Assembly, and (iv) the first resident judgeship of Kane County (in addition to the 2 vacancies under item (iii)) is or becomes vacant after the effective date of this amendatory Act of the 94th General Assembly. These 5 resident subcircuit judgeships and the remaining 7 resident judgeships shall constitute all of the resident judgeships of the 16th circuit. As used in this subsection, a vacancy does not include the expiration of a term of a resident judge who seeks retention in that office at the next term.~~

(c) The Supreme Court shall allot the first eligible DeKalb County vacancy, the first eligible Kendall County vacancy, and the first 3 eligible Kane County vacancies in resident judgeships of the 16th circuit as provided in subsection (b), for election from the various subcircuits. The judgeships shall be assigned to the subcircuits based upon the numerical order of the 5 subcircuits. No resident judge of the 16th circuit serving on the effective date of this amendatory Act of the 93rd General Assembly shall be required to change his or her residency in order to continue serving in office or to seek retention in office as judgeships are allotted by the Supreme Court in accordance with this Section. No resident judge elected from a subcircuit serving on the effective date of this amendatory Act of the 97th General Assembly shall be required to change his or her residency in order to continue serving in or to seek retention in office until the 2012 general election, or until the conclusion of the existing term.

(d) A resident judge elected from a subcircuit shall continue to reside in that subcircuit as long as he or she holds that office. A resident judge elected from a subcircuit after January 1, 2008, must retain residency as a registered voter in the subcircuit to run for retention from the circuit at large thereafter. A resident judge elected from a subcircuit after January 1, 2011, must retain residency as a registered voter in the subcircuit to run for retention from the circuit at large thereafter.

(e) Vacancies in resident judgeships of the 16th circuit shall be filled in the manner provided in Article VI of the Illinois Constitution.

(Source: P.A. 95-610, eff. 9-11-07; 96-108, eff. 7-30-09.)

(705 ILCS 35/2f-10 new)

Sec. 2f-10. 16th and 23rd judicial circuits.

(a) On December 3, 2012, the 16th judicial circuit is divided into the 16th and 23rd judicial circuits as provided in Section 1 of the Circuit Courts Act. This division does not invalidate any action taken by the 16th judicial circuit or any of its judges, officers, employees, or agents before December 3, 2012. This division does not affect any person's rights, obligations, or duties, including applicable civil and criminal penalties, arising out of any action taken by the 16th judicial circuit or any of its judges, officers, employees, or agents before December 3, 2012.

(b) The 16th circuit shall have one additional resident judgeship to be allotted by the Supreme Court under subsection (d). The additional resident judgeship shall be filled by election beginning at the 2012 general election.

(c) The 16th circuit shall have an additional resident judgeship from Kendall County to be allotted by the Supreme Court. The additional judgeship shall be filled by election beginning at the 2012 general election. This judgeship shall become a resident judgeship from Kendall County in the 23rd circuit on December 3, 2012.

(d) The Supreme Court shall allot: (i) all vacancies in at large judgeships or resident judgeships from the county of Kane of the 16th circuit existing on or occurring on or after the effective date of this amendatory Act of the 97th General Assembly, excluding the vacancy in subsection (e); and (ii) the one resident judgeship added by subsection (b), for election from the various subcircuits until there are 2 resident judges to be elected from each subcircuit. The additional resident judgeship added by subsection (b) that shall be filled by election beginning at the 2012 general election shall be assigned to subcircuit 2. The Supreme Court may fill the judgeship by appointment prior to the 2012 general election. The vacancies allotted by the Supreme Court under this subsection shall become resident judgeships of the



16th circuit to be assigned to the 3rd, 1st, and 4th subcircuits in that order. Subcircuit judgeships in the 3rd, 1st, and 4th subcircuits shall be filled by election as vacancies occur. No resident judge of the 16th circuit serving on the effective date of this amendatory Act of the 97th General Assembly shall be required to change his or her residency in order to continue serving in office or to seek retention in office as resident judgeships are allotted by the Supreme Court in accordance with this Section. As used in this subsection, a vacancy does not include the expiration of a term of an at large judge or of a resident judge who intends to seek retention in that office at the next term.

(e) The Supreme Court shall assign to the 16th circuit the 7 circuit judgeships elected at large in the 16th circuit before and at the 2012 general election. The 3 resident judgeships elected from Kane County before the 2012 general election shall become at large circuit judgeships on December 3, 2012. An individual seeking election to one of the 7 judgeships at large or a judge seeking retention to one of the 7 judgeships at large at the 2012 general election, shall seek election or retention solely within the boundaries of Kane County. The 7 circuit judgeships assigned to the 16th circuit shall continue to be elected at large, and the 3 resident judges shall be elected at large at the first general election following the expiration of a term of office. Of the 7 circuit judgeships elected at large as of April 15, 2011, and the 3 resident judgeships elected from Kane County before the general election of 2012 converting to at large judgeships on December 3, 2012, the first vacancy occurring after December 3, 2012 shall be assigned to the 23rd circuit as a Kendall County resident judge. As used in this subsection, a vacancy does not include the expiration of a term of an at large judge or of a resident judge who intends to seek retention in that office at the next term.

(f) The 3 resident judgeships elected from DeKalb County before the 2012 general election shall become resident judgeships from DeKalb County in the 23rd circuit on December 3, 2012, and the 2 resident judgeships elected from Kendall County before the 2012 general election shall become resident judgeships from Kendall County in the 23rd circuit on December 3, 2012.

(g) The 4 subcircuit judgeships of the 16th circuit elected as of April 15, 2011, shall become the 4 subcircuit judgeships of the 16th circuit as established in Section 2f-9. The remaining unfilled subcircuit judgeship of the 16th circuit as of April 15, 2011 shall be eliminated. If the judgeship of the 5th subcircuit of the 16th circuit is filled prior to the effective date of this amendatory Act of the 97th General Assembly, that judgeship shall be eliminated on December 3, 2012.

(h) On December 3, 2012, the Supreme Court shall allocate the associate judgeships of the 16th circuit before that date between the 16th and 23rd circuits. The number of associate judges allocated to the 23rd circuit shall be no less than 5.

(i) On December 3, 2012, the Supreme Court shall allocate personnel, books, records, documents, property (real and personal), funds, assets, liabilities, and pending matters concerning the 16th circuit before that date between the 16th and 23rd circuits based on the population and staffing needs of those circuits and the efficient and proper administration of the judicial system. The rights of employees under applicable collective bargaining agreements are not affected by this amendatory Act of the 97th General Assembly.

(j) The judgeships set forth in this Section include the judgeships authorized under Sections 2g, 2h, 2j, 2k, 2m, and 2n. The judgeships authorized in those Sections are not in addition to those set forth in this Section.

(705 ILCS 35/2f-11 new)

Sec. 2f-11. 23rd judicial circuit.

(a) The 23rd circuit shall have a total of 6 resident judgeships (5 resident judgeships existing on the effective date of this amendatory Act of the 97th General Assembly, and the resident judgeship for Kendall County created by the first vacancy of an at large resident judgeship or resident judgeship in the new 16th circuit).

(b) Vacancies in resident judgeships of the 23rd circuit shall be filled in the manner provided in Article VI of the Illinois Constitution.

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

Under the rules, the foregoing **Senate Bill No. 63**, 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:

[May 31, 2011]

## SENATE BILL NO. 2169

A bill for AN ACT concerning regulation.

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

House Amendment No. 1 to SENATE BILL NO. 2169

House Amendment No. 2 to SENATE BILL NO. 2169

House Amendment No. 3 to SENATE BILL NO. 2169

House Amendment No. 4 to SENATE BILL NO. 2169

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 2169**

AMENDMENT NO. 1. Amend Senate Bill 2169 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Power Agency Act is amended by changing Section 1-10 as follows:  
(20 ILCS 3855/1-10)

Sec. 1-10. Definitions.

"Agency" means the Illinois Power Agency.

"Agency loan agreement" means any agreement pursuant to which the Illinois Finance Authority agrees to loan the proceeds of revenue bonds issued with respect to a project to the Agency upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, interest and premium, if any, on those revenue bonds, and providing for maintenance, insurance, and other matters in respect of the project.

"Authority" means the Illinois Finance Authority.

"Clean coal facility" means an electric generating facility that uses primarily coal as a feedstock and that captures and sequesters carbon dioxide emissions at the following levels: at least 50% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation before 2016, at least 70% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation during 2016 or 2017, and at least 90% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation after 2017. The power block of the clean coal facility shall not exceed allowable emission rates for sulfur dioxide, nitrogen oxides, carbon monoxide, particulates and mercury for a natural gas-fired combined-cycle facility the same size as and in the same location as the clean coal facility at the time the clean coal facility obtains an approved air permit. All coal used by a clean coal facility shall have high volatile bituminous rank and greater than 1.7 pounds of sulfur per million btu content, unless the clean coal facility does not use gasification technology and was operating as a conventional coal-fired electric generating facility on June 1, 2009 (the effective date of Public Act 95-1027).

"Clean coal SNG facility" means a facility that uses a gasification process to produce substitute natural gas, that sequesters at least 90% of the total carbon emissions that the facility would otherwise emit, ~~and that uses at least 90% petroleum coke or~~ coal as a feedstock, with all such coal having a high bituminous rank and greater than 1.7 pounds of sulfur per million btu content, and that has a valid and effective permit to construct emission sources and air pollution control equipment and approval with respect to the federal regulations for Prevention of Significant Deterioration of Air Quality (PSD) for the plant pursuant to the federal Clean Air Act.

"Commission" means the Illinois Commerce Commission.

"Costs incurred in connection with the development and construction of a facility" means:

(1) the cost of acquisition of all real property, fixtures, and improvements in connection therewith and equipment, personal property, and other property, rights, and easements acquired that are deemed necessary for the operation and maintenance of the facility;

(2) financing costs with respect to bonds, notes, and other evidences of indebtedness of the Agency;

(3) all origination, commitment, utilization, facility, placement, underwriting, syndication, credit enhancement, and rating agency fees;

(4) engineering, design, procurement, consulting, legal, accounting, title insurance, survey, appraisal, escrow, trustee, collateral agency, interest rate hedging, interest rate swap,

[May 31, 2011]

capitalized interest, contingency, as required by lenders, and other financing costs, and other expenses for professional services; and

(5) the costs of plans, specifications, site study and investigation, installation, surveys, other Agency costs and estimates of costs, and other expenses necessary or incidental to determining the feasibility of any project, together with such other expenses as may be necessary or incidental to the financing, insuring, acquisition, and construction of a specific project and starting up, commissioning, and placing that project in operation.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of the Illinois Power Agency.

"Demand-response" means measures that decrease peak electricity demand or shift demand from peak to off-peak periods.

"Energy efficiency" means measures that reduce the amount of electricity or natural gas required to achieve a given end use.

"Electric utility" has the same definition as found in Section 16-102 of the Public Utilities Act.

"Facility" means an electric generating unit or a co-generating unit that produces electricity along with related equipment necessary to connect the facility to an electric transmission or distribution system.

"Governmental aggregator" means one or more units of local government that individually or collectively procure electricity to serve residential retail electrical loads located within its or their jurisdiction.

"Local government" means a unit of local government as defined in Article VII of Section 1 of the Illinois Constitution.

"Municipality" means a city, village, or incorporated town.

"Person" means any natural person, firm, partnership, corporation, either domestic or foreign, company, association, limited liability company, joint stock company, or association and includes any trustee, receiver, assignee, or personal representative thereof.

"Project" means the planning, bidding, and construction of a facility.

"Public utility" has the same definition as found in Section 3-105 of the Public Utilities Act.

"Real property" means any interest in land together with all structures, fixtures, and improvements thereon, including lands under water and riparian rights, any easements, covenants, licenses, leases, rights-of-way, uses, and other interests, together with any liens, judgments, mortgages, or other claims or security interests related to real property.

"Renewable energy credit" means a tradable credit that represents the environmental attributes of a certain amount of energy produced from a renewable energy resource.

"Renewable energy resources" includes energy and its associated renewable energy credit or renewable energy credits from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, crops and untreated and unadulterated organic waste biomass, tree waste, hydropower that does not involve new construction or significant expansion of hydropower dams, and other alternative sources of environmentally preferable energy. For purposes of this Act, landfill gas produced in the State is considered a renewable energy resource. "Renewable energy resources" does not include the incineration or burning of tires, garbage, general household, institutional, and commercial waste, industrial lunchroom or office waste, landscape waste other than tree waste, railroad crossties, utility poles, or construction or demolition debris, other than untreated and unadulterated waste wood.

"Revenue bond" means any bond, note, or other evidence of indebtedness issued by the Authority, the principal and interest of which is payable solely from revenues or income derived from any project or activity of the Agency.

"Sequester" means permanent storage of carbon dioxide by injecting it into a saline aquifer, a depleted gas reservoir, or an oil reservoir, directly or through an enhanced oil recovery process that may involve intermediate storage, regardless of whether these activities are conducted by a clean coal facility, a clean coal SNG facility, or a party with which a clean coal facility or clean coal SNG facility has contracted for such purposes in a salt dome.

"Servicing agreement" means (i) in the case of an electric utility, an agreement between the owner of a clean coal facility and such electric utility, which agreement shall have terms and conditions meeting the requirements of paragraph (3) of subsection (d) of Section 1-75, and (ii) in the case of an alternative retail electric supplier, an agreement between the owner of a clean coal facility and such alternative retail electric supplier, which agreement shall have terms and conditions meeting the requirements of Section 16-115(d)(5) of the Public Utilities Act.

"Substitute natural gas" or "SNG" means a gas manufactured by gasification of hydrocarbon feedstock, which is substantially interchangeable in use and distribution with conventional natural gas.

"Total resource cost test" or "TRC test" means a standard that is met if, for an investment in energy

efficiency or demand-response measures, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the program to the net present value of the total costs as calculated over the lifetime of the measures. A total resource cost test compares the sum of avoided electric utility costs, representing the benefits that accrue to the system and the participant in the delivery of those efficiency measures, as well as other quantifiable societal benefits, including avoided natural gas utility costs, to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side program, to quantify the net savings obtained by substituting the demand-side program for supply resources. In calculating avoided costs of power and energy that an electric utility would otherwise have had to acquire, reasonable estimates shall be included of financial costs likely to be imposed by future regulations and legislation on emissions of greenhouse gases. (Source: P.A. 95-481, eff. 8-28-07; 95-913, eff. 1-1-09; 95-1027, eff. 6-1-09; 96-33, eff. 7-10-09; 96-159, eff. 8-10-09; 96-784, eff. 8-28-09; 96-1000, eff. 7-2-10.)

Section 10. The Illinois Procurement Code is amended by changing Section 1-10 as follows:

(30 ILCS 500/1-10)

Sec. 1-10. Application.

(a) This Code applies only to procurements for which contractors were first solicited on or after July 1, 1998. This Code shall not be construed to affect or impair any contract, or any provision of a contract, entered into based on a solicitation prior to the implementation date of this Code as described in Article 99, including but not limited to any covenant entered into with respect to any revenue bonds or similar instruments. All procurements for which contracts are solicited between the effective date of Articles 50 and 99 and July 1, 1998 shall be substantially in accordance with this Code and its intent.

(b) This Code shall apply regardless of the source of the funds with which the contracts are paid, including federal assistance moneys. This Code shall not apply to:

(1) Contracts between the State and its political subdivisions or other governments, or between State governmental bodies except as specifically provided in this Code.

(2) Grants, except for the filing requirements of Section 20-80.

(3) Purchase of care.

(4) Hiring of an individual as employee and not as an independent contractor, whether pursuant to an employment code or policy or by contract directly with that individual.

(5) Collective bargaining contracts.

(6) Purchase of real estate, except that notice of this type of contract with a value of more than \$25,000 must be published in the Procurement Bulletin within 7 days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.

(7) Contracts necessary to prepare for anticipated litigation, enforcement actions, or investigations, provided that the chief legal counsel to the Governor shall give his or her prior approval when the procuring agency is one subject to the jurisdiction of the Governor, and provided that the chief legal counsel of any other procuring entity subject to this Code shall give his or her prior approval when the procuring entity is not one subject to the jurisdiction of the Governor.

(8) Contracts for services to Northern Illinois University by a person, acting as an independent contractor, who is qualified by education, experience, and technical ability and is selected by negotiation for the purpose of providing non-credit educational service activities or products by means of specialized programs offered by the university.

(9) Procurement expenditures by the Illinois Conservation Foundation when only private funds are used.

(10) Procurement expenditures by the Illinois Health Information Exchange Authority involving private funds from the Health Information Exchange Fund. "Private funds" means gifts, donations, and private grants.

(c) This Code does not apply to the electric power procurement process provided for under Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act.

(d) Except for Section 20-160 and Article 50 of this Code, and as expressly required by Section 9.1 of the Illinois Lottery Law, the provisions of this Code do not apply to the procurement process provided for under Section 9.1 of the Illinois Lottery Law.

(e) This Code does not apply to the processes used by the Illinois Power Agency to retain a mediator to mediate contract disputes between gas utilities and the clean coal SNG facility and to retain an expert to assist in the review of contracts under subsection (h) of Section 9-220 of the Public Utilities Act. This Code does not apply to the process used by the Illinois Commerce Commission to retain an expert to

assist in determining the actual incurred costs of the clean coal SNG facility and the reasonableness of those costs as required under subsection (h) of Section 9-220 of the Public Utilities Act.

(Source: P.A. 95-481, eff. 8-28-07; 95-615, eff. 9-11-07; 95-876, eff. 8-21-08; 96-840, eff. 12-23-09; 96-1331, eff. 7-27-10.)

Section 15. The Public Utilities Act is amended by changing Sections 3-101 and 9-220 and by adding Sections 3-123, 3-124, 3-125, and 3-126 as follows:

(220 ILCS 5/3-101) (from Ch. 111 2/3, par. 3-101)

Sec. 3-101. Definitions. Unless otherwise specified, the terms set forth in Sections 3-102 through 3-126 ~~3-124~~ are used in this Act as therein defined.

(Source: P.A. 84-617; 84-1118.)

(220 ILCS 5/3-123 new)

Sec. 3-123. Clean coal facility; clean coal SNG facility; sequester; SNG facility; substitute natural gas or SNG. As used in this Act:

"Clean coal facility" shall have the same meaning as provided in Section 1-10 of the Illinois Power Agency Act.

"Clean coal SNG facility" shall have the same meaning as provided in Section 1-10 of the Illinois Power Agency Act.

"Sequester" shall have the same meaning as provided in Section 1-10 of the Illinois Power Agency Act.

"SNG facility" means a facility that produces substitute natural gas from feedstock that includes coal through a gasification process, including a clean coal facility, and the clean coal SNG facility described in subsection (h) of Section 9-220 of this Act.

"Substitute natural gas" or "SNG" shall have the same meaning as provided in Section 1-10 of the Illinois Power Agency Act.

(220 ILCS 5/3-124 new)

Sec. 3-124. Adjusted final capitalized plant cost. "Adjusted final capitalized plant cost" means the final capitalized plant cost reduced by the following, without duplication and to the extent not already accounted for or reflected on the books of the facility: (1) any State of Illinois financial assistance, (2) any U.S. financial assistance, and (3) any quantifiable benefit from a U.S. Clean Coal Gasification Program received by the facility during a period equal to the shorter of (A) the life of such program or (B) the term of the agreement, such quantifiable benefit to be discounted at a rate of 14% per annum over such period.

(220 ILCS 5/3-125 new)

Sec. 3-125. Final capitalized plant cost. "Final capitalized plant cost" means the total capitalized asset cost of the plant of the clean coal SNG facility as reflected on the balance sheet of the facility at the time of the commercial production date, with such capitalized cost to be accrued in accordance with generally accepted accounting principles, and includes, without limitation, the following items: major equipment, the SNG pipeline from the plant to the receiving pipeline, water lines, railroad improvements, access road improvements, all coal transportation assets, including the slurry line, slurry prep plant, carbon dioxide capture metering and compression, licensing fees, all costs incurred in the management planning, oversight and execution of the construction and start-up of the plant, and all fees and costs payable under engineering, procurement, and design contracts for the construct of the plant accrued as of the time of the commercial production date, but does not include capitalized financing costs including capitalized interest during construction and all fees associated with financing, coal reserve leasing costs, marketing, training, any and all costs payable under the contract miner agreement, the cost of coal mining equipment and similar costs, and any other costs, including general and administrative costs, not reasonably incurred in connection with the design, construction, testing, start-up, or commissioning of the plant in preparation for commercial production date.

(220 ILCS 5/3-126 new)

Sec. 3-126. Total capitalized asset cost. "Total capitalized asset cost" means the gross book value of the plant, as determined in accordance with generally accepted accounting principles at the commercial production date.

(220 ILCS 5/9-220) (from Ch. 111 2/3, par. 9-220)

Sec. 9-220. Rate changes based on changes in fuel costs.

(a) Notwithstanding the provisions of Section 9-201, the Commission may authorize the increase or decrease of rates and charges based upon changes in the cost of fuel used in the generation or production of electric power, changes in the cost of purchased power, or changes in the cost of purchased gas through the application of fuel adjustment clauses or purchased gas adjustment clauses. The Commission

may also authorize the increase or decrease of rates and charges based upon expenditures or revenues resulting from the purchase or sale of emission allowances created under the federal Clean Air Act Amendments of 1990, through such fuel adjustment clauses, as a cost of fuel. For the purposes of this paragraph, cost of fuel used in the generation or production of electric power shall include the amount of any fees paid by the utility for the implementation and operation of a process for the desulfurization of the flue gas when burning high sulfur coal at any location within the State of Illinois irrespective of the attainment status designation of such location; but shall not include transportation costs of coal (i) except to the extent that for contracts entered into on and after the effective date of this amendatory Act of 1997, the cost of the coal, including transportation costs, constitutes the lowest cost for adequate and reliable fuel supply reasonably available to the public utility in comparison to the cost, including transportation costs, of other adequate and reliable sources of fuel supply reasonably available to the public utility, or (ii) except as otherwise provided in the next 3 sentences of this paragraph. Such costs of fuel shall, when requested by a utility or at the conclusion of the utility's next general electric rate proceeding, whichever shall first occur, include transportation costs of coal purchased under existing coal purchase contracts. For purposes of this paragraph "existing coal purchase contracts" means contracts for the purchase of coal in effect on the effective date of this amendatory Act of 1991, as such contracts may thereafter be amended, but only to the extent that any such amendment does not increase the aggregate quantity of coal to be purchased under such contract. Nothing herein shall authorize an electric utility to recover through its fuel adjustment clause any amounts of transportation costs of coal that were included in the revenue requirement used to set base rates in its most recent general rate proceeding. Cost shall be based upon uniformly applied accounting principles. Annually, the Commission shall initiate public hearings to determine whether the clauses reflect actual costs of fuel, gas, power, or coal transportation purchased to determine whether such purchases were prudent, and to reconcile any amounts collected with the actual costs of fuel, power, gas, or coal transportation prudently purchased. In each such proceeding, the burden of proof shall be upon the utility to establish the prudence of its cost of fuel, power, gas, or coal transportation purchases and costs. The Commission shall issue its final order in each such annual proceeding for an electric utility by December 31 of the year immediately following the year to which the proceeding pertains, provided, that the Commission shall issue its final order with respect to such annual proceeding for the years 1996 and earlier by December 31, 1998.

(b) A public utility providing electric service, other than a public utility described in subsections (e) or (f) of this Section, may at any time during the mandatory transition period file with the Commission proposed tariff sheets that eliminate the public utility's fuel adjustment clause and adjust the public utility's base rate tariffs by the amount necessary for the base fuel component of the base rates to recover the public utility's average fuel and power supply costs per kilowatt-hour for the 2 most recent years for which the Commission has issued final orders in annual proceedings pursuant to subsection (a), where the average fuel and power supply costs per kilowatt-hour shall be calculated as the sum of the public utility's prudent and allowable fuel and power supply costs as found by the Commission in the 2 proceedings divided by the public utility's actual jurisdictional kilowatt-hour sales for those 2 years. Notwithstanding any contrary or inconsistent provisions in Section 9-201 of this Act, in subsection (a) of this Section or in any rules or regulations promulgated by the Commission pursuant to subsection (g) of this Section, the Commission shall review and shall by order approve, or approve as modified, the proposed tariff sheets within 60 days after the date of the public utility's filing. The Commission may modify the public utility's proposed tariff sheets only to the extent the Commission finds necessary to achieve conformance to the requirements of this subsection (b). During the 5 years following the date of the Commission's order, but in any event no earlier than January 1, 2007, a public utility whose fuel adjustment clause has been eliminated pursuant to this subsection shall not file proposed tariff sheets seeking, or otherwise petition the Commission for, reinstatement of a fuel adjustment clause.

(c) Notwithstanding any contrary or inconsistent provisions in Section 9-201 of this Act, in subsection (a) of this Section or in any rules or regulations promulgated by the Commission pursuant to subsection (g) of this Section, a public utility providing electric service, other than a public utility described in subsection (e) or (f) of this Section, may at any time during the mandatory transition period file with the Commission proposed tariff sheets that establish the rate per kilowatt-hour to be applied pursuant to the public utility's fuel adjustment clause at the average value for such rate during the preceding 24 months, provided that such average rate results in a credit to customers' bills, without making any revisions to the public utility's base rate tariffs. The proposed tariff sheets shall establish the fuel adjustment rate for a specific time period of at least 3 years but not more than 5 years, provided that the terms and conditions for any reinstatement earlier than 5 years shall be set forth in the proposed tariff sheets and subject to modification or approval by the Commission. The Commission shall review and shall by order approve

the proposed tariff sheets if it finds that the requirements of this subsection are met. The Commission shall not conduct the annual hearings specified in the last 3 sentences of subsection (a) of this Section for the utility for the period that the factor established pursuant to this subsection is in effect.

(d) A public utility providing electric service, or a public utility providing gas service may file with the Commission proposed tariff sheets that eliminate the public utility's fuel or purchased gas adjustment clause and adjust the public utility's base rate tariffs to provide for recovery of power supply costs or gas supply costs that would have been recovered through such clause; provided, that the provisions of this subsection (d) shall not be available to a public utility described in subsections (e) or (f) of this Section to eliminate its fuel adjustment clause. Notwithstanding any contrary or inconsistent provisions in Section 9-201 of this Act, in subsection (a) of this Section, or in any rules or regulations promulgated by the Commission pursuant to subsection (g) of this Section, the Commission shall review and shall by order approve, or approve as modified in the Commission's order, the proposed tariff sheets within 240 days after the date of the public utility's filing. The Commission's order shall approve rates and charges that the Commission, based on information in the public utility's filing or on the record if a hearing is held by the Commission, finds will recover the reasonable, prudent and necessary jurisdictional power supply costs or gas supply costs incurred or to be incurred by the public utility during a 12 month period found by the Commission to be appropriate for these purposes, provided, that such period shall be either (i) a 12 month historical period occurring during the 15 months ending on the date of the public utility's filing, or (ii) a 12 month future period ending no later than 15 months following the date of the public utility's filing. The public utility shall include with its tariff filing information showing both (1) its actual jurisdictional power supply costs or gas supply costs for a 12 month historical period conforming to (i) above and (2) its projected jurisdictional power supply costs or gas supply costs for a future 12 month period conforming to (ii) above. If the Commission's order requires modifications in the tariff sheets filed by the public utility, the public utility shall have 7 days following the date of the order to notify the Commission whether the public utility will implement the modified tariffs or elect to continue its fuel or purchased gas adjustment clause in force as though no order had been entered. The Commission's order shall provide for any reconciliation of power supply costs or gas supply costs, as the case may be, and associated revenues through the date that the public utility's fuel or purchased gas adjustment clause is eliminated. During the 5 years following the date of the Commission's order, a public utility whose fuel or purchased gas adjustment clause has been eliminated pursuant to this subsection shall not file proposed tariff sheets seeking, or otherwise petition the Commission for, reinstatement or adoption of a fuel or purchased gas adjustment clause. Nothing in this subsection (d) shall be construed as limiting the Commission's authority to eliminate a public utility's fuel adjustment clause or purchased gas adjustment clause in accordance with any other applicable provisions of this Act.

(e) Notwithstanding any contrary or inconsistent provisions in Section 9-201 of this Act, in subsection (a) of this Section, or in any rules promulgated by the Commission pursuant to subsection (g) of this Section, a public utility providing electric service to more than 1,000,000 customers in this State may, within the first 6 months after the effective date of this amendatory Act of 1997, file with the Commission proposed tariff sheets that eliminate, effective January 1, 1997, the public utility's fuel adjustment clause without adjusting its base rates, and such tariff sheets shall be effective upon filing. To the extent the application of the fuel adjustment clause had resulted in net charges to customers after January 1, 1997, the utility shall also file a tariff sheet that provides for a refund stated on a per kilowatt-hour basis of such charges over a period not to exceed 6 months; provided however, that such refund shall not include the proportional amounts of taxes paid under the Use Tax Act, Service Use Tax Act, Service Occupation Tax Act, and Retailers' Occupation Tax Act on fuel used in generation. The Commission shall issue an order within 45 days after the date of the public utility's filing approving or approving as modified such tariff sheet. If the fuel adjustment clause is eliminated pursuant to this subsection, the Commission shall not conduct the annual hearings specified in the last 3 sentences of subsection (a) of this Section for the utility for any period after December 31, 1996 and prior to any reinstatement of such clause. A public utility whose fuel adjustment clause has been eliminated pursuant to this subsection shall not file a proposed tariff sheet seeking, or otherwise petition the Commission for, reinstatement of the fuel adjustment clause prior to January 1, 2007.

(f) Notwithstanding any contrary or inconsistent provisions in Section 9-201 of this Act, in subsection (a) of this Section, or in any rules or regulations promulgated by the Commission pursuant to subsection (g) of this Section, a public utility providing electric service to more than 500,000 customers but fewer than 1,000,000 customers in this State may, within the first 6 months after the effective date of this amendatory Act of 1997, file with the Commission proposed tariff sheets that eliminate, effective January 1, 1997, the public utility's fuel adjustment clause and adjust its base rates by the amount necessary for the base fuel component of the base rates to recover 91% of the public utility's average fuel

and power supply costs for the 2 most recent years for which the Commission, as of January 1, 1997, has issued final orders in annual proceedings pursuant to subsection (a), where the average fuel and power supply costs per kilowatt-hour shall be calculated as the sum of the public utility's prudent and allowable fuel and power supply costs as found by the Commission in the 2 proceedings divided by the public utility's actual jurisdictional kilowatt-hour sales for those 2 years, provided, that such tariff sheets shall be effective upon filing. To the extent the application of the fuel adjustment clause had resulted in net charges to customers after January 1, 1997, the utility shall also file a tariff sheet that provides for a refund stated on a per kilowatt-hour basis of such charges over a period not to exceed 6 months. Provided however, that such refund shall not include the proportional amounts of taxes paid under the Use Tax Act, Service Use Tax Act, Service Occupation Tax Act, and Retailers' Occupation Tax Act on fuel used in generation. The Commission shall issue an order within 45 days after the date of the public utility's filing approving or approving as modified such tariff sheet. If the fuel adjustment clause is eliminated pursuant to this subsection, the Commission shall not conduct the annual hearings specified in the last 3 sentences of subsection (a) of this Section for the utility for any period after December 31, 1996 and prior to any reinstatement of such clause. A public utility whose fuel adjustment clause has been eliminated pursuant to this subsection shall not file a proposed tariff sheet seeking, or otherwise petition the Commission for, reinstatement of the fuel adjustment clause prior to January 1, 2007.

(g) The Commission shall have authority to promulgate rules and regulations to carry out the provisions of this Section.

(h) Any Illinois gas utility may enter into a contract on or before March 31, 2011 for up to 10 years of supply with any company for the purchase of substitute natural gas (SNG) produced from coal through the gasification process if the company has commenced construction of a clean coal SNG gasification facility by July 1, 2012 in Jefferson County and commencement of construction shall mean that material physical site work has occurred, such as site clearing and excavation, water runoff prevention, water retention reservoir preparation, or foundation development. The contract shall contain the following provisions: (i) at least 90% of feedstock ~~the only coal~~ to be used in the gasification process shall be coal with a ~~has~~ high volatile bituminous rank and greater than 1.7 pounds of sulfur per million Btu content; (ii) at the time the contract term commences, the price per million Btu may not exceed \$7.95 in 2008 dollars, adjusted annually based on the change in the Annual Consumer Price Index for All Urban Consumers for the Midwest Region as published in April by the United States Department of Labor, Bureau of Labor Statistics (or a suitable Consumer Price Index calculation if this Consumer Price Index is not available) for the previous calendar year; provided that the price per million Btu shall not exceed \$9.95 at any time during the contract; (iii) the utility's aggregate long-term supply contract contracts for the purchase of SNG does not exceed 15% ~~25%~~ of the annual system supply requirements of the utility as of 2008 and the quantity of SNG supplied to a utility may not exceed 16 million MMBtus; and (iv) the contract costs pursuant to subsection (h-10) of this Section shall not include any lobbying expenses, charitable contributions, advertising, organizational memberships, carbon dioxide pipeline or sequestration expenses, or marketing expenses per year.

Any gas utility that is providing service to more than 150,000 customers on the effective date of this amendatory Act of the 97th General Assembly shall either elect to enter into a contract on or before September 30, 2011 for 10 years of SNG supply with the owner of a clean coal SNG facility or to file biennial rate proceedings before the Commission in the years 2012, 2014, and 2016, with such filings made after the effective date of this amendatory Act of the 97th General Assembly and no later than September 30 of the years 2012, 2014, and 2016 consistent with all requirements of 83 Ill. Adm. Code 255 and 285 as though the gas utility were filing for an increase in its rates, without regard to whether such filing would produce an increase, a decrease, or no change in the gas utility's rates, and the Commission shall review the gas utility's filing and shall issue its order in accordance with the provisions of Section 9-201 of this Act.

Within 7 days after the effective date of this amendatory Act of the 97th General Assembly, the owner of the clean coal SNG facility shall submit to the Illinois Power Agency and each gas utility that is providing service to more than 150,000 customers on the effective date of this amendatory Act of the 97th General Assembly a copy of a draft contract. Within 30 days after the receipt of the draft contract, each such gas utility shall provide the Illinois Power Agency and the owner of the clean coal SNG facility with its comments and recommended revisions to the draft contract. Within 7 days after the receipt of the gas utility's comments and recommended revisions, the owner of the facility shall submit its responsive comments and a further revised draft of the contract to the Illinois Power Agency. The Illinois Power Agency shall review the draft contract and comments.

During its review of the draft contract, the Illinois Power Agency shall:

(1) review and confirm in writing that the terms stated in this subsection (h) are incorporated in the



SNG contract:

(2) review the SNG pricing formula included in the contract and approve that formula if the Illinois Power Agency determines that the formula, at the time the contract term commences: (A) starts with a price of \$6.50 per MMBtu adjusted by the adjusted final capitalized plant cost; (B) takes into account budgeted miscellaneous net revenue after cost allowance, including sale of SNG produced by the clean coal SNG facility above the nameplate capacity of the facility and other by-products produced by the facility, as approved by the Illinois Power Agency; (C) does not include carbon dioxide transportation or sequestration expenses; and (D) includes all provisions required under this subsection (h); if the Illinois Power Agency does not approve of the SNG pricing formula, then the Illinois Power Agency shall modify the formula to ensure that it meets the requirements of this subsection (h);

(3) review and approve the amount of budgeted miscellaneous net revenue after cost allowance, including sale of SNG produced by the clean coal SNG facility above the nameplate capacity of the facility and other by-products produced by the facility, to be included in the pricing formula; the Illinois Power Agency shall approve the amount of budgeted miscellaneous net revenue to be included in the pricing formula if it determines the budgeted amount to be reasonable and accurate;

(4) review and confirm in writing that using the EIA Annual Energy Outlook-2011 Henry Hub Spot Price, the contract terms set out in subsection (h), the reconciliation account terms as set out in subsection (h-15), and an estimated inflation rate of 2.5%, that there will be no cumulative estimated increase for residential customers; and

(5) allocate the nameplate capacity of the clean coal SNG by total terms sold to ultimate customers by each gas utility in 2008; provided, however, no utility shall be required to purchase more than 42% of the projected annual output of the facility; additionally, the Illinois Power Agency shall further adjust the allocation only as required to take into account (A) adverse consolidation, derivative, or lease impacts to the balance sheet or income statement of any gas utility or (B) the physical capacity of the gas utility to accept SNG.

If the parties to the contract do not agree on the terms therein, then the Illinois Power Agency shall retain an independent mediator to mediate the dispute between the parties. If the parties are in agreement on the terms of the contract, then the Illinois Power Agency shall approve the contract. If after mediation the parties have failed to come to agreement, then the Illinois Power Agency shall revise the draft contract as necessary to confirm that the contract contains only terms that are reasonable and equitable. The Illinois Power Agency may, in its discretion, retain an independent, qualified, and experienced expert to assist in its obligations under this subsection (h). The Illinois Power Agency shall adopt and make public policies detailing the processes for retaining a mediator and an expert under this subsection (h). Any mediator or expert retained under this subsection (h) shall be retained no later than 60 days after the effective date of this amendatory Act of the 97th General Assembly.

The Illinois Power Agency shall complete all of its responsibilities under this subsection (h) within 60 days after the effective date of this amendatory Act of the 97th General Assembly. The clean coal SNG facility shall pay a reasonable fee as required by the Illinois Power Agency for its services under this subsection (h) and shall pay the mediator's and expert's reasonable fees, if any. A gas utility and its customers shall have no obligation to reimburse the clean coal SNG facility or the Illinois Power Agency of any such costs.

Within 30 days after commercial production of SNG has begun, the Commission shall initiate a review to determine whether the final capitalized plant cost of the clean coal SNG facility reflects actual incurred costs and whether the incurred costs were reasonable. In determining the actual incurred costs included in the final capitalized plant cost and the reasonableness of those costs, the Commission may in its discretion retain independent, qualified, and experienced experts to assist in its determination. The expert shall not own or control any direct or indirect interest in the clean coal SNG facility and shall have no contractual relationship with the clean coal SNG facility. If an expert is retained by the Commission, then the clean coal SNG facility shall pay the expert's reasonable fees. The fees shall not be passed on to a utility or its customers. The Commission shall adopt and make public a policy detailing the process for retaining experts under this subsection (h).

Within 30 days after completion of its review, the Commission shall initiate a formal proceeding on the final capitalized plant cost of the clean coal SNG facility at which comments and testimony may be submitted by any interested parties and the public. If the Commission finds that the final capitalized plant cost includes costs that were not actually incurred or costs that were unreasonably incurred, then the Commission shall disallow the amount of non-incurred or unreasonable costs from the SNG price under contracts entered into under this subsection (h). If the Commission disallows any costs, then the Commission shall adjust the SNG price using the price formula in the contract approved by the Illinois Power Agency under this subsection (h) to reflect the disallowed costs and shall enter an order

specifying the revised price. In addition, the Commission's order shall direct the clean coal SNG facility to issue refunds of such sums as shall represent the difference between actual gross revenues and the gross revenue that would have been obtained based upon the same volume, from the price revised by the Commission. Any refund shall include interest calculated at a rate determined by the Commission and shall be returned according to procedures prescribed by the Commission.

Nothing in this subsection (h) shall preclude any party affected by a decision of the Commission under this subsection (h) from seeking judicial review of the Commission's decision.

(h-5) All contracts entered into under subsection (h) of this Section, regardless of duration, shall require the owner of any facility supplying SNG under the contract to provide documentation to the Commission each year, starting in the facility's first year of commercial operation, accurately reporting the quantity of carbon dioxide emissions from the facility that have been captured and sequestered and reporting any quantities of carbon dioxide released from the site or sites at which carbon dioxide emissions were sequestered in prior years, based on continuous monitoring of those sites.

If, in any year, the owner of the clean coal SNG facility fails to demonstrate that the SNG facility captured and sequestered at least 90% of the total carbon dioxide emissions that the facility would otherwise emit or that sequestration of emissions from prior years has failed, resulting in the release of carbon dioxide into the atmosphere, then the owner of the clean coal SNG facility must pay a penalty of \$20 per ton of excess carbon dioxide emissions not to exceed \$40,000,000, in any given year which shall be deposited into the Energy Efficiency Trust Fund and distributed pursuant to the subsection (b) of Section 6-6 of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997. On or before the 5-year anniversary of the execution of the contract and every 5 years thereafter, an expert hired by the owner of the facility with the approval of the Attorney General shall conduct an analysis to determine the cost of sequestration of at least 90% of the total carbon dioxide emissions the plant would otherwise emit. If the analysis shows that the actual annual cost is greater than the penalty, then the penalty shall be increased to equal the actual cost. Provided, however, to the extent that the owner of the facility described in subsection (h) of this Act can demonstrate that the failure was as a result of acts of God (including fire, flood, earthquake, tornado, lightning, hurricane, or other natural disaster); any amendment, modification, or abrogation of any applicable law or regulation that would prevent performance; war; invasion; act of foreign enemies; hostilities (regardless of whether war is declared); civil war; rebellion; revolution; insurrection; military or usurped power or confiscation; terrorist activities; civil disturbance; riots; nationalization; sabotage; blockage; or embargo, the owner of the facility described in subsection (h) of this Act shall not be subject to a penalty if and only if (i) it promptly provides notice of its failure to the Commission; (ii) as soon as practicable and consistent with any order or direction from the Commission, it submits to the Commission proposed modifications to its carbon capture and sequestration plan; and (iii) it carries out its proposed modifications in the manner and time directed by the Commission.

If the Commission finds that the facility has not satisfied each of these requirements, then the facility shall be subject to the penalty. If the owner of the clean coal SNG facility captured and sequestered more than 90% of the total carbon emissions that the facility would otherwise emit, then the owner of the facility may credit such additional amounts to reduce the amount of any future penalty to be paid. The penalty resulting from the failure to capture and sequester at least the minimum amount of carbon dioxide shall not be passed on to a utility or its customers.

If the clean coal SNG facility fails to meet the requirements specified in this subsection (h-5), then the Attorney General, on behalf of the People of the State of Illinois, shall bring an action for specific performance of the obligations related to the facility set forth in this subsection (h-5), including any penalty payments owed, but not including the physical obligation to capture and sequester at least 90% of the total carbon emissions that the facility would otherwise emit. Such action may be filed in any circuit court in Illinois. By entering into a contract pursuant to subsection (h) of this Section, the clean coal SNG facility agrees to waive any objections to venue or to the jurisdiction of the court with regard to the Attorney General's action for specific performance under this subsection (h-5).

Compliance with the sequestration requirements and any penalty requirements specified in this subsection (h-5) for the clean coal SNG facility shall be assessed annually by the Commission, which may in its discretion retain an expert to facilitate its assessment. If any expert is retained by the Commission, then the clean coal SNG facility shall pay for the expert's reasonable fees, and such costs shall not be passed through to the utility or its customers.

In addition, carbon dioxide emission credits received by the clean coal SNG facility in connection with sequestration of carbon dioxide from the facility must be sold in a timely fashion with any revenue, less applicable fees and expenses and any expenses required to be paid by facility for carbon dioxide transportation or sequestration, deposited into the reconciliation account within 30 days after receipt of

such funds by the owner of the clean coal SNG facility.

The clean coal SNG facility is prohibited from transporting or sequestering carbon dioxide unless the owner of the carbon dioxide pipeline that transfers the carbon dioxide from the facility and the owner of the sequestration site where the carbon dioxide captured by the facility is stored has acquired all applicable permits under applicable State and federal laws, statutes, rules, or regulations prior to the transfer or sequestration of carbon dioxide. The responsibility for compliance with the sequestration requirements specified in this subsection (h-5) for the clean coal SNG facility shall reside solely with the clean coal SNG facility, regardless of the whether the facility has contracted with another party to capture, transport, or sequester carbon dioxide.

(h-7) Sequestration permitting, oversight, and investigations. No clean coal facility may transport or sequester carbon dioxide unless the Commission approves the method of carbon dioxide transportation or sequestration. Such approval shall be required regardless of whether the facility has contracted with another to transport or sequester the carbon dioxide. Nothing in this subsection (h-7) shall release the owner or operator of a carbon dioxide sequestration site or carbon dioxide pipeline from any other permitting requirements under applicable State and federal laws, statutes, rules, or regulations.

The Commission shall review carbon dioxide transportation and sequestration methods proposed by a clean coal facility and shall approve those methods it deems reasonable and cost-effective. For purposes of this review, "cost-effective" means a commercially reasonable price for similar carbon dioxide transportation or sequestration techniques. In determining whether sequestration is reasonable and cost-effective, the Commission may consult with the Illinois State Geological Survey and retain third parties to assist in its determination, provided that such third parties shall not own or control any direct or indirect interest in the facility that is proposing the carbon dioxide transportation or the carbon dioxide sequestration method and shall have no contractual relationship with that facility. If a third party is retained by the Commission, then the facility proposing the carbon dioxide transportation or sequestration method shall pay for the expert's reasonable fees, and these costs shall not be passed through to a utility or its customers.

No later than 6 months prior to the date upon which the owner intends to commence construction of a clean coal facility the owner of the facility shall file with the Commission a carbon dioxide transportation or sequestration plan. The Commission shall hold a public hearing within 30 days after receipt of the facility's carbon dioxide transportation or sequestration plan. The Commission shall post notice of the review on its website upon submission of a carbon dioxide transportation or sequestration method and shall accept written public comments. The Commission shall take the comments into account when making its decision.

The Commission may not approve a carbon dioxide sequestration method if the owner or operator of the sequestration site has not received (i) an Underground Injection Control permit from the Illinois Environmental Protection Agency pursuant to the Environmental Protection Act; (ii) an Underground Injection Control permit from the Illinois Department of Natural Resources pursuant to the Illinois Oil and Gas Act; or (iii) a permit similar to items (i) or (ii) from the state in which the sequestration site is located if the sequestration will take place outside of Illinois. The Commission shall approve or deny the carbon dioxide transportation or sequestration method within 90 days after the receipt of all required information.

At least annually, the Illinois Environmental Protection Agency shall inspect all carbon dioxide sequestration sites in Illinois. The Illinois Environmental Protection Agency may, as often as deemed necessary, monitor and conduct investigations of those sites. The owner or operator of the sequestration site must cooperate with the Illinois Environmental Protection Agency investigations of carbon dioxide sequestration sites.

If the Illinois Environmental Protection Agency determines at any time a site creates conditions that warrant the issuance of a seal order under Section 34 of the Environmental Protection Act, then the Illinois Environmental Protection Agency shall seal the site pursuant to the Environmental Protection Act. If the Illinois Environmental Protection Agency determines at any time a carbon dioxide sequestration site creates conditions that warrant the institution of a civil action for an injunction under Section 43 of the Environmental Protection Act, then the Illinois Environmental Protection Agency shall request the State's Attorney or the Attorney General institute such action. The Illinois Environmental Protection Agency shall provide notice of any such actions as soon as possible on its website. The facility shall incur all reasonable costs associated with any such inspection or monitoring of the sequestration sites, and these costs shall not be recoverable from utilities or their customers.

At least annually, the Commission shall inspect all carbon dioxide pipelines in Illinois that transport carbon dioxide to ensure the safety and feasibility of those pipelines. The Commission may, as often as deemed necessary, monitor and conduct investigations of those pipelines. The owner or operator of the

pipeline must cooperate with the Commission investigations of the carbon dioxide pipelines.

In circumstances whereby a carbon dioxide pipeline creates a substantial danger to the environment or to the public health of persons or to the welfare of persons where such danger is to the livelihood of such persons, the State's Attorney or Attorney General, upon the request of the Commission or on his or her own motion, may institute a civil action for an immediate injunction to halt any discharge or other activity causing or contributing to the danger or to require such other action as may be necessary. The court may issue an ex parte order and shall schedule a hearing on the matter not later than 3 working days after the date of injunction. The Commission shall provide notice of any such actions as soon as possible on its website. The SNG facility shall incur all reasonable costs associated with any such inspection or monitoring of the sequestration sites, and these costs shall not be recoverable from a utility or its customers.

~~(h-5) The Attorney General, on behalf of the people of the State of Illinois, may specifically enforce the requirements of this subsection (h-5). All contracts, regardless of duration, shall require the owner of any facility supplying SNG under the contract to provide documentation to the Commission each year, starting in the facility's first year of commercial operation, accurately reporting the quantity of carbon dioxide emissions from the facility that have been captured and sequestered and reporting any quantities of carbon dioxide released from the site or sites at which carbon dioxide emissions were sequestered in prior years, based on continuous monitoring of those sites. If, in any year, the owner of the facility fails to demonstrate that the SNG facility captured and sequestered at least 90% of the total carbon dioxide emissions that the facility would otherwise emit or that sequestration of emissions from prior years has failed, resulting in the release of carbon dioxide into the atmosphere, then the owner of the facility must offset excess emissions. Any such carbon dioxide offsets must be permanent, additional, verifiable, real, located within the State of Illinois, and legally and practicably enforceable; provided that the owner of the facility shall not be obligated to acquire carbon dioxide emission offsets to the extent that the cost of acquiring such offsets would exceed \$40 million in any given year. No costs of any purchases of carbon offsets may be recovered from a utility or its customers. All carbon offsets purchased for this purpose must be permanently retired. In addition, carbon dioxide emission credits equivalent to 50% of the amount of credits associated with the required sequestration of carbon dioxide from the facility must be permanently retired. Compliance with the sequestration requirements and the offset purchase requirements specified in this subsection (h-5) shall be assessed annually by an independent expert retained by the owner of the SNG facility, with the advance written approval of the Attorney General. A SNG facility operating pursuant to this subsection (h-5) shall not forfeit its designation as a clean coal SNG facility if the facility fails to fully comply with the applicable carbon sequestration requirements in any given year, provided the requisite offsets are purchased.~~

(h-10) Contract costs for SNG incurred by an Illinois gas utility are reasonable and prudent and recoverable through the purchased gas adjustment clause and are not subject to review or disallowance by the Commission. Contract costs are costs incurred by the utility under the terms of a contract that incorporates the terms stated in subsection (h) of this Section as confirmed in writing by the Illinois Power Agency as set forth in subsection (h) ~~(h-20)~~ of this Section, which confirmation shall be deemed conclusive, or as a consequence of or condition to its performance under the contract, including (i) amounts paid for SNG under the SNG contract as adjusted for the clean coal SNG facility rider mechanism and (ii) costs of transportation and storage services of SNG purchased from interstate pipelines under federally approved tariffs. The clean coal SNG facility rider mechanism (A) shall be applicable to all customers who receive transportation service from the utility, (B) shall be designed to have an equal percentage impact on the transportation services rates of each class of the utility's total customers, and (C) shall accurately reflect the net customer savings, if any, and above market costs, if any, under the SNG contract. Any contract, the terms of which have been confirmed in writing by the Illinois Power Agency as set forth in subsection (h) ~~(h-20)~~ of this Section and the performance of the parties under such contract cannot be grounds for challenging prudence or cost recovery by the utility through the purchased gas adjustment clause, and in such cases, the Commission is directed not to consider, and has no authority to consider, any attempted challenges.

The contracts entered into by Illinois gas utilities pursuant to subsection (h) of this Section shall provide that the utility retains the right to terminate the contract without further obligation or liability to any party if the contract has been impaired as a result of any legislative, administrative, judicial, or other governmental action that is taken that eliminates all or part of the prudence protection of this subsection (h-10) or denies the recoverability of all or part of the contract costs through the purchased gas adjustment clause. Should any Illinois gas utility exercise its right under this subsection (h-10) to terminate the contract, all contract costs incurred prior to termination are and will be deemed reasonable, prudent, and recoverable as and when incurred and not subject to review or disallowance by the

Commission. Any order, issued by the State requiring or authorizing the discontinuation of the merchant function, defined as the purchase and sale of natural gas by an Illinois gas utility for the ultimate consumer in its service territory shall include provisions necessary to prevent the impairment of the value of any contract hereunder over its full term.

(h-15) Reconciliation account. The clean coal SNG facility shall establish a reconciliation account for the benefit of the retail customers of the utilities that have entered into contracts with the clean coal SNG facility pursuant to subsection (h). The reconciliation account shall be maintained and administered by an independent trustee that is mutually agreed upon by the owners of the clean coal SNG facility, the utilities, and the Commission in an interest-bearing account in accordance with the following:

(1) The clean coal SNG facility shall conduct an analysis annually within 60 days after receiving the necessary cost information, which shall be provided by the gas utility within 6 months after the end of the preceding calendar year, to determine (i) the average annual contract SNG cost, which shall be calculated as the total amount paid for SNG purchased from the clean coal SNG facility over the preceding 12 months, plus the cost to the utility of the required transportation and storage services of SNG, divided by the total number of MMBtus of SNG actually purchased from the clean coal SNG facility in the preceding 12 months under the utility contract; (ii) the average annual natural gas purchase cost, which shall be calculated as the total annual supply costs paid for natural gas (excluding any SNG) purchased by such utility over the preceding 12 months plus the costs of transportation and storage services of such natural gas (excluding such costs for SNG), divided by the total number of MMBtus of natural gas (excluding SNG) actually purchased by the utility during the year; (iii) the cost differential, which shall be the difference between the average annual contract SNG cost and the average annual natural gas purchase cost; and (iv) the revenue share target which shall be the cost differential multiplied by the total amount of SNG purchased over the preceding 12 months under such utility contract.

(A) To the extent the annual average contract SNG cost is less than the annual average natural gas purchase cost the utility shall credit an amount equal to the revenue share target to the reconciliation account. Such credit payment shall be made within 30 days after the completed analysis in this subsection (h-15) and pursuant to this subparagraph (A) shall be deemed prudent and reasonable and not subject to Commission prudence review.

(B) To the extent the annual average contract SNG cost is greater than the annual average natural gas purchase cost the reconciliation account shall be used to provide a credit equal to the revenue share target to the utilities to be used to reduce the utility's natural gas costs through the purchased gas adjustment clause. Such payment shall be made within 30 days after the completed analysis pursuant to this subsection (h-15).

(2) At the conclusion of the term of the SNG contracts pursuant to subsection (h) and the completion of the final annual analysis pursuant to this subsection (h-15), to the extent the facility owes any amount to retail customers, amounts in the account shall be credited to retail customers to the extent the owed amount is repaid; 50% of any additional amount in the reconciliation account shall be distributed to the utilities to be used to reduce the utilities' natural gas costs through the purchase gas adjustment clause with the remaining amount distributed to the clean coal SNG facility. Such payment shall be made within 30 days after the last completed analysis pursuant to this subsection (h-15). If the facility has repaid all owed amounts, if any, to retail customers and has distributed 50% of any additional amount in the account to the utilities, then the owners of the clean coal SNG facility shall have no further obligation to the utility or the retail customers.

If, at the conclusion of the term of the contracts pursuant to subsection (h) and the completion of the final annual analysis pursuant to this subsection (h-15), the facility owes any amount to retail customers and the account has been depleted, then the clean coal SNG facility shall be liable for any remaining amount owed to the retail customers. The clean coal SNG facility shall market the daily production of SNG and distribute on a monthly basis 5% of the amounts collected with respect to such future sales to the utilities in proportion to each utility's SNG contract to be used to reduce the utility's natural gas costs through the purchase gas adjustment clause; such payments to the utility shall continue until either 15 years after the conclusion of the contract or such time as the sum of such payments equals the remaining amount owed to the retail customers at the end of the contract, whichever is earlier. If the debt to the retail customers is not repaid within 15 years after the conclusion of the contract, then the owner of the clean coal SNG facility must sell the facility, and all proceeds from that sale must be used to repay any amount owed to the retail customers under this subsection (h-15).

The retail customers shall have first priority in recovering that debt above any creditors, except the secured lenders to the extent that the secured lenders have any secured debt outstanding, including any parent companies or affiliates of the clean coal SNG facility.

(3) 50% of all additional net revenue, defined as miscellaneous net revenue after cost allowance and

above the budgeted estimate established for revenue pursuant to subsection (h), including sale of substitute natural gas derived from the clean coal SNG facility above the nameplate capacity of the facility and other by-products produced by the facility, shall be credited to the reconciliation account on an annual basis with such payment made within 30 days after the end of each calendar year during the term of the contract.

(4) The clean coal SNG facility shall each year, starting in the facility's first year of commercial operation, file with the Commission, in such form as the Commission shall require, a report as to the reconciliation account. The annual report must contain the following information:

(A) the revenue share target amount;

(B) the amount credited or debited to the reconciliation account during the year;

(C) the amount credited to the utilities to be used to reduce the utilities natural gas costs through the purchase gas adjustment clause;

(D) the total amount of reconciliation account at the beginning and end of the year;

(E) the total amount of consumer saving to date; and

(F) any additional information the Commission may require.

When any report is erroneous or defective or appears to the Commission to be erroneous or defective, the Commission may notify the clean coal SNG facility to amend the report within 30 days; before or after the termination of the 30-day period, the Commission may examine the trustee of the reconciliation account or the officers, agents, employees, books records, or accounts of the clean coal SNG facility and correct such items in the report as upon such examination the Commission may find defective or erroneous. All reports shall be under oath.

All reports made to the Commission by the clean coal SNG facility and the contents of the reports shall be open to public inspection and shall be deemed a public record under the Freedom of Information Act. Such reports shall be preserved in the office of the Commission. The Commission shall publish an annual summary of the reports prior to February 1 of the following year. The annual summary shall be made available to the public on the Commission's website and shall be submitted to the General Assembly.

Any facility that fails to file the report required under this paragraph (4) to the Commission within the time specified or to make specific answer to any question propounded by the Commission within 30 days after the time it is lawfully required to do so, or within such further time not to exceed 90 days as may be allowed by the Commission in its discretion, shall pay a penalty of \$500 to the Commission for each day it is in default.

Any person who willfully makes any false report to the Commission or to any member, officer, or employee thereof, any person who willfully in a report withholds or fails to provide material information to which the Commission is entitled under this paragraph (4) and which information is either required to be filed by statute, rule, regulation, order, or decision of the Commission or has been requested by the Commission, and any person who willfully aids or abets such person shall be guilty of a Class A misdemeanor.

With respect to each contract entered into by the company with an Illinois utility in accordance with the terms stated in subsection (h) of this Section, within 60 days following the completion of purchases of SNG, the Illinois Power Agency shall conduct an analysis to determine (i) the average contract SNG cost, which shall be calculated as the total amount paid to a company for SNG over the contract term, plus the cost to the utility of the required transportation and storage services of SNG, divided by the total number of MMBtus of SNG actually purchased under the utility contract; (ii) the average natural gas purchase cost, which shall be calculated as the total annual supply costs paid for natural gas (excluding SNG) purchased by such utility over the contract term, plus the costs of transportation and storage services of such natural gas (excluding such costs for SNG), divided by the total number of MMBtus of natural gas (excluding SNG) actually purchased by the utility during the contract term; (iii) the cost differential, which shall be the difference between the average contract SNG cost and the average natural gas purchase cost; and (iv) the revenue share target, which shall be the cost differential multiplied by the total amount of SNG purchased under such utility contract.

If the average contract SNG cost is equal to or less than the average natural gas purchase cost, then the company shall have no further obligation to the utility. If the

average contract SNG cost for such SNG contract is greater than the average natural gas purchase cost for such utility, then the company shall market the daily production of SNG and distribute on a monthly basis 5% of amounts collected with respect to such future sales to the utilities in proportion to each utility's SNG purchases from the company during the term of the SNG contract to be used to reduce the utility's natural gas costs through the purchased gas adjustment clause; such payments to the utility shall continue until such time as the sum of such payments equals the revenue share target of that utility.

~~The company or utilities shall have no obligation to repay the revenue share target except as provided for in this subsection (h-15).~~

~~(h-20) The General Assembly authorizes the Illinois Finance Authority to issue bonds to the maximum extent permitted to finance coal gasification facilities described in this Section, which constitute both "industrial projects" under Article 801 of the Illinois Finance Authority Act and "clean coal and energy projects" under Sections 825-65 through 825-75 of the Illinois Finance Authority Act. The General Assembly further authorizes the Illinois Power Agency to become party to agreements and take such actions as necessary to enable the Illinois Power Agency or its designate to (i) review and confirm in writing that the terms stated in subsection (h) of this Section are incorporated in the SNG contract, and (ii) conduct an analysis pursuant to subsection (h-15) of this Section.~~

~~Administrative costs incurred by the Illinois Finance Authority and Illinois Power Agency in performance of this subsection (h-20) shall be subject to reimbursement by the clean coal SNG facility company on terms as the Illinois Finance Authority, the Illinois Power Agency, and the clean coal SNG facility company may agree. The utility and its customers shall have no obligation to reimburse the clean coal SNG facility or company, the Illinois Finance Authority, or the Illinois Power Agency for any such costs.~~

~~(h-25) The State of Illinois pledges that the State may not enact any law or take any action to (1) break or repeal the authority for SNG purchase contracts entered into between public gas utilities and the clean coal SNG facility pursuant to subsection (h) of this Section or (2) deny public gas utilities their full cost recovery for contract costs, as defined in subsection (h-10), that are incurred under such SNG purchase contracts. These pledges are for the benefit of the parties to such SNG purchase contracts and the issuers and holders of bonds or other obligations issued or incurred to finance or refinance the clean coal SNG facility. The beneficiaries are authorized to include and refer to these pledges in any finance agreement into which they may enter in regard to such contracts.~~

~~(h-30) The State of Illinois retains and reserves all other rights to enact new or amendatory legislation or take any other action, including, but not limited to, such legislation or other action that would (1) directly or indirectly raise the costs that the clean coal SNG facility must incur; (2) directly or indirectly place additional restrictions, regulations, or requirements on the clean coal SNG facility; (3) prohibit sequestration in general or prohibit a specific sequestration method or project; or (4) increase minimum sequestration requirements.~~

(i) If a gas utility or an affiliate of a gas utility has an ownership interest in any entity that produces or sells synthetic natural gas, Article VII of this Act shall apply.  
(Source: P.A. 95-1027, eff. 6-1-09; 96-1364, eff. 7-28-10.)

Section 20. The Illinois Gas Pipeline Safety Act is amended by changing Sections 2.02, 2.03, 2.04, and 3 as follows:

(220 ILCS 20/2.02) (from Ch. 111 2/3, par. 552.2)

Sec. 2.02.

"Gas" means natural gas, flammable gas or gas which is toxic or corrosive. "Gas" also means carbon dioxide in any physical form, whenever transported by pipeline for the purpose of sequestration.

(Source: P.A. 76-1588.)

(220 ILCS 20/2.03) (from Ch. 111 2/3, par. 552.3)

Sec. 2.03. "Transportation of gas" means the gathering, transmission, or distribution of gas by pipeline or its storage, within this State and not subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act, except that it includes the transmission of gas through pipeline facilities within this State that transport gas from an interstate gas pipeline to a direct sales customer within this State purchasing gas for its own consumption. "Transportation of gas" also includes the conveyance of gas from a gas main through the primary fuel line to the outside wall of residential premises. If the gas meter is placed within 3 feet of the structure, the utility's responsibility shall end at the outlet side of the meter. "Transportation of gas" also includes the conveyance of carbon dioxide in any physical form for the purpose of sequestration.

(Source: P.A. 87-1092; 88-314.)

(220 ILCS 20/2.04) (from Ch. 111 2/3, par. 552.4)

Sec. 2.04. "Pipeline facilities" includes new and existing pipe rights-of-way and any equipment, facility, or building used in the transportation of gas or the treatment of gas during the course of transportation and includes facilities within this State that transport gas from an interstate gas pipeline to a direct sales customer within this State purchasing gas for its own consumption, but "rights-of-way" as used in this Act does not authorize the Commission to prescribe, under this Act, the location or routing of any pipeline facility. "Pipeline facilities" also includes new and existing pipes and lines and any other

equipment, facility, or structure, except customer-owned branch lines connected to the primary fuel lines, used to convey gas from a gas main to the outside wall of residential premises, and any person who provides gas service directly to its residential customer through these facilities shall be deemed to operate such pipeline facilities for purposes of this Act irrespective of the ownership of the facilities or the location of the facilities with respect to the meter, except that a person who provides gas service to a "master meter system", as that term is defined at 49 C.F.R. Section 191.3, shall not be deemed to operate any facilities downstream of the master meter. "Pipeline facilities" also includes new and existing pipe rights-of-way and any equipment, facility, or building used in the transportation of carbon dioxide in any physical form for the purpose of sequestration.

(Source: P.A. 87-1092; 88-314.)

(220 ILCS 20/3) (from Ch. 111 2/3, par. 553)

Sec. 3. (a) As soon as practicable, but not later than 3 months after the effective date of this Act, the Commission shall adopt rules establishing minimum safety standards for the transportation of gas and for pipeline facilities. Such rules shall be at least as inclusive, as stringent, and compatible with, the minimum safety standards adopted by the Secretary of Transportation under the Federal Act. Thereafter, the Commission shall maintain such rules so that the rules are at least as inclusive, as stringent, and compatible with, the minimum standards from time to time in effect under the Federal Act. The Commission shall also adopt rules establishing minimum safety standards for the transportation of carbon dioxide in any physical form for the purpose of sequestration and for pipeline facilities used for that function.

(b) Standards established under this Act may apply to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities. Standards affecting the design, installation, construction, initial inspection and initial testing are not applicable to pipeline facilities in existence on the date such standards are adopted. Whenever the Commission finds a particular facility to be hazardous to life or property, it may require the person operating such facility to take the steps necessary to remove the hazard.

(c) Standards established by the Commission under this Act shall, subject to paragraphs (a) and (b) of this Section 3, be practicable and designed to meet the need for pipeline safety. In prescribing such standards, the Commission shall consider: similar standards established in other states; relevant available pipeline safety data; whether such standards are appropriate for the particular type of pipeline transportation; the reasonableness of any proposed standards; and the extent to which such standards will contribute to public safety.

Rules adopted under this Act are subject to "The Illinois Administrative Procedure Act", approved September 22, 1975, as amended.

(Source: P.A. 83-333.)

Section 25. The Environmental Protection Act is amended by adding Section 13.7 as follows:  
(415 ILCS 5/13.7 new)

Sec. 13.7. Carbon dioxide sequestration sites.

(a) For purposes of this Section, the term "carbon dioxide sequestration site" means a site or facility for which the Agency has issued a permit for the underground injection of carbon dioxide.

(b) The Agency shall inspect carbon dioxide sequestration sites for compliance with this Act, rules adopted under this Act, and permits issued by the Agency.

(c) If the Agency issues a seal order under Section 34 of this Act in relation to a carbon dioxide sequestration site, or if a civil action for an injunction to halt activity at a carbon dioxide sequestration site is initiated under Section 43 of this Act at the request of the Agency, then the Agency shall post notice of such action on its website.

(d) Persons seeking a permit or permit modification for the underground injection of carbon dioxide shall be liable to the Agency for all reasonable and documented costs incurred by the Agency that are associated with review and issuance of the permit, including, but not limited to, costs associated with public hearings and the review of permit applications. Once a permit is issued, the permittee shall be liable to the Agency for all reasonable and documented costs incurred by the Agency that are associated with inspections and other oversight of the carbon dioxide sequestration site. Persons liable for costs under this subsection (d) must pay the costs upon invoicing, or other request or demand for payment, by the Agency. Costs for which a person is liable under this subsection (d) are in addition to any other fees, penalties, or other relief provided under this Act or any other law.

Moneys collected under this subsection (d) shall be deposited into the Environmental Protection Permit and Inspection Fund established under Section 22.8 of this Act. The Agency may adopt rules relating to the collection of costs due under this subsection (d).

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(e) The Agency shall not issue a permit or permit modification for the underground injection of carbon dioxide unless all costs for which the permittee is liable under subsection (d) of this Section have been paid.

(f) No person shall fail or refuse to pay costs for which the person is liable under subsection (d) of this Section.

Section 97. Inseverability. The provisions of this Act are mutually dependent and inseverable. If any provision is held invalid, then this entire Act, including all new and amendatory provisions, is invalid.

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

**AMENDMENT NO. 2 TO SENATE BILL 2169**

AMENDMENT NO. 2. Amend Senate Bill 2169, AS AMENDED, with reference to page and line numbers of House Amendment No. 1 as follows:

on page 12, by replacing lines 19 and 20 with "clean coal SNG facility"; and

on page 24, line 7, by replacing "March 31" with "September 30 ~~March 31~~"; and

on page 32, line 2, after "approval", by inserting "of"; and

on page 33, line 4, after "carbon" by inserting "dioxide"; and

on page 33, line 18, by replacing "lest" with "least"; and

on page 33, line 18, after "carbon" by inserting "dioxide".

**AMENDMENT NO. 3 TO SENATE BILL 2169**

AMENDMENT NO. 3. Amend Senate Bill 2169, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, as follows:

on page 40, lines 21 and 22, by deleting "as adjusted for the clean coal SNG facility rider mechanism"; and

on page 40, by replacing lines 24 and 25 with "interstate pipelines under federally approved tariffs. The Illinois gas utility shall initiate a clean coal SNG facility rider mechanism that (A) shall be applicable".

**AMENDMENT NO. 4 TO SENATE BILL 2169**

AMENDMENT NO. 4. Amend Senate Bill 2169, AS AMENDED, with reference to page and line numbers of House Amendment No. 1 as follows:

on page 27, line 26, after "2.5%", by inserting "for each corresponding year"; and

on page 31, line 6, after "provide", by inserting "certified"; and

on page 33, line 14, by replacing "for specific performance of" with "to enforce"; and

on page 33, line 23, by deleting "for specific"; and

on page 33, line 24, by deleting "performance"; and

on page 43, lines 3 and 7, before "natural" each time it appears, by inserting "baseload"; and

on page 43, line 18, immediately after "cost", by inserting " ,"; and

on page 43, by replacing lines 20 through 24 with "account. Such credit payment shall be made monthly starting within 30 days after the completed analysis in this subsection (h-15) and based on collections from all customers via a line item charge in all customer bills designed to have an equal percentage impact on the transportation services of each class of customers. Credit payments made pursuant to this

subparagraph (A) shall be deemed prudent and reasonable and not subject to Commission prudence review."; and

on page 44, by replacing line 7 with "(h-15), but only to the extent that the reconciliation account has a positive balance.".

Under the rules, the foregoing **Senate Bill No. 2169**, with House Amendments numbered 1, 2, 3 and 4, was referred to the Secretary's Desk.

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

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

SENATE BILL NO. 2405

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. 1 to SENATE BILL NO. 2405

House Amendment No. 2 to SENATE BILL NO. 2405

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 SENATE BILL 2405**

AMENDMENT NO. 1. Amend Senate Bill 2405 by replacing everything after the enacting clause with the following:

"Section 5. The amount of \$2, or so much of that amount as may be necessary, is appropriated from the General Revenue Fund to the Department of Central Management Services for its ordinary and contingent expenses.

Section 99. Effective date. This Act takes effect July 1, 2011."

**AMENDMENT NO. 2 SENATE BILL 2405**

AMENDMENT NO. 2. Amend Senate Bill 2405, AS AMENDED, by deleting everything after the enacting clause and inserting the following:

"ARTICLE 0.5

Section 5. "AN ACT making appropriations", Public Act 96-956, approved July 1, 2010, is amended by changing Section 30 of Article 24 as follows:

(P.A. 96-0956, Art. 24, Sec. 30)

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

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

Payable from Care Provider Fund for Persons

With A Developmental Disability:

For Administrative Expenditures..... 134,700

Payable from Long-Term Care Provider Fund:

For Skilled, Intermediate, and Other Related

Long Term Care Services..... 855,328,300

For Administrative Expenditures..... 2,130,200

Total ..... \$857,458,500

Payable from Hospital Provider Fund:

For Hospitals..... 1,925,000,000

For Medical Assistance Providers..... 0

Total ..... \$1,925,000,000

Payable from Tobacco Settlement Recovery Fund:

For Physicians..... 90,000,000

For Hospitals..... 310,000,000

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For Skilled, Intermediate and other Related Long Term Care Services.....		<u>170,000,000</u>
Total		\$570,000,000
Payable from Healthcare Provider Relief Fund:		
For Medical Assistance Providers and related administrative expenses.....	<u>2,644,900,900</u>	<del>1,256,600,900</del>
For development, implementation, and operation of Integrated Care Management, including operating and administrative costs and related distributive purposes.....		<u>243,399,100</u>
Total.....	<u>\$2,888,300,000</u>	<del>\$1,500,000,000</del>

ARTICLE 1

Section 5. If and only if House Bill 2168 of the 97th General Assembly becomes law, then “AN ACT concerning appropriations” (House Bill 2168 of the 97th General Assembly) is amended by changing Section 5 of Article 1 as follows:  
(097HB2168, Art. 1, Sec. 5)

Sec. 5. The following named sums, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated from the General Revenue Fund to meet the ordinary and contingent expenses of the following divisions of the Department of Corrections for the fiscal year ending June 30, ~~2012~~ 2011:

FOR OPERATIONS  
GENERAL OFFICE

For Personal Services .....	20,157,300
For State Contributions to Social Security .....	1,371,100
For Contractual Services.....	11,165,400
For Travel.....	233,000
For Commodities .....	751,400
For Printing .....	5,900
For Equipment .....	45,800
For Electronic Data Processing .....	11,300,000
For Telecommunications Services.....	1,864,000
For Operation of Auto Equipment.....	300,000
For Tort Claims.....	<u>760,700</u>
Total	\$47,954,600

(Source: 097HB2168)

Section 10. If and only if House Bill 2168 of the 97th General Assembly becomes law, then “AN ACT concerning appropriations” (House Bill 2168 of the 97th General Assembly) is amended by changing Section 5 of Article 3 as follows:  
(097HB2168, Art. 3, Sec. 5)

Sec. 5. The following named sums, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated from the General Revenue Fund to meet the ordinary and contingent expenses of the following divisions of the Department of Juvenile Justice for the fiscal year ending June 30, ~~2012~~ 2011:

FOR OPERATIONS  
GENERAL OFFICE

For Personal Services .....	147,000
For State Contributions to Social Security .....	11,200
For Contractual Services.....	206,100
For Travel.....	12,500
For Commodities .....	2,100
For Printing .....	100
For Equipment .....	300
For Electronic Data Processing .....	633,900
For Telecommunications Services.....	40,000
For Operation of Auto Equipment.....	13,200

For Tort Claims .....	<u>200,000</u>
Total .....	\$1,266,400

SCHOOL DISTRICT

For Personal Services .....	8,641,500
For State Contributions to Teachers' Retirement System.....	500
For State Contributions to Social Security .....	659,400
For Contractual Services.....	579,200
For Travel.....	3,500
For Commodities .....	35,000
For Printing .....	5,700
For Telecommunications Services.....	<u>21,600</u>
Total .....	\$9,946,400

AFTERCARE SERVICES

For Personal Services .....	84,100
For State Contributions to Social Security .....	6,400
For Contractual Services.....	1,952,000
For Travel.....	2,000
For Commodities .....	28,600
For Printing .....	1,000
For Equipment .....	0
For Telecommunications Services.....	10,100
For Operation of Auto Equipment.....	<u>7,700</u>
Total .....	\$2,091,900

(Source: 097HB2168)

Section 15. If and only if House Bill 3700 of the 97th General Assembly becomes law, then "AN ACT making appropriations" (House Bill 3700 of the 97th General Assembly) is amended by changing Section 5 of Article 10 as follows:

(097HB3700, Art. 10, Sec. 5)

Sec. 5. The following named amounts, or so much thereof as may be necessary, respectively, for the objects and purposes hereinafter named, are appropriated from the General Revenue Fund to the State Universities Civil Service System to meet its ordinary and contingent expenses for the fiscal year ending June 30, 2012 ~~2011~~:

For Personal Services .....	932,400
For Social Security .....	13,100
For Contractual Services.....	200,000
For Travel.....	9,000
For Commodities .....	6,000
For Printing .....	3,500
For Equipment .....	13,000
For Telecommunications Services.....	25,000
For Operation of Automotive Equipment .....	<u>3,000</u>
Total .....	\$1,205,000

(Source: 097HB3700)

ARTICLE 2

Section 999. Effective date. This Act takes effect on July 1, 2011, except that Article 0.5 and this Article take effect upon becoming law.”.

Under the rules, the foregoing **Senate Bill No. 2405**, with House Amendments numbered 1 and 2, was referred to the Secretary’s Desk.

**JOINT ACTION MOTIONS FILED**

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 42

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Motion to Concur in House Amendments 1 and 3 to Senate Bill 63  
 Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 335  
 Motion to Concur in House Amendments 3 and 4 to Senate Bill 1914  
 Motion to Concur in House Amendments 1, 2, 3 and 4 to Senate Bill 2169  
 Motion to Concur in House Amendments 1 and 2 to Senate Bill 2405

At the hour of 9:45 o'clock p.m., the Chair announced that the Senate stand at ease.

#### AT EASE

At the hour of 10:00 o'clock p.m. the Senate resumed consideration of business.  
 Senator Sullivan, presiding.

#### REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2011 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committee of the Senate:

Executive:           **Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 42**  
                           **Motion to Concur in House Amendments 1 and 3 to Senate Bill 63**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2011 meeting, reported that the following Legislative Measures have been approved for consideration:

**Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 335; Motion to Concur in House Amendments 3 and 4 to Senate Bill 1914; Motion to Concur in House Amendments 1, 2, 3 and 4 to Senate Bill 2169; Motion to Concur in House Amendment 1 to Senate Bill 2293; Motion to Concur in House Amendments 1 and 2 to Senate Bill 2405.**

The foregoing concurrences were placed on the Secretary's Desk.

#### COMMITTEE MEETING ANNOUNCEMENT

The Chair announced the following committee to meet at 11:01 o'clock p.m.:

Executive in Room 212

At the hour of 10:08 o'clock p.m., Senator Schoenberg, presiding.

#### MESSAGE 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. 620

A bill for AN ACT concerning education.

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

House Amendment No. 1 to SENATE BILL NO. 620

House Amendment No. 3 to SENATE BILL NO. 620

Passed the House, as amended, May 31, 2011.

[May 31, 2011]

MARK MAHONEY, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 620**

AMENDMENT NO. 1. Amend Senate Bill 620 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 34-1 as follows:

(105 ILCS 5/34-1) (from Ch. 122, par. 34-1)

Sec. 34-1. Application of article; Definitions. This Article applies only to cities having a population exceeding 500,000.

"Trustees", when used in this Article, means ~~the~~ the Chicago School Reform Board of Trustees created by this amendatory Act of 1995 and serving as the governing board of the school district organized under this Article beginning with its appointment on or after the effective date of this amendatory Act of 1995 and continuing until June 30, 1999 or the appointment of a new Chicago Board of Education as provided in Section 34-3, whichever is later.

"Board", or "board of education" when used in this Article, means: (i) the Chicago School Reform Board of Trustees for the period that begins with the appointment of the Trustees and that ends on the later of June 30, 1999 or the appointment of a new Chicago Board of Education as provided in Section 34-3; and (ii) the new Chicago Board of Education from and after June 30, 1999 or from and after its appointment as provided in Section 34-3, whichever is later.

Except during the period that begins with the appointment of the Chicago School Reform Board of Trustees on or after the effective date of this amendatory Act of 1995 and that ends on the later of June 30, 1999 or the appointment of a new Chicago Board of Education as provided in Section 34-3: (i) the school district organized under this Article may be subject to further limitations imposed under Article 34A; and (ii) the provisions of Article 34A prevail over the other provisions of this Act, including the provisions of this Article, to the extent of any conflict.  
(Source: P.A. 89-15, eff. 5-30-95.)"

**AMENDMENT NO. 3 TO SENATE BILL 620**

AMENDMENT NO. 3. Amend Senate Bill 620 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by renumbering and changing Section 34-18.37 as added by Public Act 96-803 and by adding the heading preceding Section 34-200 and Sections 34-200, 34-205, 34-210, 34-215, 34-220, 34-225, 34-230, and 34-235 as follows:

(105 ILCS 5/34-18.43)

Sec. ~~34-18.43~~ ~~34-18.37~~. Establishing an equitable and effective school facility development process.

(a) The General Assembly finds all of the following:

(1) The Illinois Constitution recognizes that a "fundamental goal of the People of the State is the educational development of all persons to the limits of their capacities".

(2) Quality educational facilities are essential for fostering the maximum educational development of all persons through their educational experience from pre-kindergarten through high school.

(3) The public school is a major institution in our communities. Public schools offer resources and opportunities for the children of this State who seek and deserve quality education, but also benefit the entire community that seeks improvement through access to education.

(4) The equitable and efficient use of available facilities-related resources among different schools and among racial, ethnic, income, and disability groups is essential to maximize the development of quality public educational facilities for all children, youth, and adults. The factors that impact the equitable and efficient use of facility-related resources vary according to the needs of each school community. Therefore, decisions that impact school facilities should include the input of the school community to the greatest extent possible.

(5) School openings, school closings, school consolidations, school turnarounds, school phase-outs, school construction, school repairs, school modernizations, school boundary changes, and other related school facility decisions often have a profound impact on education in a community. In order to minimize the negative impact of school facility decisions on the community, these decisions should be implemented according to a clear system-wide criteria and with the significant involvement of local school councils, parents, educators, and the community in decision-making.

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(6) The General Assembly has previously stated that it intended to make the individual school in the City of Chicago the essential unit for educational governance and improvement and to place the primary responsibility for school governance and improvement in the hands of parents, teachers, and community residents at each school. A school facility policy must be consistent with these principles.

(b) In order to ensure that school facility-related decisions are made with the input of the community and reflect educationally sound and fiscally responsible criteria, a Chicago Educational Facilities Task Force shall be established within 15 days after the effective date of this amendatory Act of the 96th General Assembly.

(c) The Chicago Educational Facilities Task Force shall consist of all of the following members:

- (1) Two members of the House of Representatives appointed by the Speaker of the House, at least one of whom shall be a member of the Elementary & Secondary Education Committee.
- (2) Two members of the House of Representatives appointed by the Minority Leader of the House, at least one of whom shall be a member of the Elementary & Secondary Education Committee.
- (3) Two members of the Senate appointed by the President of the Senate, at least one of whom shall be a member of the Education Committee.
- (4) Two members of the Senate appointed by the Minority Leader of the Senate, at least one of whom shall be a member of the Education Committee.
- (5) Two representatives of school community organizations with past involvement in school facility issues appointed by the Speaker of the House.
- (6) Two representatives of school community organizations with past involvement in school facility issues appointed by the President of the Senate.
- (7) The chief executive officer of the school district or his or her designee.
- (8) The president of the union representing teachers in the schools of the district or his or her designee.
- (9) The president of the association representing principals in the schools of the district or his or her designee.

(d) The Speaker of the House shall appoint one of the appointed House members as a co-chairperson of the Chicago Educational Facilities Task Force. The President of the Senate shall appoint one of the appointed Senate members as a co-chairperson of the Chicago Educational Facilities Task Force. Members appointed by the legislative leaders shall be appointed for the duration of the Chicago Educational Facilities Task Force; in the event of a vacancy, the appointment to fill the vacancy shall be made by the legislative leader of the same chamber and party as the leader who made the original appointment.

(e) The Chicago Educational Facilities Task Force shall call on independent experts, as needed, to gather and analyze pertinent information on a pro bono basis, provided that these experts have no previous or on-going financial interest in school facility issues related to the school district. The Chicago Educational Facilities Task Force shall secure pro bono expert assistance within 15 days after the establishment of the Chicago Educational Facilities Task Force.

(f) The Chicago Educational Facilities Task Force shall be empowered to gather further evidence in the form of testimony or documents or other materials.

(g) The Chicago Educational Facilities Task Force, with the help of the independent experts, shall analyze past Chicago experiences and data with respect to school openings, school closings, school consolidations, school turnarounds, school phase-outs, school construction, school repairs, school modernizations, school boundary changes, and other related school facility decisions on students. The Chicago Educational Facilities Task Force shall consult widely with stakeholders, including public officials, about these facility issues and their related costs and shall examine relevant best practices from other school systems for dealing with these issues systematically and equitably. These initial investigations shall include opportunities for input from local stakeholders through hearings, focus groups, and interviews.

(h) The Chicago Educational Facilities Task Force shall prepare ~~final~~ recommendations ~~on or before October 30, 2009~~ describing how the issues set forth in subsection (g) of this Section can be addressed effectively based upon educationally sound and fiscally responsible practices.

(i) The Chicago Educational Facilities Task Force shall hold hearings in separate areas of the school district at times that shall maximize school community participation to obtain comments on draft recommendations. The final hearing shall take place no later than 15 days prior to the completion of the final recommendations.

(j) The Chicago Educational Facilities Task Force shall prepare final proposed policy and legislative recommendations for the General Assembly, the Governor, and the school district. The

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recommendations may address issues, standards, and procedures set forth in this Section. The final recommendations shall be made available to the public through posting on the school district's Internet website and other forms of publication and distribution in the school district at least 7 days before the final recommendations are submitted to the General Assembly, the Governor, and the school district.

(k) The final recommendations may address issues of system-wide criteria for ensuring clear priorities, equity, and efficiency.

Without limitation, the final recommendations may propose significant decision-making roles for key stakeholders, including the individual school and community; recommend clear criteria or processes for establishing criteria for making school facility decisions; and include clear criteria for setting priorities with respect to school openings, school closings, school consolidations, school turnarounds, school phase-outs, school construction, school repairs, school modernizations, school boundary changes, and other related school facility decisions, including the encouragement of multiple community uses for school space.

Without limitation, the final recommendations may propose criteria for student mobility; the transferring of students to lower performing schools; teacher mobility; insufficient notice to and the lack of inclusion in decision-making of local school councils, parents, and community members about school facility decisions; and costly facilities-related expenditures due to poor educational and facilities planning.

(l) The State Board of Education and the school district shall provide administrative support to the Chicago Educational Facilities Task Force.

(m) After recommendations have been issued, the Chicago Educational Facilities Task Force shall meet at least once annually, upon the call of the chairs, for the purpose of reviewing Chicago public schools' compliance with the provisions of Sections 34-200 through 34-235 of this Code concerning school action and facility master planning. The Task Force shall prepare a report to the General Assembly, the Governor's Office, the Mayor of the City of Chicago, and the Chicago Board of Education indicating how the district has met the requirements of the provisions of Sections 34-200 through 34-235 of this Code concerning school action and facility master planning.

(Source: P.A. 96-803, eff. 10-30-09.)

(105 ILCS 5/prec. Sec. 34-200 heading new)

SCHOOL ACTION AND FACILITY MASTER PLANNING

(105 ILCS 5/34-200 new)

Sec. 34-200. Definitions. For the purposes of Sections 34-200 through 34-235 of this Article:

"Capital improvement plan" means a plan that identifies capital projects to be started or finished within the designated period, excluding projects funded by locally-raised capital not exceeding \$10,000.

"Community area" means a geographic area of the City of Chicago defined by the chief executive officer as part of the development of the educational facilities master plan.

"Space utilization" means the percentage achieved by dividing the school's actual enrollment by its design capacity.

"School closing" or "school closure" means the closing of a school, the effect of which is the assignment and transfer of all students enrolled at that school to one or more designated receiving schools.

"School consolidation" means the consolidation of 2 or more schools by closing one or more schools and reassigning the students to another school.

"Phase-out" means the gradual cessation of enrollment in certain grades each school year until a school closes or is consolidated with another school.

"School action" means any school closing, school consolidation, co-location, boundary change if the boundary change forces a student transfer, or phase-out.

(105 ILCS 5/34-205 new)

Sec. 34-205. Educational facility standards.

(a) By December 31, 2011, the district shall publish space utilization standards on the district's website. The standards shall include the following:

(1) the method by which design capacity is calculated, including consideration of the requirements of elementary and secondary programs, shared campuses, after school programming, the facility needs, grade and age ranges of the attending students, and use of school buildings by governmental agencies and community organizations;

(2) the method to determine efficient use of a school building based upon educational program design capacity;

(3) the rate of utilization; and

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(4) the standards for overcrowding and underutilization.

(b) The chief executive officer or his or her designee shall publish a space utilization report for each school building operated by the district on the district's website by December 31 of each year.

(c) The facility performance standards provisions are as follows:

(1) On or before December 31, 2011, the chief executive officer shall propose minimum and optimal facility performance standards for thermal comfort, daylight, acoustics, indoor air quality, furniture ergonomics for students and staff, technology, life safety, ADA accessibility, plumbing and washroom access, environmental hazards, and walkability.

(2) The chief executive officer shall conduct at least one public hearing and submit the proposed educational facilities standards to each local school council and to the Chicago Public Building Commission for review and comment prior to submission to the Board.

(3) After the chief executive officer has incorporated the input and recommendations of the public and the Chicago Public Building Commission, the chief executive officer shall issue final facility performance standards.

(4) The chief executive officer is authorized to amend the facility performance standards following the procedures in this Section.

(5) The final educational facility space utilization and performance standards shall be published on the district's Internet website.

(105 ILCS 5/34-210 new)

Sec. 34-210. The Educational Facility Master Plan.

(a) In accordance with the schedule set forth in this Article, the chief executive officer or his or her designee shall prepare a 10-year educational facility master plan every 5 years, with updates 2 1/2 years after the approval of the initial 10-year plan, with the first such educational facility master plan to be approved on or before July 1, 2013.

(b) The educational facility master plan shall provide community area level plans and individual school master plans with options for addressing the facility and space needs for each facility operated by the district over a 10-year period.

(c) The data, information, and analysis that shall inform the educational facility master plan shall be published on the district's Internet website and shall include the following:

(1) a description of the district's guiding educational goals and standards;

(2) a brief description of the types of instructional programs and services delivered in each school;

(3) a description of the process, procedure, and timeline for community participation in the development of the plan;

(4) the enrollment capacity of each school and its rate of utilization;

(5) a report on the assessment of individual building and site conditions;

(6) a data table with historical and projected enrollment data by school by grade;

(7) community analysis, including a study of current and projected demographics, land usage, transportation plans, residential housing and commercial development, private schools, plans for water and sewage service expansion or redevelopment, and institutions of higher education;

(8) an analysis of the facility needs and requirements of the district; and

(9) identification of potential sources of funding for the implementation of the Educational Facility Master Plan.

(d) On or before January 1, 2013, the chief executive officer or his or her designee shall prepare and distribute for comment a preliminary draft of the Educational Facility Master Plan. The draft plan shall be distributed to the City of Chicago, the County of Cook, the Chicago Park District, the Chicago Housing Authority, the Chicago Transit Authority, attendance centers operated by the district, and charter schools operating within the district. Each attendance center shall make the draft plan available to the local school council or alternative advisory body and to the parents, guardians, and staff of the school. The draft plan also shall be distributed to each State Senator and State Representative with a district in the City of Chicago, to the Mayor of the City of Chicago, and to each alderman of the City.

(e) The chief executive or his or her designee shall publish a procedure for conducting public hearings and submitting public comments on the draft plan.

(f) After consideration of public input on the draft plan, the chief executive officer or his or her designee shall prepare and publish a report describing the process used to incorporate public input in the development of the final plan to be recommended to the Board.

(g) The chief executive officer shall present the final plan and report to the Board for final consideration and approval.

(h) The final approved Educational Facility Master Plan shall be published on the district's website.

(i) No later than January 1, 2016, and every 5 years thereafter, the chief executive officer or his or her

designee shall prepare and submit for public comment a draft revised Educational Facility Master Plan following the procedures required for development of the original plan.

(j) This proposed revised plan shall reflect the progress achieved during the first 2 1/2 years of the Educational Facility Master Plan.

(105 ILCS 5/34-215 new)

Sec. 34-215. Capital improvement plans.

(a) The district shall develop a capital needs review process and one-year and 5-year capital improvement plans.

(b) By January 1, 2012, the chief executive officer or his or her designee shall establish a capital needs review process that includes a comprehensive bi-annual assessment of the capital needs at each facility owned, leased, or operated by the district. The review process shall include development of an assessment form to be used by attendance centers to provide a school-based capital, maintenance, utility, and repair needs assessment report and recommendations aligned with the educational program and goals of the attendance center.

(c) Beginning with fiscal year 2013 and for each year thereafter, the chief executive officer shall publish a proposed one-year capital improvement plan at least 60 days prior to the end of the prior fiscal year. The proposed one-year capital improvement plan shall be posted on the district's Internet website and shall be subject to public review and comment and at least 3 public hearings. The one-year capital improvement plan shall include the following information for all capital projects for which funds are to be appropriated:

(1) description of the scope of the project;

(2) justification for the project;

(3) status of the project, including, if appropriate, percentage funded, percentage complete, and approved start and end dates;

(4) original approved cost and current approved cost for each project;

(5) the impact of the project on the district's operating budget;

(6) the name of each school and facility affected by a project;

(7) all funding sources for the project;

(8) any relationship of the project to the needs assessment submitted by the attendance center; and

(9) any relationship to the district's 10-year Educational Facilities Master Plan.

(d) The chief executive officer shall present a final proposed one-year capital improvement plan to the Board for consideration.

(e) The Board shall adopt a final one-year capital improvement plan no more than 45 days after adopting the annual budget.

(f) Beginning with fiscal year 2013, the chief executive officer shall publish a proposed 5-year capital improvement plan with the proposed one-year capital improvement plan. The 5-year capital improvement plan shall include proposed capital improvements for the next 4 years and, to the extent practicable, the same information for each proposed project that is required for the one-year capital improvement plan.

(g) The 5-year capital improvement plan shall be assessed annually. An annual report shall be published explaining the differences between projected capital projects in the 5-year capital improvement plan and the capital projects authorized in the proposed one-year capital improvement plan for the following fiscal year. The 5-year plan shall be published on the district's Internet website and distributed to all principals.

(105 ILCS 5/34-220 new)

Sec. 34-220. Financial transparency.

(a) The chief executive officer shall provide the Board with an annual capital expenditure report within 90 days after the end of the fiscal year. The report shall be published on the district's Internet website.

(b) The annual capital expenditure report shall include the following:

(1) expenditures on all facilities in which students enrolled in the district receive instruction for all capital projects on which funds were expended in that fiscal year, even if the project was not initiated or completed in the fiscal year;

(2) identification of capital projects that aligned with the school-based facility needs assessment and recommendations of school principals or were the result of other public input;

(3) the levels of appropriation actually provided to the district for capital projects in the fiscal year by the city, the State, and the federal government, with a comparison of the level of such funding against funding levels for the prior 5 years; and

(4) a summary comparison of annual capital expenses and the corresponding one-year capital

improvement plan.

(c) A list of all property owned by or leased to the Board shall be published on the district's Internet website by January 1, 2012, and shall be updated annually. For each property listed, the most recent facility standards review and any capital improvement projects that are pending or planned or have been completed in the 2-year period prior to publication shall be outlined.

(d) All lease agreements in which the Board is a lessor or lessee shall be published on the district's Internet website for the duration of the lease. Temporary facility use, right of entry, and other temporary license agreements not exceeding one year in duration are not subject to this requirement.

(e) The district shall publish on the district's Internet website a summary of the lease agreements in which the Board is a lessor or lessee, including the following:

- (1) a description of the leasehold;
- (2) the full legal name of the parties to the agreement;
- (3) the term of the agreement;
- (4) the rent amount; and
- (5) the party responsible for maintenance, capital improvements, utilities, and other expenses.

(105 ILCS 5/34-225 new)

Sec. 34-225. School transition plans.

(a) If the Board approves a school action, the chief executive officer or his or her designee shall work collaboratively with local school educators and families of students attending a school that is the subject of a school action to ensure successful integration of affected students into new learning environments.

(b) The chief executive officer or his or her designee shall prepare and implement a school transition plan to support students attending a school that is the subject of a school action that accomplishes the goals of this Section. The chief executive must identify and commit specific resources for implementation of the school transition plan for a minimum of the full first academic year after the board approves a school action.

(c) The school transition plan shall include the following:

(1) services to support the academic, social, and emotional needs of students; supports for students with disabilities, homeless students, and English language learners; and support to address security and safety issues;

(2) options to enroll in higher performing schools;

(3) counseling regarding the choice of schools that includes all pertinent information to enable the parent or guardian and child to make an informed choice, including the option to visit the schools of choice prior to making a decision; and

(4) the provision of appropriate transportation where practicable.

(105 ILCS 5/34-230 new)

Sec. 34-230. School action public meetings and hearings.

(a) By November 1 of each year, the chief executive officer shall prepare and publish guidelines for school actions. The guidelines shall outline the academic and non-academic criteria for a school action. These guidelines, and each subsequent revision, shall be subject to a public comment period of at least 21 days before their approval.

(b) The chief executive officer shall announce all proposed school actions to be taken at the close of the current academic year consistent with the guidelines, by December 1 of each year.

(c) On or before December 1, 2011, the chief executive officer shall publish notice of the proposed school actions.

(1) Notice of the proposal for a school action shall include a written statement of the basis for the school action and an explanation of how the school action meets the criteria set forth in the guidelines. This proposal shall include a preliminary School Transition Plan identifying the items required in Section 34-225 of this Code for all schools affected by the school action.

(2) The chief executive officer or his or her designee shall provide notice to the principal, staff, local school council, and parents or guardians of any school that is subject to the proposed school action.

(3) The chief executive officer shall provide written notice of any proposed school action to the State Senator, State Representative, and alderman for the school or schools that are subject to the proposed school action.

(4) The chief executive officer shall publish notice of proposed school actions on the district's Internet website and in a newspaper of general circulation.

(5) The chief executive officer shall provide notice of proposed school actions at least 30 calendar days in advance of a public hearing or meeting. The notice shall state the date, time, and place of the hearing or meeting. No Board decision regarding a proposed school action may take place less than 60 days after the announcement of the proposed school action.

(d) The chief executive officer shall designate at least 3 opportunities to elicit public comment at a hearing or meeting on a proposed school action and shall do the following:

(1) Convene at least one public hearing at the centrally located office of the Board.

(2) Convene at least 2 additional public hearings or meetings at a location convenient to the school community subject to the proposed school action.

(e) Public hearings shall be conducted by a qualified independent hearing officer chosen from a list of independent hearing officers. The general counsel shall compile and publish a list of independent hearing officers by November 1 of each school year. The independent hearing officer shall have the following qualifications:

(1) he or she must be a licensed attorney eligible to practice law in Illinois;

(2) he or she must not be an employee of the Board; and

(3) he or she must not have represented the Board, its employees or any labor organization representing its employees, any local school council, or any charter or contract school in any capacity within the last year.

(4) The independent hearing officer shall issue a written report that summarizes the hearing and determines whether the chief executive officer complied with the requirements of this Section and the guidelines.

(5) The chief executive officer shall publish the report on the district's Internet website within 5 calendar days after receiving the report and at least 15 days prior to any Board action being taken.

(f) Public hearings shall be conducted by a representative of the chief executive officer. A summary of the public meeting shall be published on the district's Internet website within 5 calendar days after the meeting.

(g) If the chief executive officer proposes a school action without following the mandates set forth in this Section, the proposed school action shall not be approved by the Board during the school year in which the school action was proposed.

(105 ILCS 5/34-235 new)

Sec. 34-235. Emergencies. Nothing in Sections 34-200 through 34-235 of this Code prevents the district from taking emergency action to protect the health and safety of students and staff in an attendance center. In the event of an emergency that requires the district to close all or part of a school facility, including compliance with a directive of a duly authorized public safety agency, the chief executive officer or his or her designees are authorized to take all steps necessary to protect the safety of students and staff, including relocation of the attendance center to another location or closing the attendance center. In such cases, the chief executive officer shall provide written notice of the basis for the emergency action within 3 days after declaring the emergency and shall publish the steps that have been taken or will be taken to address the emergency within 10 days after declaring the emergency. The notice shall be posted on the district's website and provided to the principal, the local school council, and the State Senator, the State Representative, and the Alderman of the school that is the subject of the emergency action. The notice shall explain why the district could not comply with the provisions in Sections 34-200 through 34-235 of this Code."

Under the rules, the foregoing **Senate Bill No. 620**, with House Amendments numbered 1 and 3, was referred to the Secretary's Desk.

#### **JOINT ACTION MOTION FILED**

The following Joint Action Motion to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendments 1 and 3 to Senate Bill 620

#### **CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK**

On motion of Senator Sullivan, **Senate Bill No. 1914**, with House Amendments numbered 3 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Sullivan moved that the Senate concur with the House in the adoption of their amendments to said bill.

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And on that motion, a call of the roll was had resulting as follows:

YEAS 48; NAYS 2.

The following voted in the affirmative:

Bomke	Hunter	Martinez	Sandack
Brady	Hutchinson	McCann	Schmidt
Collins, A.	Jacobs	McCarter	Schoenberg
Collins, J.	Johnson, C.	Meeks	Silverstein
Crotty	Jones, E.	Mulroe	Steans
Cultra	Jones, J.	Muñoz	Sullivan
Delgado	Koehler	Murphy	Syverson
Dillard	Kotowski	Noland	Trotter
Duffy	LaHood	Pankau	Wilhelmi
Forby	Landek	Radogno	
Frerichs	Link	Raoul	
Haine	Luechtefeld	Rezin	
Holmes	Maloney	Righter	

The following voted in the negative:

Millner  
Sandoval

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 3 and 4 to **Senate Bill No. 1914**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Frerichs, **Senate Bill No. 2293**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Frerichs moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 56; NAYS None.

The following voted in the affirmative:

Althoff	Harmon	Maloney	Sandack
Bivins	Holmes	Martinez	Sandoval
Bomke	Hunter	McCann	Schmidt
Brady	Hutchinson	McCarter	Schoenberg
Clayborne	Jacobs	Meeks	Silverstein
Collins, A.	Johnson, C.	Millner	Steans
Collins, J.	Jones, E.	Mulroe	Sullivan
Crotty	Jones, J.	Muñoz	Syverson
Cultra	Koehler	Murphy	Trotter
Delgado	Kotowski	Noland	Wilhelmi
Dillard	LaHood	Pankau	Mr. President
Duffy	Landek	Radogno	
Forby	Lightford	Raoul	
Frerichs	Link	Rezin	
Haine	Luechtefeld	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2293**.

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Ordered that the Secretary inform the House of Representatives thereof.

Senator Murphy asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

At the hour of 10:14 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

#### AFTER RECESS

At the hour of 11:10 o'clock p.m., the Senate resumed consideration of business.  
Senator Sullivan, presiding.

#### MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mahoney, Clerk:

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

SENATE BILL NO. 1556

A bill for AN ACT concerning 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. 1556

House Amendment No. 2 to SENATE BILL NO. 1556

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

#### AMENDMENT NO. 1 TO SENATE BILL 1556

AMENDMENT NO. 1. Amend Senate Bill 1556 by replacing everything after the enacting clause with the following:

"Section 5. The State Employees Group Insurance Act of 1971 is amended by changing Section 3 as follows:

(5 ILCS 375/3) (from Ch. 127, par. 523)

Sec. 3. Definitions. Unless ~~the~~ ~~the~~ context otherwise requires, the following words and phrases as used in this Act shall have the following meanings. The Department may define these and other words and phrases separately for the purpose of implementing specific programs providing benefits under this Act.

(a) "Administrative service organization" means any person, firm or corporation experienced in the handling of claims which is fully qualified, financially sound and capable of meeting the service requirements of a contract of administration executed with the Department.

(b) "Annuitant" means (1) an employee who retires, or has retired, on or after January 1, 1966 on an immediate annuity under the provisions of Articles 2, 14 (including an employee who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code in lieu of an annuity), 15 (including an employee who has retired under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code; (2) any person who was receiving group insurance coverage under this Act as of March 31, 1978 by reason of his status as an annuitant, even though the annuity in relation to which such coverage was provided is a proportional annuity based on less than the minimum period of service required for a retirement annuity in the system involved; (3) any person not otherwise covered by this Act who has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code; (4) the spouse of any person who is receiving a retirement annuity under Article 18 of the Illinois Pension Code and who is covered under a group health insurance program sponsored by a governmental employer other than the State of Illinois and who has irrevocably elected to waive his or her coverage under this Act and to have his or her spouse considered as the "annuitant" under this Act and not as a "dependent"; or (5) an

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employee who retires, or has retired, from a qualified position, as determined according to rules promulgated by the Director, under a qualified local government, a qualified rehabilitation facility, a qualified domestic violence shelter or service, or a qualified child advocacy center. (For definition of "retired employee", see (p) post).

(b-5) "New SERS annuitant" means a person who, on or after January 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 14 of the Illinois Pension Code (including an employee who has elected to receive an alternative retirement cancellation payment under Section 14-108.5 of that Code in lieu of an annuity), and is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(b-6) "New SURS annuitant" means a person who (1) on or after January 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 15 of the Illinois Pension Code, (2) has not made the election authorized under Section 15-135.1 of the Illinois Pension Code, and (3) is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(b-7) "New TRS State annuitant" means a person who, on or after July 1, 1998, becomes an annuitant, as defined in subsection (b), by virtue of beginning to receive a retirement annuity under Article 16 of the Illinois Pension Code based on service as a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of that Code, and is eligible to participate in the basic program of group health benefits provided for annuitants under this Act.

(c) "Carrier" means (1) an insurance company, a corporation organized under the Limited Health Service Organization Act or the Voluntary Health Services Plan Act, a partnership, or other nongovernmental organization, which is authorized to do group life or group health insurance business in Illinois, or (2) the State of Illinois as a self-insurer.

(d) "Compensation" means salary or wages payable on a regular payroll by the State Treasurer on a warrant of the State Comptroller out of any State, trust or federal fund, or by the Governor of the State through a disbursing officer of the State out of a trust or out of federal funds, or by any Department out of State, trust, federal or other funds held by the State Treasurer or the Department, to any person for personal services currently performed, and ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability incurred after January 1, 1966, or benefits payable under the Workers' Compensation or Occupational Diseases Act or benefits payable under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Compensation" also means salary or wages paid to an employee of any qualified local government, qualified rehabilitation facility, qualified domestic violence shelter or service, or qualified child advocacy center.

(e) "Commission" means the State Employees Group Insurance Advisory Commission authorized by this Act. Commencing July 1, 1984, "Commission" as used in this Act means the Commission on Government Forecasting and Accountability as established by the Legislative Commission Reorganization Act of 1984.

(f) "Contributory", when referred to as contributory coverage, shall mean optional coverages or benefits elected by the member toward the cost of which such member makes contribution, or which are funded in whole or in part through the acceptance of a reduction in earnings or the foregoing of an increase in earnings by an employee, as distinguished from noncontributory coverage or benefits which are paid entirely by the State of Illinois without reduction of the member's salary.

(g) "Department" means any department, institution, board, commission, officer, court or any agency of the State government receiving appropriations and having power to certify payrolls to the Comptroller authorizing payments of salary and wages against such appropriations as are made by the General Assembly from any State fund, or against trust funds held by the State Treasurer and includes boards of trustees of the retirement systems created by Articles 2, 14, 15, 16 and 18 of the Illinois Pension Code. "Department" also includes the Illinois Comprehensive Health Insurance Board, the Board of Examiners established under the Illinois Public Accounting Act, and the Illinois Finance Authority.

(h) "Dependent", when the term is used in the context of the health and life plan, means a member's spouse and any child (1) from birth to age 26 including an adopted child, a child who lives with the member from the time of the filing of a petition for adoption until entry of an order of adoption, a stepchild or adjudicated child, or a child who lives with the member if such member is a court appointed guardian of the child or (2) age 19 or over who is mentally or physically disabled from a cause originating prior to the age of 19 (age 26 if enrolled as an adult child dependent). For the health plan only, the term "dependent" also includes (1) any person enrolled prior to the effective date of this Section who is dependent upon the member to the extent that the member may claim such person as a

dependent for income tax deduction purposes and (2) any person who has received after June 30, 2000 an organ transplant and who is financially dependent upon the member and eligible to be claimed as a dependent for income tax purposes. A member requesting to cover any dependent must provide documentation as requested by the Department of Central Management Services and file with the Department any and all forms required by the Department.

(i) "Director" means the Director of the Illinois Department of Central Management Services or of any successor agency designated to administer this Act.

(j) "Eligibility period" means the period of time a member has to elect enrollment in programs or to select benefits without regard to age, sex or health.

(k) "Employee" means and includes each officer or employee in the service of a department who (1) receives his compensation for service rendered to the department on a warrant issued pursuant to a payroll certified by a department or on a warrant or check issued and drawn by a department upon a trust, federal or other fund or on a warrant issued pursuant to a payroll certified by an elected or duly appointed officer of the State or who receives payment of the performance of personal services on a warrant issued pursuant to a payroll certified by a Department and drawn by the Comptroller upon the State Treasurer against appropriations made by the General Assembly from any fund or against trust funds held by the State Treasurer, and (2) is employed full-time or part-time in a position normally requiring actual performance of duty during not less than 1/2 of a normal work period, as established by the Director in cooperation with each department, except that persons elected by popular vote will be considered employees during the entire term for which they are elected regardless of hours devoted to the service of the State, and (3) except that "employee" does not include any person who is not eligible by reason of such person's employment to participate in one of the State retirement systems under Articles 2, 14, 15 (either the regular Article 15 system or the optional retirement program established under Section 15-158.2) or 18, or under paragraph (2), (3), or (5) of Section 16-106, of the Illinois Pension Code, but such term does include persons who are employed during the 6 month qualifying period under Article 14 of the Illinois Pension Code. Such term also includes any person who (1) after January 1, 1966, is receiving ordinary or accidental disability benefits under Articles 2, 14, 15 (including ordinary or accidental disability benefits under the optional retirement program established under Section 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of the Illinois Pension Code, for disability incurred after January 1, 1966, (2) receives total permanent or total temporary disability under the Workers' Compensation Act or Occupational Disease Act as a result of injuries sustained or illness contracted in the course of employment with the State of Illinois, or (3) is not otherwise covered under this Act and has retired as a participating member under Article 2 of the Illinois Pension Code but is ineligible for the retirement annuity under Section 2-119 of the Illinois Pension Code. However, a person who satisfies the criteria of the foregoing definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code is also an "employee" for the purposes of this Act. "Employee" also includes any person receiving or eligible for benefits under a sick pay plan established in accordance with Section 36 of the State Finance Act. "Employee" also includes (i) each officer or employee in the service of a qualified local government, including persons appointed as trustees of sanitary districts regardless of hours devoted to the service of the sanitary district, (ii) each employee in the service of a qualified rehabilitation facility, (iii) each full-time employee in the service of a qualified domestic violence shelter or service, and (iv) each full-time employee in the service of a qualified child advocacy center, as determined according to rules promulgated by the Director.

(l) "Member" means an employee, annuitant, retired employee or survivor.

(m) "Optional coverages or benefits" means those coverages or benefits available to the member on his or her voluntary election, and at his or her own expense.

(n) "Program" means the group life insurance, health benefits and other employee benefits designed and contracted for by the Director under this Act.

(o) "Health plan" means a health benefits program offered by the State of Illinois for persons eligible for the plan.

(p) "Retired employee" means any person who would be an annuitant as that term is defined herein but for the fact that such person retired prior to January 1, 1966. Such term also includes any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant but for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code.

(q) "Survivor" means a person receiving an annuity as a survivor of an employee or of an annuitant. "Survivor" also includes: (1) the surviving dependent of a person who satisfies the definition of "employee" except that such person is made ineligible to participate in the State Universities Retirement



System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; (2) the surviving dependent of any person formerly employed by the University of Illinois in the Cooperative Extension Service who would be an annuitant except for the fact that such person was made ineligible to participate in the State Universities Retirement System by clause (4) of subsection (a) of Section 15-107 of the Illinois Pension Code; and (3) the surviving dependent of a person who was an annuitant under this Act by virtue of receiving an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code.

(q-2) "SERS" means the State Employees' Retirement System of Illinois, created under Article 14 of the Illinois Pension Code.

(q-3) "SURS" means the State Universities Retirement System, created under Article 15 of the Illinois Pension Code.

(q-4) "TRS" means the Teachers' Retirement System of the State of Illinois, created under Article 16 of the Illinois Pension Code.

(q-5) "New SERS survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 14 of the Illinois Pension Code and is based on the death of (i) an employee whose death occurs on or after January 1, 1998, or (ii) a new SERS annuitant as defined in subsection (b-5). "New SERS survivor" includes the surviving dependent of a person who was an annuitant under this Act by virtue of receiving an alternative retirement cancellation payment under Section 14-108.5 of the Illinois Pension Code.

(q-6) "New SURS survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 15 of the Illinois Pension Code and is based on the death of (i) an employee whose death occurs on or after January 1, 1998, or (ii) a new SURS annuitant as defined in subsection (b-6).

(q-7) "New TRS State survivor" means a survivor, as defined in subsection (q), whose annuity is paid under Article 16 of the Illinois Pension Code and is based on the death of (i) an employee who is a teacher as defined in paragraph (2), (3), or (5) of Section 16-106 of that Code and whose death occurs on or after July 1, 1998, or (ii) a new TRS State annuitant as defined in subsection (b-7).

(r) "Medical services" means the services provided within the scope of their licenses by practitioners in all categories licensed under the Medical Practice Act of 1987.

(s) "Unit of local government" means any county, municipality, township, school district (including a combination of school districts under the Intergovernmental Cooperation Act), special district or other unit, designated as a unit of local government by law, which exercises limited governmental powers or powers in respect to limited governmental subjects, any not-for-profit association with a membership that primarily includes townships and township officials, that has duties that include provision of research service, dissemination of information, and other acts for the purpose of improving township government, and that is funded wholly or partly in accordance with Section 85-15 of the Township Code; any not-for-profit corporation or association, with a membership consisting primarily of municipalities, that operates its own utility system, and provides research, training, dissemination of information, or other acts to promote cooperation between and among municipalities that provide utility services and for the advancement of the goals and purposes of its membership; the Southern Illinois Collegiate Common Market, which is a consortium of higher education institutions in Southern Illinois; the Illinois Association of Park Districts; and any hospital provider that is owned by a county that has 100 or fewer hospital beds and has not already joined the program. "Qualified local government" means a unit of local government approved by the Director and participating in a program created under subsection (i) of Section 10 of this Act.

(t) "Qualified rehabilitation facility" means any not-for-profit organization that is accredited by the Commission on Accreditation of Rehabilitation Facilities or certified by the Department of Human Services (as successor to the Department of Mental Health and Developmental Disabilities) to provide services to persons with disabilities and which receives funds from the State of Illinois for providing those services, approved by the Director and participating in a program created under subsection (j) of Section 10 of this Act.

(u) "Qualified domestic violence shelter or service" means any Illinois domestic violence shelter or service and its administrative offices funded by the Department of Human Services (as successor to the Illinois Department of Public Aid), approved by the Director and participating in a program created under subsection (k) of Section 10.

(v) "TRS benefit recipient" means a person who:

- (1) is not a "member" as defined in this Section; and
- (2) is receiving a monthly benefit or retirement annuity under Article 16 of the Illinois Pension Code; and
- (3) either (i) has at least 8 years of creditable service under Article 16 of the

Illinois Pension Code, or (ii) was enrolled in the health insurance program offered under that Article on January 1, 1996, or (iii) is the survivor of a benefit recipient who had at least 8 years of creditable service under Article 16 of the Illinois Pension Code or was enrolled in the health insurance program offered under that Article on the effective date of this amendatory Act of 1995, or (iv) is a recipient or survivor of a recipient of a disability benefit under Article 16 of the Illinois Pension Code.

(w) "TRS dependent beneficiary" means a person who:

(1) is not a "member" or "dependent" as defined in this Section; and

(2) is a TRS benefit recipient's: (A) spouse, (B) dependent parent who is receiving at least half of his or her support from the TRS benefit recipient, or (C) natural, step, adjudicated, or adopted child who is (i) under age 26, (ii) was, on January 1, 1996, participating as a dependent beneficiary in the health insurance program offered under Article 16 of the Illinois Pension Code, or (iii) age 19 or over who is mentally or physically disabled from a cause originating prior to the age of 19 (age 26 if enrolled as an adult child).

(x) "Military leave" refers to individuals in basic training for reserves, special/advanced training, annual training, emergency call up, activation by the President of the United States, or any other training or duty in service to the United States Armed Forces.

(y) (Blank).

(z) "Community college benefit recipient" means a person who:

(1) is not a "member" as defined in this Section; and

(2) is receiving a monthly survivor's annuity or retirement annuity under Article 15 of the Illinois Pension Code; and

(3) either (i) was a full-time employee of a community college district or an association of community college boards created under the Public Community College Act (other than an employee whose last employer under Article 15 of the Illinois Pension Code was a community college district subject to Article VII of the Public Community College Act) and was eligible to participate in a group health benefit plan as an employee during the time of employment with a community college district (other than a community college district subject to Article VII of the Public Community College Act) or an association of community college boards, or (ii) is the survivor of a person described in item (i).

(aa) "Community college dependent beneficiary" means a person who:

(1) is not a "member" or "dependent" as defined in this Section; and

(2) is a community college benefit recipient's: (A) spouse, (B) dependent parent who is receiving at least half of his or her support from the community college benefit recipient, or (C) natural, step, adjudicated, or adopted child who is (i) under age 26, or (ii) age 19 or over and mentally or physically disabled from a cause originating prior to the age of 19 (age 26 if enrolled as an adult child).

(bb) "Qualified child advocacy center" means any Illinois child advocacy center and its administrative offices funded by the Department of Children and Family Services, as defined by the Children's Advocacy Center Act (55 ILCS 80/), approved by the Director and participating in a program created under subsection (n) of Section 10.

(Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07; 96-756, eff. 1-1-10; 96-1519, eff. 2-4-11.)

#### **AMENDMENT NO. 2 TO SENATE BILL 1556**

AMENDMENT NO. 2. Amend Senate Bill 1556, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Public Labor Relations Act is amended by changing Sections 3 and 6 and by adding Section 6.1 as follows:

(5 ILCS 315/3) (from Ch. 48, par. 1603)

Sec. 3. Definitions. As used in this Act, unless the context otherwise requires:

(a) "Board" means the Illinois Labor Relations Board or, with respect to a matter over which the jurisdiction of the Board is assigned to the State Panel or the Local Panel under Section 5, the panel having jurisdiction over the matter.

(b) "Collective bargaining" means bargaining over terms and conditions of employment, including hours, wages, and other conditions of employment, as detailed in Section 7 and which are not excluded by Section 4.

(c) "Confidential employee" means an employee who, in the regular course of his or her duties, assists and acts in a confidential capacity to persons who formulate, determine, and effectuate management policies with regard to labor relations or who, in the regular course of his or her duties, has authorized

access to information relating to the effectuation or review of the employer's collective bargaining policies.

(d) "Craft employees" means skilled journeymen, crafts persons, and their apprentices and helpers.

(e) "Essential services employees" means those public employees performing functions so essential that the interruption or termination of the function will constitute a clear and present danger to the health and safety of the persons in the affected community.

(f) "Exclusive representative", except with respect to non-State fire fighters and paramedics employed by fire departments and fire protection districts, non-State peace officers, and peace officers in the Department of State Police, means the labor organization that has been (i) designated by the Board as the representative of a majority of public employees in an appropriate bargaining unit in accordance with the procedures contained in this Act, (ii) historically recognized by the State of Illinois or any political subdivision of the State before July 1, 1984 (the effective date of this Act) as the exclusive representative of the employees in an appropriate bargaining unit, (iii) after July 1, 1984 (the effective date of this Act) recognized by an employer upon evidence, acceptable to the Board, that the labor organization has been designated as the exclusive representative by a majority of the employees in an appropriate bargaining unit; (iv) recognized as the exclusive representative of personal care attendants or personal assistants under Executive Order 2003-8 prior to the effective date of this amendatory Act of the 93rd General Assembly, and the organization shall be considered to be the exclusive representative of the personal care attendants or personal assistants as defined in this Section; or (v) recognized as the exclusive representative of child and day care home providers, including licensed and license exempt providers, pursuant to an election held under Executive Order 2005-1 prior to the effective date of this amendatory Act of the 94th General Assembly, and the organization shall be considered to be the exclusive representative of the child and day care home providers as defined in this Section.

With respect to non-State fire fighters and paramedics employed by fire departments and fire protection districts, non-State peace officers, and peace officers in the Department of State Police, "exclusive representative" means the labor organization that has been (i) designated by the Board as the representative of a majority of peace officers or fire fighters in an appropriate bargaining unit in accordance with the procedures contained in this Act, (ii) historically recognized by the State of Illinois or any political subdivision of the State before January 1, 1986 (the effective date of this amendatory Act of 1985) as the exclusive representative by a majority of the peace officers or fire fighters in an appropriate bargaining unit, or (iii) after January 1, 1986 (the effective date of this amendatory Act of 1985) recognized by an employer upon evidence, acceptable to the Board, that the labor organization has been designated as the exclusive representative by a majority of the peace officers or fire fighters in an appropriate bargaining unit.

(g) "Fair share agreement" means an agreement between the employer and an employee organization under which all or any of the employees in a collective bargaining unit are required to pay their proportionate share of the costs of the collective bargaining process, contract administration, and pursuing matters affecting wages, hours, and other conditions of employment, but not to exceed the amount of dues uniformly required of members. The amount certified by the exclusive representative shall not include any fees for contributions related to the election or support of any candidate for political office. Nothing in this subsection (g) shall preclude an employee from making voluntary political contributions in conjunction with his or her fair share payment.

(g-1) "Fire fighter" means, for the purposes of this Act only, any person who has been or is hereafter appointed to a fire department or fire protection district or employed by a state university and sworn or commissioned to perform fire fighter duties or paramedic duties, except that the following persons are not included: part-time fire fighters, auxiliary, reserve or voluntary fire fighters, including paid on-call fire fighters, clerks and dispatchers or other civilian employees of a fire department or fire protection district who are not routinely expected to perform fire fighter duties, or elected officials.

(g-2) "General Assembly of the State of Illinois" means the legislative branch of the government of the State of Illinois, as provided for under Article IV of the Constitution of the State of Illinois, and includes but is not limited to the House of Representatives, the Senate, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, the Minority Leader of the Senate, the Joint Committee on Legislative Support Services and any legislative support services agency listed in the Legislative Commission Reorganization Act of 1984.

(h) "Governing body" means, in the case of the State, the State Panel of the Illinois Labor Relations Board, the Director of the Department of Central Management Services, and the Director of the Department of Labor; the county board in the case of a county; the corporate authorities in the case of a municipality; and the appropriate body authorized to provide for expenditures of its funds in the case of any other unit of government.

(i) "Labor organization" means any organization in which public employees participate and that exists for the purpose, in whole or in part, of dealing with a public employer concerning wages, hours, and other terms and conditions of employment, including the settlement of grievances.

(i-5) "Legislative liaison" means a person who is an employee of a State agency, the Attorney General, the Secretary of State, the Comptroller, or the Treasurer, as the case may be, and whose job duties require the person to regularly communicate in the course of his or her employment with any official or staff of the General Assembly of the State of Illinois for the purpose of influencing any legislative action.

(j) "Managerial employee" means an individual who is engaged predominantly in executive and management functions and is charged with the responsibility of directing the effectuation of management policies and practices. With respect only to State employees in positions under the jurisdiction of the Attorney General, Secretary of State, Comptroller, or Treasurer (i) that were certified in a bargaining unit on or after December 2, 2008, (ii) for which a petition is filed with the Illinois Public Labor Relations Board on or after the effective date of this amendatory Act of the 97th General Assembly, or (iii) for which a petition is pending before the Illinois Public Labor Relations Board on that date, "managerial employee" means an individual who is engaged in executive and management functions or who is charged with the effectuation of management policies and practices or who represents management interests by taking or recommending discretionary actions that effectively control or implement policy. Nothing in this definition prohibits an individual from also meeting the definition "supervisor" under subsection (r) of this Section.

(k) "Peace officer" means, for the purposes of this Act only, any persons who have been or are hereafter appointed to a police force, department, or agency and sworn or commissioned to perform police duties, except that the following persons are not included: part-time police officers, special police officers, auxiliary police as defined by Section 3.1-30-20 of the Illinois Municipal Code, night watchmen, "merchant police", court security officers as defined by Section 3-6012.1 of the Counties Code, temporary employees, traffic guards or wardens, civilian parking meter and parking facilities personnel or other individuals specially appointed to aid or direct traffic at or near schools or public functions or to aid in civil defense or disaster, parking enforcement employees who are not commissioned as peace officers and who are not armed and who are not routinely expected to effect arrests, parking lot attendants, clerks and dispatchers or other civilian employees of a police department who are not routinely expected to effect arrests, or elected officials.

(l) "Person" includes one or more individuals, labor organizations, public employees, associations, corporations, legal representatives, trustees, trustees in bankruptcy, receivers, or the State of Illinois or any political subdivision of the State or governing body, but does not include the General Assembly of the State of Illinois or any individual employed by the General Assembly of the State of Illinois.

(m) "Professional employee" means any employee engaged in work predominantly intellectual and varied in character rather than routine mental, manual, mechanical or physical work; involving the consistent exercise of discretion and adjustment in its performance; of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; and requiring advanced knowledge in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from apprenticeship or from training in the performance of routine mental, manual, or physical processes; or any employee who has completed the courses of specialized intellectual instruction and study prescribed in this subsection (m) and is performing related work under the supervision of a professional person to qualify to become a professional employee as defined in this subsection (m).

(n) "Public employee" or "employee", for the purposes of this Act, means any individual employed by a public employer, including (i) interns and residents at public hospitals, (ii) as of the effective date of this amendatory Act of the 93rd General Assembly, but not before, personal care attendants and personal assistants working under the Home Services Program under Section 3 of the Disabled Persons Rehabilitation Act, subject to the limitations set forth in this Act and in the Disabled Persons Rehabilitation Act, and (iii) as of the effective date of this amendatory Act of the 94th General Assembly, but not before, child and day care home providers participating in the child care assistance program under Section 9A-11 of the Illinois Public Aid Code, subject to the limitations set forth in this Act and in Section 9A-11 of the Illinois Public Aid Code, but excluding all of the following: employees of the General Assembly of the State of Illinois; elected officials; executive heads of a department; members of boards or commissions; the Executive Inspectors General; any special Executive Inspectors General; employees of each Office of an Executive Inspector General; commissioners and employees of the Executive Ethics Commission; the Auditor General's Inspector General; employees of the Office of

the Auditor General's Inspector General; the Legislative Inspector General; any special Legislative Inspectors General; employees of the Office of the Legislative Inspector General; commissioners and employees of the Legislative Ethics Commission; employees of any agency, board or commission created by this Act; employees appointed to State positions of a temporary or emergency nature; all employees of school districts and higher education institutions except firefighters and peace officers employed by a state university and except peace officers employed by a school district in its own police department in existence on the effective date of this amendatory Act of the 96th General Assembly; managerial employees; short-term employees; legislative liaisons; a person who is a State employee under the jurisdiction of the Office of the Attorney General who is licensed to practice law or whose position authorizes, either directly or indirectly, meaningful input into government decision-making on issues where there is room for principled disagreement on goals or their implementation; a person who is a State employee under the jurisdiction of the Office of the Comptroller who holds the position of Public Service Administrator or whose position is otherwise exempt under the Comptroller Merit Employment Code; a person who is a State employee under the jurisdiction of the Secretary of State who holds the position classification of Executive I or higher, whose position authorizes, either directly or indirectly, meaningful input into government decision-making on issues where there is room for principled disagreement on goals or their implementation, or who is otherwise exempt under the Secretary of State Merit Employment Code; employees in the Office of the Secretary of State who are completely exempt from jurisdiction B of the Secretary of State Merit Employment Code and who are in Rutan-exempt positions on or after the effective date of this amendatory Act of the 97th General Assembly; a person who is a State employee under the jurisdiction of the Treasurer who holds a position that is exempt from the State Treasurer Employment Code; any employee of a State agency who (i) holds the title or position of, or exercises substantially similar duties as a, legislative liaison, Agency General Counsel, Agency Chief of Staff, Agency Executive Director, Agency Deputy Director, Agency Chief Fiscal Officer, Agency Human Resources Director, Public Information Officer, or Chief Information Officer and (ii) was neither included in a bargaining unit nor subject to an active petition for certification in a bargaining unit; any employee of a State agency who (i) is in a position that is Rutan-exempt, as designated by the employer, and completely exempt from jurisdiction B of the Personnel Code and (ii) was neither included in a bargaining unit nor subject to an active petition for certification in a bargaining unit; any term appointed employee of a State agency pursuant to Section 8b.18 or 8b.19 of the Personnel Code who was neither included in a bargaining unit nor subject to an active petition for certification in a bargaining unit; any employment position properly designated pursuant to Section 6.1 of this Act; confidential employees; independent contractors; and supervisors except as provided in this Act.

Personal care attendants and personal assistants shall not be considered public employees for any purposes not specifically provided for in the amendatory Act of the 93rd General Assembly, including but not limited to, purposes of vicarious liability in tort and purposes of statutory retirement or health insurance benefits. Personal care attendants and personal assistants shall not be covered by the State Employees Group Insurance Act of 1971 (5 ILCS 375/).

Child and day care home providers shall not be considered public employees for any purposes not specifically provided for in this amendatory Act of the 94th General Assembly, including but not limited to, purposes of vicarious liability in tort and purposes of statutory retirement or health insurance benefits. Child and day care home providers shall not be covered by the State Employees Group Insurance Act of 1971.

Notwithstanding Section 9, subsection (c), or any other provisions of this Act, all peace officers above the rank of captain in municipalities with more than 1,000,000 inhabitants shall be excluded from this Act.

(o) Except as otherwise in subsection (o-5), "public employer" or "employer" means the State of Illinois; any political subdivision of the State, unit of local government or school district; authorities including departments, divisions, bureaus, boards, commissions, or other agencies of the foregoing entities; and any person acting within the scope of his or her authority, express or implied, on behalf of those entities in dealing with its employees. As of the effective date of the amendatory Act of the 93rd General Assembly, but not before, the State of Illinois shall be considered the employer of the personal care attendants and personal assistants working under the Home Services Program under Section 3 of the Disabled Persons Rehabilitation Act, subject to the limitations set forth in this Act and in the Disabled Persons Rehabilitation Act. The State shall not be considered to be the employer of personal care attendants and personal assistants for any purposes not specifically provided for in this amendatory Act of the 93rd General Assembly, including but not limited to, purposes of vicarious liability in tort and purposes of statutory retirement or health insurance benefits. Personal care attendants and personal assistants shall not be covered by the State Employees Group Insurance Act of 1971 (5 ILCS 375/). As

of the effective date of this amendatory Act of the 94th General Assembly but not before, the State of Illinois shall be considered the employer of the day and child care home providers participating in the child care assistance program under Section 9A-11 of the Illinois Public Aid Code, subject to the limitations set forth in this Act and in Section 9A-11 of the Illinois Public Aid Code. The State shall not be considered to be the employer of child and day care home providers for any purposes not specifically provided for in this amendatory Act of the 94th General Assembly, including but not limited to, purposes of vicarious liability in tort and purposes of statutory retirement or health insurance benefits. Child and day care home providers shall not be covered by the State Employees Group Insurance Act of 1971.

"Public employer" or "employer" as used in this Act, however, does not mean and shall not include the General Assembly of the State of Illinois, the Executive Ethics Commission, the Offices of the Executive Inspectors General, the Legislative Ethics Commission, the Office of the Legislative Inspector General, the Office of the Auditor General's Inspector General, the Office of the Governor, the Governor's Office of Management and Budget, the Illinois Finance Authority, the Office of the Lieutenant Governor, the State Board of Elections, and educational employers or employers as defined in the Illinois Educational Labor Relations Act, except with respect to a state university in its employment of firefighters and peace officers and except with respect to a school district in the employment of peace officers in its own police department in existence on the effective date of this amendatory Act of the 96th General Assembly. County boards and county sheriffs shall be designated as joint or co-employers of county peace officers appointed under the authority of a county sheriff. Nothing in this subsection (o) shall be construed to prevent the State Panel or the Local Panel from determining that employers are joint or co-employers.

(o-5) With respect to wages, fringe benefits, hours, holidays, vacations, proficiency examinations, sick leave, and other conditions of employment, the public employer of public employees who are court reporters, as defined in the Court Reporters Act, shall be determined as follows:

(1) For court reporters employed by the Cook County Judicial Circuit, the chief judge of the Cook County Circuit Court is the public employer and employer representative.

(2) For court reporters employed by the 12th, 18th, 19th, and, on and after December 4, 2006, the 22nd judicial circuits, a group consisting of the chief judges of those circuits, acting jointly by majority vote, is the public employer and employer representative.

(3) For court reporters employed by all other judicial circuits, a group consisting of the chief judges of those circuits, acting jointly by majority vote, is the public employer and employer representative.

(p) "Security employee" means an employee who is responsible for the supervision and control of inmates at correctional facilities. The term also includes other non-security employees in bargaining units having the majority of employees being responsible for the supervision and control of inmates at correctional facilities.

(q) "Short-term employee" means an employee who is employed for less than 2 consecutive calendar quarters during a calendar year and who does not have a reasonable assurance that he or she will be rehired by the same employer for the same service in a subsequent calendar year.

(q-5) "State agency" means an agency directly responsible to the Governor, as defined in Section 3.1 of the Executive Reorganization Implementation Act, and the Illinois Commerce Commission, the Illinois Workers' Compensation Commission, the Civil Service Commission, the Pollution Control Board, the Illinois Racing Board, and the Department of State Police Merit Board.

(r) "Supervisor" is:

(1) ~~An~~ an employee whose principal work is substantially different from that of his or her subordinates and who has authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, direct, reward, or discipline employees, to adjust their grievances, or to effectively recommend any of those actions, if the exercise of that authority is not of a merely routine or clerical nature, but requires the consistent use of independent judgment. Except with respect to police employment, the term "supervisor" includes only those individuals who devote a preponderance of their employment time to exercising that authority, State supervisors notwithstanding. Nothing in this definition prohibits an individual from also meeting the definition of "managerial employee" under subsection (j) of this Section. In addition, in determining supervisory status in police employment, rank shall not be determinative. The Board shall consider, as evidence of bargaining unit inclusion or exclusion, the common law enforcement policies and relationships between police officer ranks and certification under applicable civil service law, ordinances, personnel codes, or Division 2.1 of Article 10 of the Illinois Municipal Code, but these factors shall not be the sole or predominant factors considered by the Board in determining police supervisory status.

Notwithstanding the provisions of the preceding paragraph, in determining supervisory

status in fire fighter employment, no fire fighter shall be excluded as a supervisor who has established representation rights under Section 9 of this Act. Further, in new fire fighter units, employees shall consist of fire fighters of the rank of company officer and below. If a company officer otherwise qualifies as a supervisor under the preceding paragraph, however, he or she shall not be included in the fire fighter unit. If there is no rank between that of chief and the highest company officer, the employer may designate a position on each shift as a Shift Commander, and the persons occupying those positions shall be supervisors. All other ranks above that of company officer shall be supervisors.

(2) With respect only to State employees in positions under the jurisdiction of the Attorney General, Secretary of State, Comptroller, or Treasurer (i) that were certified in a bargaining unit on or after December 2, 2008, (ii) for which a petition is filed with the Illinois Public Labor Relations Board on or after the effective date of this amendatory Act of the 97th General Assembly, or (iii) for which a petition is pending before the Illinois Public Labor Relations Board on that date, an employee who qualifies as a supervisor under (A) Section 152 of the National Labor Relations Act and (B) orders of the National Labor Relations Board interpreting that provision or decisions of courts reviewing decisions of the National Labor Relations Board.

(s) (1) "Unit" means a class of jobs or positions that are held by employees whose collective interests may suitably be represented by a labor organization for collective bargaining. Except with respect to non-State fire fighters and paramedics employed by fire departments and fire protection districts, non-State peace officers, and peace officers in the Department of State Police, a bargaining unit determined by the Board shall not include both employees and supervisors, or supervisors only, except as provided in paragraph (2) of this subsection (s) and except for bargaining units in existence on July 1, 1984 (the effective date of this Act). With respect to non-State fire fighters and paramedics employed by fire departments and fire protection districts, non-State peace officers, and peace officers in the Department of State Police, a bargaining unit determined by the Board shall not include both supervisors and nonsupervisors, or supervisors only, except as provided in paragraph (2) of this subsection (s) and except for bargaining units in existence on January 1, 1986 (the effective date of this amendatory Act of 1985). A bargaining unit determined by the Board to contain peace officers shall contain no employees other than peace officers unless otherwise agreed to by the employer and the labor organization or labor organizations involved. Notwithstanding any other provision of this Act, a bargaining unit, including a historical bargaining unit, containing sworn peace officers of the Department of Natural Resources (formerly designated the Department of Conservation) shall contain no employees other than such sworn peace officers upon the effective date of this amendatory Act of 1990 or upon the expiration date of any collective bargaining agreement in effect upon the effective date of this amendatory Act of 1990 covering both such sworn peace officers and other employees.

(2) Notwithstanding the exclusion of supervisors from bargaining units as provided in paragraph (1) of this subsection (s), a public employer may agree to permit its supervisory employees to form bargaining units and may bargain with those units. This Act shall apply if the public employer chooses to bargain under this subsection.

(3) Public employees who are court reporters, as defined in the Court Reporters Act, shall be divided into 3 units for collective bargaining purposes. One unit shall be court reporters employed by the Cook County Judicial Circuit; one unit shall be court reporters employed by the 12th, 18th, 19th, and, on and after December 4, 2006, the 22nd judicial circuits; and one unit shall be court reporters employed by all other judicial circuits.

(t) "Active petition for certification in a bargaining unit" means a petition for certification filed with the Board under one of the following case numbers: S-RC-11-110; S-RC-11-098; S-UC-11-080; S-RC-11-086; S-RC-11-074; S-RC-11-076; S-RC-11-078; S-UC-11-052; S-UC-11-054; S-RC-11-062; S-RC-11-060; S-RC-11-042; S-RC-11-014; S-RC-11-016; S-RC-11-020; S-RC-11-030; S-RC-11-004; S-RC-10-244; S-RC-10-228; S-RC-10-222; S-RC-10-220; S-RC-10-214; S-RC-10-196; S-RC-10-194; S-RC-10-178; S-RC-10-176; S-RC-10-162; S-RC-10-156; S-RC-10-088; S-RC-10-074; S-RC-10-076; S-RC-10-078; S-RC-10-060; S-RC-10-070; S-RC-10-044; S-RC-10-038; S-RC-10-040; S-RC-10-042; S-RC-10-018; S-RC-10-024; S-RC-10-004; S-RC-10-006; S-RC-10-008; S-RC-10-010; S-RC-10-012; S-RC-09-202; S-RC-09-182; S-RC-09-180; S-RC-09-156; S-UC-09-196; S-UC-09-182; S-RC-08-130; S-RC-07-110; or S-RC-07-100.

(Source: P.A. 95-331, eff. 8-21-07; 96-1257, eff. 7-23-10.)

(5 ILCS 315/6) (from Ch. 48, par. 1606)

Sec. 6. Right to organize and bargain collectively; exclusive representation; and fair share arrangements.

(a) Employees of the State and any political subdivision of the State, excluding employees of the General Assembly of the State of Illinois and employees excluded from the definition of "public employee" under subsection (n) of Section 3 of this Act, have, and are protected in the exercise of, the right of self-organization, and may form, join or assist any labor organization, to bargain collectively through representatives of their own choosing on questions of wages, hours and other conditions of employment, not excluded by Section 4 of this Act, and to engage in other concerted activities not otherwise prohibited by law for the purposes of collective bargaining or other mutual aid or protection, free from interference, restraint or coercion. Employees also have, and are protected in the exercise of, the right to refrain from participating in any such concerted activities. Employees may be required, pursuant to the terms of a lawful fair share agreement, to pay a fee which shall be their proportionate share of the costs of the collective bargaining process, contract administration and pursuing matters affecting wages, hours and other conditions of employment as defined in Section 3(g).

(b) Nothing in this Act prevents an employee from presenting a grievance to the employer and having the grievance heard and settled without the intervention of an employee organization; provided that the exclusive bargaining representative is afforded the opportunity to be present at such conference and that any settlement made shall not be inconsistent with the terms of any agreement in effect between the employer and the exclusive bargaining representative.

(c) A labor organization designated by the Board as the representative of the majority of public employees in an appropriate unit in accordance with the procedures herein or recognized by a public employer as the representative of the majority of public employees in an appropriate unit is the exclusive representative for the employees of such unit for the purpose of collective bargaining with respect to rates of pay, wages, hours and other conditions of employment not excluded by Section 4 of this Act. A public employer is required upon request to furnish the exclusive bargaining representative with a complete list of the names and addresses of the public employees in the bargaining unit, provided that a public employer shall not be required to furnish such a list more than once per payroll period. The exclusive bargaining representative shall use the list exclusively for bargaining representation purposes and shall not disclose any information contained in the list for any other purpose. Nothing in this Section, however, shall prohibit a bargaining representative from disseminating a list of its union members.

(d) Labor organizations recognized by a public employer as the exclusive representative or so designated in accordance with the provisions of this Act are responsible for representing the interests of all public employees in the unit. Nothing herein shall be construed to limit an exclusive representative's right to exercise its discretion to refuse to process grievances of employees that are unmeritorious.

(e) When a collective bargaining agreement is entered into with an exclusive representative, it may include in the agreement a provision requiring employees covered by the agreement who are not members of the organization to pay their proportionate share of the costs of the collective bargaining process, contract administration and pursuing matters affecting wages, hours and conditions of employment, as defined in Section 3 (g), but not to exceed the amount of dues uniformly required of members. The organization shall certify to the employer the amount constituting each nonmember employee's proportionate share which shall not exceed dues uniformly required of members. In such case, the proportionate share payment in this Section shall be deducted by the employer from the earnings of the nonmember employees and paid to the employee organization.

(f) Only the exclusive representative may negotiate provisions in a collective bargaining agreement providing for the payroll deduction of labor organization dues, fair share payment, initiation fees and assessments. Except as provided in subsection (e) of this Section, any such deductions shall only be made upon an employee's written authorization, and continued until revoked in writing in the same manner or until the termination date of an applicable collective bargaining agreement. Such payments shall be paid to the exclusive representative.

Where a collective bargaining agreement is terminated, or continues in effect beyond its scheduled expiration date pending the negotiation of a successor agreement or the resolution of an impasse under Section 14, the employer shall continue to honor and abide by any dues deduction or fair share clause contained therein until a new agreement is reached including dues deduction or a fair share clause. For the benefit of any successor exclusive representative certified under this Act, this provision shall be applicable, provided the successor exclusive representative:

- (i) certifies to the employer the amount constituting each non-member's proportionate share under subsection (e); or
- (ii) presents the employer with employee written authorizations for the deduction of dues, assessments, and fees under this subsection.

Failure to so honor and abide by dues deduction or fair share clauses for the benefit of any



exclusive representative, including a successor, shall be a violation of the duty to bargain and an unfair labor practice.

(g) Agreements containing a fair share agreement must safeguard the right of nonassociation of employees based upon bona fide religious tenets or teachings of a church or religious body of which such employees are members. Such employees may be required to pay an amount equal to their fair share, determined under a lawful fair share agreement, to a nonreligious charitable organization mutually agreed upon by the employees affected and the exclusive bargaining representative to which such employees would otherwise pay such service fee. If the affected employees and the bargaining representative are unable to reach an agreement on the matter, the Board may establish an approved list of charitable organizations to which such payments may be made.

(Source: P.A. 93-854, eff. 1-1-05; 94-472, eff. 1-1-06.)

(5 ILCS 315/6.1 new)

Sec. 6.1. Gubernatorial designation of certain public employment positions as excluded from collective bargaining.

(a) Notwithstanding any provision of this Act to the contrary, the Governor is authorized to designate up to 3,580 State employment positions collectively within State agencies directly responsible to the Governor, and, upon designation, those positions and employees in those positions, if any, are hereby excluded from the self-organization and collective bargaining provisions of Section 6 of this Act. Only those employment positions that have been certified in a bargaining unit on or after December 2, 2008, that have a pending petition for certification in a bargaining unit on the effective date of this amendatory Act of the 97th General Assembly, or that neither have been certified in a bargaining unit on or after December 2, 2008 nor have a pending petition for certification in a bargaining unit on the effective date of this amendatory Act of the 97th General Assembly are eligible to be designated by the Governor under this Section. The Governor may not designate under this Section, however, more than 1,900 employment positions that have been certified in a bargaining unit on or after December 2, 2008.

(b) In order to properly designate a State employment position under this Section, the Governor shall provide in writing to the Board: the job title and job duties of the employment position; the name of the State employee currently in the employment position, if any; the name of the State agency employing the public employee; and the category under which the position qualifies for designation under this Section.

To qualify for designation under this Section, the employment position must meet one or more of the following requirements:

(1) it must authorize an employee in that position to act as a legislative liaison;

(2) it must have a title of, or authorize a person who holds that position to exercise substantially similar duties as an, Agency General Counsel, Agency Chief of Staff, Agency Executive Director, Agency Deputy Director, Agency Chief Fiscal Officer, Agency Human Resources Director, Senior Public Service Administrator, Public Information Officer, or Chief Information Officer;

(3) it must be a Rutan-exempt, as designated by the employer, position and completely exempt from jurisdiction B of the Personnel Code;

(4) it must be a term appointed position pursuant to Section 8b.18 or 8b.19 of the Personnel Code;  
or

(5) it must authorize an employee in that position to have significant and independent discretionary authority as an employee.

Within 60 days after the Governor makes a designation under this Section, the Board shall determine, in a manner that is consistent with the requirements of due process, whether the designation comports with the requirements of this Section.

(c) For the purposes of this Section, a person has significant and independent discretionary authority as an employee if he or she (i) is engaged in executive and management functions of a State agency and charged with the effectuation of management policies and practices of a State agency or represents management interests by taking or recommending discretionary actions that effectively control or implement the policy of a State agency or (ii) qualifies as a supervisor of a State agency as that term is defined under Section 152 of the National Labor Relations Act or any orders of the National Labor Relations Board interpreting that provision or decisions of courts reviewing decisions of the National Labor Relations Board.

(d) The Governor must exercise the authority afforded under this Section within 365 calendar days after the effective date of this amendatory Act of the 97th General Assembly. Any designation made by the Governor under this Section shall be presumed to have been properly made.

If the Governor chooses not to designate a position under this Section, then that decision does not preclude a State agency from otherwise challenging the certification of that position under this Act.

The qualifying categories set forth in paragraphs (1) through (5) of subsection (b) of this Section are

operative and function solely within this Section and do not expand or restrict the scope of any other provision contained in this Act.

Section 95. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

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

Under the rules, the foregoing **Senate Bill No. 1556**, 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. 1968

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. 2 to SENATE BILL NO. 1968

House Amendment No. 3 to SENATE BILL NO. 1968

Passed the House, as amended, May 31, 2011.

MARK MAHONEY, Clerk of the House

#### **AMENDMENT NO. 2 TO SENATE BILL 1968**

AMENDMENT NO. 2. Amend Senate Bill 1968 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Act on the Aging is amended by changing Sections 4.02c and 8.08 as follows:  
(20 ILCS 105/4.02c)

Sec. 4.02c. Comprehensive Care in Residential Settings Demonstration Project.

(a) The Department may establish and fund a demonstration program of bundled services designed to support the specialized needs of clients who qualify for Community Care Program services and reside in projects designated by the Department as Comprehensive Care Residential Settings. Designated projects must hold a valid certificate license, which remains unsuspended, unrevoked, and unexpired, under the provisions of the Assisted Living and Shared Housing Act.

(b) The designated projects in the demonstration program must include, at a minimum:

- (1) 3 meals per day;
- (2) routine housekeeping services;
- (3) 24-hour-a-day security;
- (4) an emergency response system;
- (5) personal laundry and linen service;
- (6) assistance with activities of daily living;
- (7) medication management; and
- (8) money management.

Optional services, such as transportation and social activities, may be provided.

(c) Reimbursement for the program shall be based on the client's level of need and functional impairment, as determined by the Department. Clients must meet all eligibility requirements established by rule. The Department may establish a capitated reimbursement mechanism based on the client's level of need and functional impairment. Reimbursement for program must be made to the Department-contracted provider delivering the services.

(d) The Department shall adopt rules and provide oversight for the project, with assistance and advice provided by the Community Care Program Advisory Committee.

The project may be funded through the Department appropriations that may include Medicaid waiver funds.

(Source: P.A. 96-918, eff. 6-9-10; 96-1538, eff. 3-4-11.)

(20 ILCS 105/8.08)

Sec. 8.08. Older direct care worker recognition. The Department shall present one award annually to

[May 31, 2011]

older direct care workers in each of the following categories: Older American Act Services, Home Health Services, Community Care Program Services, Nursing Homes, and programs that provide housing with services licensed or certified by the State. The Department shall solicit nominations from associations representing providers of the named services or settings and trade associations representing applicable direct care workers. Nominations shall be presented in a format designated by the Department. Direct care workers honored with this award must be 55 years of age or older and shall be recognized for their dedication and commitment to improving the quality of aging in Illinois above and beyond the confines of their job description. Award recipients shall be honored in conjunction with the Senior Illinoisans Hall of Fame awards before their peers at the Governor's Conference on Aging or at a similar venue, shall have their pictures displayed on the Department's website with their permission, and shall receive a letter of commendation from the Governor. The Department shall include the recipients of these awards in all Senior Hall of Fame displays required by the Act on Aging. Except as otherwise prohibited by law, the Department may solicit private sector funding to underwrite the cost of all awards and recognition materials and shall request that all associations representing providers of the named services or settings and trade associations applicable to direct care workers publicize the awards and the award recipients in communications with their members. The Department shall request nominations no later than July 1, 2011, and every May 1 thereafter.

(Source: P.A. 96-376, eff. 8-13-09; 96-918, eff. 6-9-10.)

Section 10. The Assisted Living and Shared Housing Act is amended by changing Sections 5, 10, 20, 25, 30, 32, 35, 40, 45, 55, 60, 65, 75, 90, 100, 110, 120, 140, 145, 150, and 155 as follows:

(210 ILCS 9/5)

Sec. 5. Legislative purpose. The purpose of this Act is to permit the development and availability of assisted living establishments and shared housing establishments based on a social model that promotes the dignity, individuality, privacy, independence, autonomy, and decision-making ability and the right to negotiated risk of those persons; to provide for the health, safety, and welfare of those residents residing in assisted living and shared housing establishments in this State; to promote continuous quality improvement in assisted living; and to encourage the development of innovative and affordable assisted living establishments and shared housing with service establishments for elderly persons of all income levels. It is the public policy of this State that assisted living is an important part of the continuum of long term care. In support of the goal of aging in place within the parameters established by this Act, assisted living and shared housing establishments shall be operated as residential environments with supportive services designed to meet the individual resident's changing needs and preferences. The residential environment shall be designed to encourage family and community involvement. The services available to residents, either directly or through contracts or agreements, are intended to help residents remain as independent as possible. Assisted living, which promotes resident choice, autonomy, and decision making, should be based on a contract model designed to result in a negotiated agreement between the resident or the resident's representative and the provider, clearly identifying the services to be provided. This model assumes that residents are able to direct services provided for them and will designate a representative to direct these services if they themselves are unable to do so. This model supports the principle that there is an acceptable balance between consumer protection and resident willingness to accept risk and that most consumers are competent to make their own judgments about the services they are obtaining. Regulation of assisted living establishments and shared housing establishments must be sufficiently flexible to allow residents to age in place within the parameters of this Act. The administration of this Act and services provided must therefore ensure that the residents have the rights and responsibilities to direct the scope of services they receive and to make individual choices based on their needs and preferences. These establishments shall be operated in a manner that provides the least restrictive and most homelike environment and that promotes independence, autonomy, individuality, privacy, dignity, and the right to negotiated risk in residential surroundings. It is not the intent of the State that certified establishments ~~licensed~~ under this Act be used as halfway houses for alcohol and substance abusers.

(Source: P.A. 91-656, eff. 1-1-01.)

(210 ILCS 9/10)

Sec. 10. Definitions. For purposes of this Act:

"Activities of daily living" means eating, dressing, bathing, toileting, transferring, or personal hygiene.

"Assisted living establishment" or "establishment" means a home, building, residence, or any other place where sleeping accommodations are provided for at least 3 unrelated adults, at least 80% of whom are 55 years of age or older and where the following are provided consistent with the purposes of this Act:

(1) services consistent with a social model that is based on the premise that the resident's unit in assisted living and shared housing is his or her own home;

(2) community-based residential care for persons who need assistance with activities of daily living, including personal, supportive, and intermittent health-related services available 24 hours per day, if needed, to meet the scheduled and unscheduled needs of a resident;

(3) mandatory services, whether provided directly by the establishment or by another entity arranged for by the establishment, with the consent of the resident or resident's representative; and

(4) a physical environment that is a homelike setting that includes the following and such other elements as established by the Department: individual living units each of which shall accommodate small kitchen appliances and contain private bathing, washing, and toilet facilities, or private washing and toilet facilities with a common bathing room readily accessible to each resident. Units shall be maintained for single occupancy except in cases in which 2 residents choose to share a unit. Sufficient common space shall exist to permit individual and group activities.

"Assisted living establishment" or "establishment" does not mean any of the following:

(1) A home, institution, or similar place operated by the federal government or the State of Illinois.

(2) A long term care facility licensed under the Nursing Home Care Act or a facility licensed under the MR/DD Community Care Act. However, a facility licensed under either of those Acts may convert distinct parts of the facility to assisted living. If the facility elects to do so, the facility shall retain the Certificate of Need for its nursing and sheltered care beds that were converted.

(3) A hospital, sanitarium, or other institution, the principal activity or business of which is the diagnosis, care, and treatment of human illness and that is required to be licensed under the Hospital Licensing Act.

(4) A facility for child care as defined in the Child Care Act of 1969.

(5) A community living facility as defined in the Community Living Facilities Licensing Act.

(6) A nursing home or sanitarium operated solely by and for persons who rely exclusively upon treatment by spiritual means through prayer in accordance with the creed or tenets of a well-recognized church or religious denomination.

(7) A facility licensed by the Department of Human Services as a community-integrated living arrangement as defined in the Community-Integrated Living Arrangements Licensure and Certification Act.

(8) A supportive residence licensed under the Supportive Residences Licensing Act.

(9) The portion of a life care facility as defined in the Life Care Facilities Act not licensed as an assisted living establishment under this Act; a life care facility may apply under this Act to convert sections of the community to assisted living.

(10) A free-standing hospice facility licensed under the Hospice Program Licensing Act.

(11) A shared housing establishment.

(12) A supportive living facility as described in Section 5-5.01a of the Illinois Public Aid Code.

"Department" means the Department of Public Health.

"Director" means the Director of Public Health.

"Emergency situation" means imminent danger of death or serious physical harm to a resident of an establishment.

"~~Certificate License~~" means any of the following types of ~~certificates licenses~~ issued to an applicant or licensee by the Department:

(1) "Probationary ~~certificate license~~" means a ~~certificate license~~ issued to an applicant or the holder of a certificate license that has not held a certificate or license under this Act prior to its application or pursuant to a license transfer in accordance with Section 50 of this Act.

(2) "Regular ~~certification license~~" means a ~~certificate license~~ issued by the Department to an applicant or the holder of a certificate license that is in substantial compliance with this Act and any rules promulgated under this Act.

"~~Holder of a certificate License~~" means a person, agency, association, corporation, partnership, or organization that has been issued a certificate license to operate an assisted living or shared housing establishment.

"Licensed health care professional" means a registered professional nurse, an advanced practice nurse, a physician assistant, and a licensed practical nurse.

"Mandatory services" include the following:

- (1) 3 meals per day available to the residents prepared by the establishment or an outside contractor;
- (2) housekeeping services including, but not limited to, vacuuming, dusting, and cleaning the resident's unit;
- (3) personal laundry and linen services available to the residents provided or arranged for by the establishment;
- (4) security provided 24 hours each day including, but not limited to, locked entrances or building or contract security personnel;
- (5) an emergency communication response system, which is a procedure in place 24 hours each day by which a resident can notify building management, an emergency response vendor, or others able to respond to his or her need for assistance; and
- (6) assistance with activities of daily living as required by each resident.

"Negotiated risk" is the process by which a resident, or his or her representative, may formally negotiate with providers what risks each are willing and unwilling to assume in service provision and the resident's living environment. The provider assures that the resident and the resident's representative, if any, are informed of the risks of these decisions and of the potential consequences of assuming these risks.

"Owner" means the individual, partnership, corporation, association, or other person who owns an assisted living or shared housing establishment. In the event an assisted living or shared housing establishment is operated by a person who leases or manages the physical plant, which is owned by another person, "owner" means the person who operates the assisted living or shared housing establishment, except that if the person who owns the physical plant is an affiliate of the person who operates the assisted living or shared housing establishment and has significant control over the day to day operations of the assisted living or shared housing establishment, the person who owns the physical plant shall incur jointly and severally with the owner all liabilities imposed on an owner under this Act.

"Physician" means a person licensed under the Medical Practice Act of 1987 to practice medicine in all of its branches.

"Resident" means a person residing in an assisted living or shared housing establishment.

"Resident's representative" means a person, other than the owner, agent, or employee of an establishment or of the health care provider unless related to the resident, designated in writing by a resident to be his or her representative. This designation may be accomplished through the Illinois Power of Attorney Act, pursuant to the guardianship process under the Probate Act of 1975, or pursuant to an executed designation of representative form specified by the Department.

"Self" means the individual or the individual's designated representative.

"Shared housing establishment" or "establishment" means a publicly or privately operated free-standing residence for 16 or fewer persons, at least 80% of whom are 55 years of age or older and who are unrelated to the owners and one manager of the residence, where the following are provided:

- (1) services consistent with a social model that is based on the premise that the resident's unit is his or her own home;
- (2) community-based residential care for persons who need assistance with activities of daily living, including housing and personal, supportive, and intermittent health-related services available 24 hours per day, if needed, to meet the scheduled and unscheduled needs of a resident; and
- (3) mandatory services, whether provided directly by the establishment or by another entity arranged for by the establishment, with the consent of the resident or the resident's representative.

"Shared housing establishment" or "establishment" does not mean any of the following:

- (1) A home, institution, or similar place operated by the federal government or the State of Illinois.
- (2) A long term care facility licensed under the Nursing Home Care Act or a facility licensed under the MR/DD Community Care Act. A facility licensed under either of those Acts may, however, convert sections of the facility to assisted living. If the facility elects to do so, the facility shall retain the Certificate of Need for its nursing beds that were converted.
- (3) A hospital, sanitarium, or other institution, the principal activity or business of which is the diagnosis, care, and treatment of human illness and that is required to be licensed under the Hospital Licensing Act.
- (4) A facility for child care as defined in the Child Care Act of 1969.
- (5) A community living facility as defined in the Community Living Facilities Licensing Act.

(6) A nursing home or sanitarium operated solely by and for persons who rely exclusively upon treatment by spiritual means through prayer in accordance with the creed or tenants of a well-recognized church or religious denomination.

(7) A facility licensed by the Department of Human Services as a community-integrated living arrangement as defined in the Community-Integrated Living Arrangements Licensure and Certification Act.

(8) A supportive residence licensed under the Supportive Residences Licensing Act.

(9) A life care facility as defined in the Life Care Facilities Act; a life care facility may apply under this Act to convert sections of the community to assisted living.

(10) A free-standing hospice facility licensed under the Hospice Program Licensing Act.

(11) An assisted living establishment.

(12) A supportive living facility as described in Section 5-5.01a of the Illinois Public Aid Code.

"Total assistance" means that staff or another individual performs the entire activity of daily living without participation by the resident.

(Source: P.A. 95-216, eff. 8-16-07; 96-339, eff. 7-1-10; 96-975, eff. 7-2-10.)

(210 ILCS 9/20)

Sec. 20. Construction and operating standards. The Department shall prescribe minimum standards for establishments. These standards shall include:

(1) the location and construction of the establishment, including plumbing, heating, lighting, ventilation, and other physical conditions which shall ensure the health, safety, and comfort of residents and their protection from fire hazards; these standards shall include, at a minimum, compliance with the residential board and care occupancies chapter of the National Fire Protection Association's Life Safety Code, local and State building codes for the building type, and accessibility standards of the Americans with Disabilities Act;

(2) the number and qualifications of all personnel having responsibility for any part of the services provided for residents;

(3) all sanitary conditions within the establishment and its surroundings, including water supply, sewage disposal, food handling, infection control, and general hygiene, which shall ensure the health and comfort of residents;

(4) a program for adequate maintenance of physical plant and equipment;

(5) adequate accommodations, staff, and services for the number and types of residents for whom the establishment is ~~certified licensed~~;

(6) the development of evacuation and other appropriate safety plans for use during weather, health, fire, physical plant, environmental, and national defense emergencies; and

(7) the maintenance of minimum financial and other resources necessary to meet the standards established under this Section and to operate the establishment in accordance with this Act.

(Source: P.A. 96-975, eff. 7-2-10.)

(210 ILCS 9/25)

Sec. 25. ~~Certification License~~ requirement. No person may establish, operate, maintain, or offer an establishment as an assisted living establishment or shared housing establishment as defined by the Act within this State unless and until he or she obtains a valid ~~certificate license~~, which remains unsuspended, unrevoked, and unexpired. No public official, agent, or employee may place any person in, or recommend that any person be placed in, or directly or indirectly cause any person to be placed in any establishment that meets the definition under this Act that is being operated without a valid ~~certificate license~~. No public official, agent, or employee may place the name of an ~~uncertified unlicensed~~ establishment that is required to be ~~certified licensed~~ under this Act on a list of programs. An entity that operates as an assisted living or shared housing establishment as defined by this Act without ~~being certified a license~~ shall be subject to the provisions, including penalties, of the Nursing Home Care Act. No entity shall use in its name or advertise "assisted living" unless ~~certified licensed~~ as an assisted living establishment under this Act or as a shelter care facility under the Nursing Home Care Act that also meets the definition of an assisted living establishment under this Act, except a shared housing establishment ~~certified licensed~~ under this Act may advertise assisted living services. A valid license issued pursuant to this Act prior to the effective date of this amendatory Act of the 97th General Assembly shall be deemed a valid certificate pursuant to this Act subject to all renewal, suspension, revocation, and disciplinary provisions of this Act until such time as the Department shall establish means for certification under this Act.

(Source: P.A. 93-141, eff. 7-10-03.)

(210 ILCS 9/30)

[May 31, 2011]

Sec. 30. Certification Licensing.

(a) The Department shall establish by rule forms, procedures, and fees for the annual certification licensing of assisted living and shared housing establishments; shall establish and enforce sanctions and penalties for operating in violation of this Act, as provided in Section 135 of this Act and rules adopted under Section 110 of this Act. The Department shall conduct an annual on-site review for each establishment covered by this Act, which shall include, but not be limited to, compliance with this Act and rules adopted hereunder, focus on solving resident issues and concerns, and the quality improvement process implemented by the establishment to address resident issues. The quality improvement process implemented by the establishment must benchmark performance, be customer centered, be data driven, and focus on resident satisfaction.

(b) An establishment shall provide the following information to the Department to be considered for certification licensure:

- (1) the business name, street address, mailing address, and telephone number of the establishment;
- (2) the name and mailing address of the owner or owners of the establishment and if the owner or owners are not natural persons, identification of the type of business entity of the owners, and the names and addresses of the officers and members of the governing body, or comparable persons for partnerships, limited liability companies, or other types of business organizations;
- (3) financial information, content and form to be determined by rules which may provide different standards for assisted living establishments and shared housing establishments, establishing that the project is financially feasible;
- (4) the name and mailing address of the managing agent of the establishment, whether hired under a management agreement or lease agreement, if different from the owner or owners, and the name of the full-time director;
- (5) verification that the establishment has entered or will enter into a service delivery contract as provided in Section 90, as required under this Act, with each resident or resident's representative;
- (6) the name and address of at least one natural person who shall be responsible for dealing with the Department on all matters provided for in this Act, on whom personal service of all notices and orders shall be made, and who shall be authorized to accept service on behalf of the owner or owners and the managing agent. Notwithstanding a contrary provision of the Code of Civil Procedure, personal service on the person identified pursuant to this subsection shall be considered service on the owner or owners and the managing agent, and it shall not be a defense to any action that personal service was not made on each individual or entity;
- (7) the signature of the authorized representative of the owner or owners;
- (8) proof of an ongoing quality improvement program in accordance with rules adopted by the Department;
- (9) information about the number and types of units, the maximum census, and the services to be provided at the establishment, proof of compliance with applicable State and local residential standards, and a copy of the standard contract offered to residents;
- (10) documentation of adequate liability insurance; and
- (11) other information necessary to determine the identity and qualifications of an applicant or the holder of a certificate licensee to operate an establishment in accordance with this Act as required by the Department by rule.

(c) The information in the statement of ownership shall be public information and shall be available from the Department.

(Source: P.A. 96-975, eff. 7-2-10.)

(210 ILCS 9/32)

Sec. 32. Floating certification licensure. An establishment (i) in which 80% of the residents are at least 55 years of age or older, (ii) that is operated as housing for the elderly, and (iii) that meets the construction and operating standards contained in Section 20 of this Act may request a floating assisted living certificate licensee for any number of individual living units within the establishment up to, but not including, total capacity. An establishment requesting a floating assisted living certificate licensee must specify the number of individual living units within the establishment to be certified licensed. Living units designated by the establishment as a certified assisted licensed living unit shall, for the purposes of this Section, be referred to as a certified assisted licensed living unit. An establishment utilizing a floating assisted living certificate licensee must have staff adequate to meet the scheduled and unscheduled needs of the residents residing in certified assisted licensed living units within the establishment. All staff providing services to certified assisted licensed living units must meet the

requirements of this Act and its rules. A living unit may only be designated as a certified assisted living licensed unit if the living unit and the living unit's resident meet the requirements of this Act and its rules. All mandatory services must be made available to residents of certified assisted licensed living units, and residents of certified assisted licensed living units may receive any optional services permitted under the establishment's assisted living certificate license. Establishments may only provide services under this Act in the individual living units designated as certified assisted living licensed units. Designation as a certified assisted living licensed unit may be temporary to accommodate a resident's changing needs without requiring the resident to move.

An establishment with a floating assisted living certification license must keep a current written list of those units designated under the floating assisted living certificate license. If a resident elects to receive services in a unit that is not certified licensed and the unit qualifies for assisted living certification licensure, the establishment must notify the resident that the unit must be certified as an assisting living unit licensed and the requirements of this Act must be met before services can be provided to residents in that unit. Upon the initiation of an initial assisted living certification licensing inspection, annual inspection, or complaint investigation, the establishment shall provide to the Department a list of the units designated under the floating assisted living certification license in which residents are receiving services subject to this Act.

(Source: P.A. 93-141, eff. 7-10-03.)

(210 ILCS 9/35)

Sec. 35. Issuance of certification license.

(a) Upon receipt and review of an application for a certificate license and review of the applicant establishment, the Director may issue a certificate license if he or she finds:

(1) that the individual applicant, or the corporation, partnership, or other entity if the applicant is not an individual, is a person responsible and suitable to operate or to direct or participate in the operation of an establishment by virtue of financial capacity, appropriate business or professional experience, a record of lawful compliance with lawful orders of the Department and lack of revocation of a certificate or license issued under this Act, the Nursing Home Care Act, or the MR/DD Community Care Act during the previous 5 years;

(2) that the establishment is under the supervision of a full-time director who is at least 21 years of age and has a high school diploma or equivalent plus either:

(A) 2 years of management experience or 2 years of experience in positions of progressive responsibility in health care, housing with services, or adult day care or providing similar services to the elderly; or

(B) 2 years of management experience or 2 years of experience in positions of progressive responsibility in hospitality and training in health care and housing with services management as defined by rule;

(3) that the establishment has staff sufficient in number with qualifications, adequate skills, education, and experience to meet the 24 hour scheduled and unscheduled needs of residents and who participate in ongoing training to serve the resident population;

(4) that all employees who are subject to the Health Care Worker Background Check Act meet the requirements of that Act;

(5) that the applicant is in substantial compliance with this Act and such other requirements for a certificate license as the Department by rule may establish under this Act;

(6) that the applicant pays all required fees;

(7) that the applicant has provided to the Department an accurate disclosure document in accordance with the Alzheimer's Disease and Related Dementias Special Care Disclosure Act and in substantial compliance with Section 150 of this Act.

In addition to any other requirements set forth in this Act, as a condition of certification licensure under this Act, the director of an establishment must participate in at least 20 hours of training every 2 years to assist him or her in better meeting the needs of the residents of the establishment and managing the operation of the establishment.

Any certificate license issued by the Director shall state the physical location of the establishment, the date the certificate license was issued, and the expiration date. All certificates licenses shall be valid for one year, except as provided in Sections 40 and 45. Each certificate license shall be issued only for the premises and persons named in the application, and shall not be transferable or assignable.

(Source: P.A. 95-79, eff. 8-13-07; 95-590, eff. 9-10-07; 95-628, eff. 9-25-07; 95-876, eff. 8-21-08; 96-339, eff. 7-1-10; 96-990, eff. 7-2-10.)

(210 ILCS 9/40)

Sec. 40. Probationary certification licenses. If the applicant has not been previously certified or



licensed under this Act or if the establishment is not in operation at the time the application is made and if the Department determines that the applicant meets the certification licensure requirements of this Act, the Department shall issue a probationary certificate license. A probationary certificate license shall be valid for 120 days unless sooner suspended or revoked. Within 30 days prior to the termination of a probationary certificate license, the Department shall fully and completely review the establishment and, if the establishment meets the applicable requirements for certification licensure, shall issue a certificate license. If the Department finds that the establishment does not meet the requirements for certification licensure, but has made substantial progress toward meeting those requirements, the certificate license may be renewed once for a period not to exceed 120 days from the expiration date of the initial probationary certificate license.

(Source: P.A. 93-1003, eff. 8-23-04.)

(210 ILCS 9/45)

Sec. 45. Renewal of certification licensure. At least 120 days, but not more than 150 days prior to the license expiration of a certificate, the holder of a certificate licensee shall submit an application for renewal of the certificate license in such form and containing such information as the Department requires. If the application is approved, and if the holder of a certificate licensee (i) has not committed a Type 1 violation in the preceding 24 months, (ii) has not committed a Type 2 violation in the preceding 24 months, (iii) has not had an inspection, review, or evaluation that resulted in a finding of 10 or more Type 3 violations in the preceding 24 months, and (iv) has not admitted or retained a resident in violation of Section 75 of this Act in the preceding 24 months, the Department may renew the certificate license for an additional period of 2 years at the request of the holder of a certificate licensee. If a holder of a certificate licensee whose certificate license has been renewed for 2 years under this Section subsequently fails to meet any of the conditions set forth in items (i), (ii), and (iii), then, in addition to any other sanctions that the Department may impose under this Act, the Department shall revoke the 2-year certificate license and replace it with a one-year certificate license until the holder of a certificate licensee again meets all of the conditions set forth in items (i), (ii), and (iii). If appropriate, the renewal application shall not be approved unless the applicant has provided to the Department an accurate disclosure document in accordance with the Alzheimer's Disease and Related Dementias Special Care Disclosure Act. If the application for renewal is not timely filed, the Department shall so inform the holder of a certificate licensee.

(Source: P.A. 95-590, eff. 9-10-07; 95-876, eff. 8-21-08; 96-990, eff. 7-2-10; 96-1275, eff. 7-26-10; revised 9-2-10.)

(210 ILCS 9/55)

Sec. 55. Grounds for denial of a certificate license. An application for a certificate license may be denied for any of the following reasons:

(1) failure to meet any of the standards set forth in this Act or by rules adopted by the Department under this Act;

(2) conviction of the applicant, or if the applicant is a firm, partnership, or association, of any of its members, or if a corporation, the conviction of the corporation or any of its officers or stockholders, or of the person designated to manage or supervise the establishment, of a felony or of 2 or more misdemeanors involving moral turpitude during the previous 5 years as shown by a certified copy of the record of the court of conviction;

(3) personnel insufficient in number or unqualified by training or experience to properly care for the residents;

(4) insufficient financial or other resources to operate and conduct the establishment in accordance with standards adopted by the Department under this Act;

(5) revocation of a certificate or license during the previous 5 years, if such prior certificate or license was

issued to the individual applicant, a controlling owner or controlling combination of owners of the applicant; or any affiliate of the individual applicant or controlling owner of the applicant and such individual applicant, controlling owner of the applicant or affiliate of the applicant was a controlling owner of the prior certificate or license; provided, however, that the denial of an application for a certificate license pursuant to this Section must be supported by evidence that the prior revocation renders the applicant unqualified or incapable of meeting or maintaining an establishment in accordance with the standards and rules adopted by the Department under this Act; or

(6) the establishment is not under the direct supervision of a full-time director, as defined by rule.

The Department shall deny an application for a certificate license if 6 months after submitting its initial application the applicant has not provided the Department with all of the information required for

review and approval or the applicant is not actively pursuing the processing of its application. In addition, the Department shall determine whether the applicant has violated any provision of the Nursing Home Care Act or the MR/DD Community Care Act.  
(Source: P.A. 96-339, eff. 7-1-10.)

(210 ILCS 9/60)

Sec. 60. Notice of denial; request for hearing; hearing.

(a) Immediately upon the denial of any application or reapplication for a certificate license under this Act, the Department shall notify the applicant in writing. Notice of denial shall include a clear and concise statement of the violations of this Act on which the denial is based and notice of the opportunity for a hearing. If the applicant or the holder of a certificate license wishes to contest the denial of a certificate license, it shall provide written notice to the Department of a request for a hearing within 10 days after receipt of the notice of denial. The Department shall commence a hearing under this Section.

(b) A request for a hearing by aggrieved persons shall be taken to the Department as follows:

(1) Upon the receipt of a request in writing for a hearing, the Director or a person designated in writing by the Director to act as a hearing officer shall conduct a hearing to review the decision.

(2) Before the hearing is held notice of the hearing shall be sent by the Department to the person making the request for the hearing and to the person making the decision which is being reviewed. In the notice the Department shall specify the date, time, and place of the hearing, which shall be held not less than 10 days after the notice is mailed or delivered. The notice shall designate the decision being reviewed. The notice may be served by delivering it personally to the parties or their representatives or by mailing it by certified mail to the parties' addresses.

(3) The Department shall commence the hearing within 30 days after the receipt of request for hearing. The hearing shall proceed as expeditiously as practicable, but in all cases shall conclude within 90 days after commencement.

(c) The Director or hearing officer shall permit any party to appear in person and to be represented by counsel at the hearing, at which time the applicant or the holder of a certificate license shall be afforded an opportunity to present all relevant matter in support of his or her position. In the event of the inability of any party or the Department to procure the attendance of witnesses to give testimony or produce books and papers, any party or the Department may take the deposition of witnesses in accordance with the provisions of the laws of this State. All testimony shall be reduced to writing, and all testimony and other evidence introduced at the hearing shall be a part of the record of the hearing.

(d) The Director or hearing officer shall make findings of fact in the hearing, and the Director shall render his or her decision within 30 days after the termination of the hearing, unless additional time not to exceed 90 days is required by him or her for a proper disposition of the matter. When the hearing has been conducted by a hearing officer, the Director shall review the record and findings of fact before rendering a decision. All decisions rendered by the Director shall be binding upon and complied with by the Department, the establishment, or the persons involved in the hearing, as appropriate to each case.

(Source: P.A. 91-656, eff. 1-1-01.)

(210 ILCS 9/65)

Sec. 65. Revocation, suspension, or refusal to renew certificate license.

(a) The Department, after notice to the applicant or the holder of a certificate license, may suspend, revoke, or refuse to renew a certificate license in any case in which the Department finds any of the following:

(1) that there has been a substantial failure to comply with this Act or the rules promulgated by the Department under this Act;

(2) that there has been a conviction of the the holder of a certificate license, or of the person designated to manage or supervise the establishment, of a felony or of 2 or more misdemeanors involving moral turpitude during the previous 5 years as shown by a certified copy of the record of the court of conviction;

(3) that the personnel is insufficient in number or unqualified by training or experience to properly care for the number and type of residents served by the establishment;

(4) that the financial or other resources are insufficient to conduct and operate the establishment in accordance with standards promulgated by the Department under this Act; or

(5) that the establishment is not under the direct supervision of a full-time director, as defined by rule.

(b) Notice under this Section shall include a clear and concise statement of the violations on which the nonrenewal or revocation is based, the statute or rule violated, and notice of the opportunity for a hearing under Section 60.

(c) If an establishment desires to contest the nonrenewal or revocation of a certificate ~~license~~, the establishment shall, within 10 days after receipt of notice under subsection (b) of this Section, notify the Department in writing of its request for a hearing under Section 60. Upon receipt of the request the Department shall send notice to the establishment and hold a hearing as provided under Section 60.

(d) The effective date of nonrenewal or revocation of a certificate ~~license~~ by the Department shall be any of the following:

(1) until otherwise ordered by the circuit court, revocation is effective on the date set by the Department in the notice of revocation, or upon final action after hearing under Section 60, whichever is later;

(2) until otherwise ordered by the circuit court, nonrenewal is effective on the date of expiration of any existing certificate or license, or upon final action after hearing under Section 60, whichever is later; however, a certificate or license shall not be deemed to have expired if the Department fails to timely respond to a timely request for renewal under this Act or for a hearing to contest nonrenewal; or

(3) the Department may extend the effective date of certificate ~~license~~ revocation or expiration in any case in order to permit orderly removal and relocation of residents.

(e) The Department may refuse to issue or may suspend the certificate ~~license~~ of any person who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of any such tax Act are satisfied.

(Source: P.A. 91-656, eff. 1-1-01.)

(210 ILCS 9/75)

Sec. 75. Residency Requirements.

(a) No individual shall be accepted for residency or remain in residence if the establishment cannot provide or secure appropriate services, if the individual requires a level of service or type of service for which the establishment is not certificated ~~licensed~~ or which the establishment does not provide, or if the establishment does not have the staff appropriate in numbers and with appropriate skill to provide such services.

(b) Only adults may be accepted for residency.

(c) A person shall not be accepted for residency if:

(1) the person poses a serious threat to himself or herself or to others;

(2) the person is not able to communicate his or her needs and no resident representative residing in the establishment, and with a prior relationship to the person, has been appointed to direct the provision of services;

(3) the person requires total assistance with 2 or more activities of daily living;

(4) the person requires the assistance of more than one paid caregiver at any given time with an activity of daily living;

(5) the person requires more than minimal assistance in moving to a safe area in an emergency;

(6) the person has a severe mental illness, which for the purposes of this Section means a condition that is characterized by the presence of a major mental disorder as classified in the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (DSM-IV) (American Psychiatric Association, 1994), where the individual is substantially disabled due to mental illness in the areas of self-maintenance, social functioning, activities of community living and work skills, and the disability specified is expected to be present for a period of not less than one year, but does not mean Alzheimer's disease and other forms of dementia based on organic or physical disorders;

(7) the person requires intravenous therapy or intravenous feedings unless self-administered or administered by a qualified, licensed health care professional;

(8) the person requires gastrostomy feedings unless self-administered or administered by a licensed health care professional;

(9) the person requires insertion, sterile irrigation, and replacement of catheter, except for routine maintenance of urinary catheters, unless the catheter care is self-administered or administered by a licensed health care professional;

(10) the person requires sterile wound care unless care is self-administered or administered by a licensed health care professional;

(11) the person requires sliding scale insulin administration unless self-performed or administered by a licensed health care professional;

(12) the person is a diabetic requiring routine insulin injections unless the injections

are self-administered or administered by a licensed health care professional;

(13) the person requires treatment of stage 3 or stage 4 decubitus ulcers or exfoliative dermatitis;

(14) the person requires 5 or more skilled nursing visits per week for conditions other than those listed in items (13) and (15) of this subsection for a period of 3 consecutive weeks or more except when the course of treatment is expected to extend beyond a 3 week period for rehabilitative purposes and is certified as temporary by a physician; or

(15) other reasons prescribed by the Department by rule.

(d) A resident with a condition listed in items (1) through (15) of subsection (c) shall have his or her residency terminated.

(e) Residency shall be terminated when services available to the resident in the establishment are no longer adequate to meet the needs of the resident. This provision shall not be interpreted as limiting the authority of the Department to require the residency termination of individuals.

(f) Subsection (d) of this Section shall not apply to terminally ill residents who receive or would qualify for hospice care and such care is coordinated by a hospice program licensed under the Hospice Program Licensing Act or other licensed health care professional employed by a licensed home health agency and the establishment and all parties agree to the continued residency.

(g) Items (3), (4), (5), and (9) of subsection (c) shall not apply to a quadriplegic, paraplegic, or individual with neuro-muscular diseases, such as muscular dystrophy and multiple sclerosis, or other chronic diseases and conditions as defined by rule if the individual is able to communicate his or her needs and does not require assistance with complex medical problems, and the establishment is able to accommodate the individual's needs. The Department shall prescribe rules pursuant to this Section that address special safety and service needs of these individuals.

(h) For the purposes of items (7) through (10) of subsection (c), a licensed health care professional may not be employed by the owner or operator of the establishment, its parent entity, or any other entity with ownership common to either the owner or operator of the establishment or parent entity, including but not limited to an affiliate of the owner or operator of the establishment. Nothing in this Section is meant to limit a resident's right to choose his or her health care provider.

(i) Subsection (h) is not applicable to residents admitted to an assisted living establishment under a life care contract as defined in the Life Care Facilities Act if the life care facility has both an assisted living establishment and a skilled nursing facility. A licensed health care professional providing health-related or supportive services at a life care assisted living or shared housing establishment must be employed by an entity licensed by the Department under the Nursing Home Care Act or the Home Health, Home Services, and Home Nursing Agency Licensing Act.

(Source: P.A. 94-256, eff. 7-19-05; 94-570, eff. 8-12-05; 95-216, eff. 8-16-07; 95-331, eff. 8-21-07.)

(210 ILCS 9/90)

Sec. 90. Contents of service delivery contract. A contract between an establishment and a resident must be entitled "assisted living establishment contract" or "shared housing establishment contract" as applicable, shall be printed in no less than 12 point type, and shall include at least the following elements in the body or through supporting documents or attachments:

(1) the name, street address, and mailing address of the establishment;

(2) the name and mailing address of the owner or owners of the establishment and, if the owner or owners are not natural persons, the type of business entity of the owner or owners;

(3) the name and mailing address of the managing agent of the establishment, whether hired under a management agreement or lease agreement, if the managing agent is different from the owner or owners;

(4) the name and address of at least one natural person who is authorized to accept service on behalf of the owners and managing agent;

(5) a statement describing the ~~certificate license~~ status of the establishment and the license status of all providers of health-related or supportive services to a resident under arrangement with the establishment;

(6) the duration of the contract;

(7) the base rate to be paid by the resident and a description of the services to be provided as part of this rate;

(8) a description of any additional services to be provided for an additional fee by the establishment directly or by a third party provider under arrangement with the establishment;

(9) the fee schedules outlining the cost of any additional services;

(10) a description of the process through which the contract may be modified, amended, or terminated;

(11) a description of the establishment's complaint resolution process available to residents and notice of the availability of the Department on Aging's Senior Helpline for complaints;

(12) the name of the resident's designated representative, if any;

(13) the resident's obligations in order to maintain residency and receive services including compliance with all assessments required under Section 15;

(14) the billing and payment procedures and requirements;

(15) a statement affirming the resident's freedom to receive services from service providers with whom the establishment does not have a contractual arrangement, which may also disclaim liability on the part of the establishment for those services;

(16) a statement that medical assistance under Article V or Article VI of the Illinois Public Aid Code is not available for payment for services provided in an establishment, excluding contracts executed with residents residing in ~~certified licensed~~ establishments participating in the Department on Aging's Comprehensive Care in Residential Settings Demonstration Project;

(17) a statement detailing the admission, risk management, and residency termination criteria and procedures;

(18) a statement listing the rights specified in Section 95 and acknowledging that, by contracting with the assisted living or shared housing establishment, the resident does not forfeit those rights;

(19) a statement detailing the Department's annual on-site review process including what documents contained in a resident's personal file shall be reviewed by the on-site reviewer as defined by rule; and

(20) a statement outlining whether the establishment charges a community fee and, if so, the amount of the fee and whether it is refundable; if the fee is refundable, the contract must describe the conditions under which it is refundable and how the amount of the refund is determined.

(Source: P.A. 93-775, eff. 1-1-05; 94-256, eff. 7-19-05.)

(210 ILCS 9/100)

Sec. 100. Notice of closure. An owner of an establishment ~~certified licensed~~ under this Act shall give 90 days notice prior to voluntarily closing the establishment or prior to closing any part of the establishment if closing the part will require residency termination. The notice shall be given to the Department, to any resident who must have their residency terminated, the resident's representative, and to a member of the resident's family, where practicable. The notice shall state the proposed date of closing and the reason for closing. The establishment shall offer to assist the resident in securing an alternative placement and shall advise the resident on available alternatives. Where the resident is unable to choose an alternative placement and is not under guardianship, the Department shall be notified of the need for relocation assistance. The establishment shall comply with all applicable laws and rules until the date of closing, including those related to residency termination.

(Source: P.A. 91-656, eff. 1-1-01.)

(210 ILCS 9/110)

Sec. 110. Powers and duties of the Department.

(a) The Department shall conduct an annual unannounced on-site visit at each assisted living and shared housing establishment to determine compliance with applicable ~~certification licensure~~ requirements and standards. Additional visits may be conducted without prior notice to the assisted living or shared housing establishment.

(b) Upon receipt of information that may indicate the failure of the assisted living or shared housing establishment or a service provider to comply with a provision of this Act, the Department shall investigate the matter or make appropriate referrals to other government agencies and entities having jurisdiction over the subject matter of the possible violation. The Department may also make referrals to any public or private agency that the Department considers available for appropriate assistance to those involved. The Department may oversee and coordinate the enforcement of State consumer protection policies affecting residents residing in an establishment ~~certified licensed~~ under this Act.

(c) The Department shall establish by rule complaint receipt, investigation, resolution, and involuntary residency termination procedures. Resolution procedures shall provide for on-site review and evaluation of an assisted living or shared housing establishment found to be in violation of this Act within a specified period of time based on the gravity and severity of the violation and any pervasive pattern of occurrences of the same or similar violations.

(d) (Blank).

(e) The Department shall by rule establish penalties and sanctions, which shall include, but need not be limited to, the creation of a schedule of graduated penalties and sanctions to include closure.

(f) The Department shall by rule establish procedures for disclosure of information to the public,

which shall include, but not be limited to, ownership, ~~certification licensure~~ status, frequency of complaints, disposition of substantiated complaints, and disciplinary actions.

(g) (Blank).

(h) Beginning January 1, 2000, the Department shall begin drafting rules necessary for the administration of this Act.

(Source: P.A. 96-975, eff. 7-2-10.)

(210 ILCS 9/120)

Sec. 120. Consent to review. A ~~holder of a certificate licensee~~ or applicant for a ~~certificate license~~ shall be deemed to have given consent to any authorized officer, employee, or agent of the Department to enter and review the establishment in accordance with this Act, except that entrance to individual rooms shall only be given with the consent of the resident or the resident's representative. Refusal to permit entry or review shall constitute grounds for denial, nonrenewal, or revocation of a ~~certificate license~~.

(Source: P.A. 91-656, eff. 1-1-01.)

(210 ILCS 9/140)

Sec. 140. State and private funding. Nothing in this Act shall:

(1) require or authorize the State agency responsible for the administration of the medical assistance program established under Article V and Article VI of the Illinois Public Aid Code to approve, supply, or cover services provided in an assisted living or shared housing establishment, with the exception of ~~certified licensed~~ facilities that participate in the Department on Aging's Comprehensive Care in Residential Settings Demonstration Project, which may be covered under provisions of the Illinois Public Aid Code;

(2) require an agency or a managed care organization to approve, supply, or cover services provided in an assisted living or shared housing establishment; or

(3) require any other third party payer to approve, supply or cover medically necessary home care services provided in an assisted living establishment.

(4) authorize a certified establishment, other than one participating in the Department on Aging's Comprehensive Care in Residential Settings Demonstration Project, to participate in the federal food stamp program.

(Source: P.A. 93-775, eff. 1-1-05.)

(210 ILCS 9/145)

Sec. 145. Conversion of facilities. Entities licensed as facilities under the Nursing Home Care Act or the MR/DD Community Care Act may elect to convert to a ~~certificate license~~ under this Act. Any facility that chooses to convert, in whole or in part, shall follow the requirements in the Nursing Home Care Act or the MR/DD Community Care Act, as applicable, and rules promulgated under those Acts regarding voluntary closure and notice to residents. Any conversion of existing beds licensed under the Nursing Home Care Act or the MR/DD Community Care Act to ~~certification licensure~~ under this Act is exempt from review by the Health Facilities and Services Review Board.

(Source: P.A. 96-31, eff. 6-30-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10.)

(210 ILCS 9/150)

Sec. 150. Alzheimer and dementia programs.

(a) In addition to this Section, Alzheimer and dementia programs shall comply with all of the other provisions of this Act.

(b) No person shall be admitted or retained if the assisted living or shared housing establishment cannot provide or secure appropriate care, if the resident requires a level of service or type of service for which the establishment is not ~~certified licensed~~ or which the establishment does not provide, or if the establishment does not have the staff appropriate in numbers and with appropriate skill to provide such services.

(c) No person shall be accepted for residency or remain in residence if the person's mental or physical condition has so deteriorated to render residency in such a program to be detrimental to the health, welfare or safety of the person or of other residents of the establishment. The Department by rule shall identify a validated dementia-specific standard with inter-rater reliability that will be used to assess individual residents. The assessment must be approved by the resident's physician and shall occur prior to acceptance for residency, annually, and at such time that a change in the resident's condition is identified by a family member, staff of the establishment, or the resident's physician.

(d) No person shall be accepted for residency or remain in residence if the person is dangerous to self or others and the establishment would be unable to eliminate the danger through the use of appropriate treatment modalities.

(e) No person shall be accepted for residency or remain in residence if the person meets the criteria

provided in subsections (b) through (g) of Section 75 of this Act.

(f) An establishment that offers to provide a special program or unit for persons with Alzheimer's disease and related disorders shall:

(1) disclose to the Department and to a potential or actual resident of the establishment information as specified under the Alzheimer's Disease and Related Dementias Special Care Disclosure Act;

(2) ensure that a resident's representative is designated for the resident;

(3) develop and implement policies and procedures that ensure the continued safety of all residents in the establishment including, but not limited to, those who:

(A) may wander; and

(B) may need supervision and assistance when evacuating the building in an emergency;

(4) provide coordination of communications with each resident, resident's representative, relatives and other persons identified in the resident's service plan;

(5) provide cognitive stimulation and activities to maximize functioning;

(6) provide an appropriate number of staff for its resident population, as established by rule;

(7) require the director or administrator and direct care staff to complete sufficient comprehensive and ongoing dementia and cognitive deficit training, the content of which shall be established by rule; and

(8) develop emergency procedures and staffing patterns to respond to the needs of residents.

(Source: P.A. 96-990, eff. 7-2-10.)

(210 ILCS 9/155)

Sec. 155. Application of Act. An establishment ~~certified licensed~~ under this Act shall obtain and maintain all other licenses, permits, certificates, and other governmental approvals required of it, except that a ~~certified licensed~~ assisted living or shared housing establishment is exempt from the provisions of the Illinois Health Facilities Planning Act. An establishment ~~certified licensed~~ under this Act shall comply with the requirements of all local, State, federal, and other applicable laws, rules, and ordinances and the National Fire Protection Association's Life Safety Code.

(Source: P.A. 91-656, eff. 1-1-01.)

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

### AMENDMENT NO. 3 TO SENATE BILL 1968

AMENDMENT NO. 3. Amend Senate Bill 1968, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. If and only if Senate Bill 335 of the 97th General Assembly becomes law, then Section 99-99 is amended as follows:

(09700SB0335ham002, Sec. 99-99.)

Sec. 99-99. Effective date. This Act takes effect July 1, 2011, except that this Section and the changes to Section 5h of the State Finance Act take effect upon becoming law.

(Source: 09700SB0335ham002.)"

Under the rules, the foregoing **Senate Bill No. 1968**, 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. 1883

A bill for AN ACT concerning education.

Passed the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

A message from the House by

[May 31, 2011]

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2189

A bill for AN ACT concerning appropriations.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2189

Non-concurred in by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

Under the rules, the foregoing **House Bill No. 2189**, with Senate 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 adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1574

A bill for AN ACT concerning civil law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1574

Concurred in by the House, May 31, 2011.

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 1698

A bill for AN ACT concerning civil law.

Which amendments are as follows:

Senate Amendment No. 3 to HOUSE BILL NO. 1698

Senate Amendment No. 5 to HOUSE BILL NO. 1698

Concurred in by the House, May 31, 2011.

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 1716

A bill for AN ACT concerning government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1716

Concurred in by the House, May 31, 2011.

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 1723

A bill for AN ACT concerning regulation.

Which amendment is as follows:

[May 31, 2011]



Senate Amendment No. 1 to HOUSE BILL NO. 1723  
Concurred in by the House, May 31, 2011.

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 1909

A bill for AN ACT concerning local government.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1909

Senate Amendment No. 2 to HOUSE BILL NO. 1909

Concurred in by the House, May 31, 2011.

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 2804

A bill for AN ACT concerning wildlife.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2804

Concurred in by the House, May 31, 2011.

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 3039

A bill for AN ACT concerning insurance.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3039

Senate Amendment No. 2 to HOUSE BILL NO. 3039

Concurred in by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

### **JOINT ACTION MOTION FILED**

The following Joint Action Motion to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendments 2 and 3 to Senate Bill 1968

### **REPORT FROM STANDING COMMITTEE**

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

[May 31, 2011]

Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 42; Motion to Concur in House Amendments 1 and 3 to Senate Bill 63

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

**CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON  
SECRETARY'S DESK**

On motion of Senator Haine, **Senate Bill No. 42**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Haine moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 55; NAYS None.

The following voted in the affirmative:

Althoff	Haine	Luechtefeld	Rezin
Bivins	Harmon	Maloney	Righter
Bomke	Holmes	Martinez	Sandack
Brady	Hunter	McCann	Sandoval
Clayborne	Hutchinson	McCarter	Schmidt
Collins, A.	Jacobs	Meeks	Schoenberg
Collins, J.	Johnson, C.	Millner	Silverstein
Crotty	Jones, E.	Mulroe	Steans
Cultra	Jones, J.	Muñoz	Sullivan
Delgado	Koehler	Murphy	Syverson
Dillard	Kotowski	Noland	Trotter
Duffy	LaHood	Pankau	Wilhelmi
Forby	Lightford	Radogno	Mr. President
Frerichs	Link	Raoul	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 3 to **Senate Bill No. 42**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Cullerton, **Senate Bill No. 63**, with House Amendments numbered 1 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cullerton moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAY 1; Present 1.

The following voted in the affirmative:

Althoff	Holmes	Maloney	Sandack
Bivins	Hunter	Martinez	Sandoval
Bomke	Hutchinson	McCann	Schmidt
Brady	Jacobs	Meeks	Schoenberg
Clayborne	Johnson, C.	Millner	Silverstein
Collins, A.	Jones, E.	Mulroe	Steans
Collins, J.	Jones, J.	Muñoz	Sullivan
Crotty	Koehler	Murphy	Syverson
Cultra	Kotowski	Noland	Trotter
Delgado	LaHood	Pankau	Wilhelmi

[May 31, 2011]

Dillard	Landek	Radogno	Mr. President
Forby	Lightford	Raoul	
Haine	Link	Rezin	
Harmon	Luechtefeld	Righter	

The following voted in the negative:

Frerichs

The following voted present:

McCarter

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 63**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 335**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 32; NAYS 24.

The following voted in the affirmative:

Clayborne	Hunter	Maloney	Steans
Collins, A.	Hutchinson	Martinez	Sullivan
Collins, J.	Jacobs	Meeks	Trotter
Crotty	Jones, E.	Mulroe	Wilhelmi
Delgado	Koehler	Noland	Mr. President
Frerichs	Kotowski	Raoul	
Garrett	Landek	Sandoval	
Harmon	Lightford	Schoenberg	
Holmes	Link	Silverstein	

The following voted in the negative:

Althoff	Forby	McCarter	Sandack
Bivins	Haine	Millner	Schmidt
Bomke	Johnson, C.	Murphy	Syverson
Brady	Jones, J.	Pankau	
Cultra	LaHood	Radogno	
Dillard	Luechtefeld	Rezin	
Duffy	McCann	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 3 to **Senate Bill No. 335**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Cullerton, **Senate Bill No. 2172**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Cullerton moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 44; NAYS 13.

The following voted in the affirmative:

Althoff	Holmes	Maloney	Schmidt
Bomke	Hunter	Martinez	Schoenberg
Clayborne	Hutchinson	Meeks	Silverstein
Collins, A.	Jacobs	Millner	Steans
Collins, J.	Jones, E.	Mulroe	Sullivan
Crotty	Jones, J.	Muñoz	Trotter
Delgado	Koehler	Noland	Wilhelmi
Forby	Kotowski	Pankau	Mr. President
Frerichs	Landek	Radogno	
Garrett	Lightford	Raoul	
Haine	Link	Sandack	
Harmon	Luechtefeld	Sandoval	

The following voted in the negative:

Bivins	Duffy	McCarter	Syverson
Brady	Johnson, C.	Murphy	
Cultra	LaHood	Rezin	
Dillard	McCann	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2172**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 2405**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Steans moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 35; NAYS 22.

The following voted in the affirmative:

Clayborne	Harmon	Lightford	Sandoval
Collins, A.	Holmes	Link	Schoenberg
Collins, J.	Hunter	Maloney	Silverstein
Crotty	Hutchinson	Martinez	Steans
Delgado	Jacobs	Meeks	Sullivan
Forby	Jones, E.	Mulroe	Trotter
Frerichs	Koehler	Muñoz	Wilhelmi
Garrett	Kotowski	Noland	Mr. President
Haine	Landek	Raoul	

The following voted in the negative:

Althoff	Duffy	McCarter	Righter
Bivins	Johnson, C.	Millner	Sandack
Bomke	Jones, J.	Murphy	Schmidt
Brady	LaHood	Pankau	Syverson
Cultra	Luechtefeld	Radogno	
Dillard	McCann	Rezin	

The motion prevailed.

[May 31, 2011]

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2405**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 11:39 o'clock p.m., the Chair announced that the Senate stand at ease.

#### AT EASE

At the hour of 11:42 o'clock p.m. the Senate resumed consideration of business.  
Senator Sullivan, presiding.

#### REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its June 3, 2011 meeting, reported that the following Legislative Measures have been approved for consideration:

#### **Motion to Concur in House Amendments 1 and 3 to Senate Bill 620; Motion to Concur in House Amendments 2 and 3 to Senate Bill 1968**

The foregoing concurrences were placed on the Secretary's Desk.

#### CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Clayborne, **Senate Bill No. 1968**, with House Amendments numbered 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Clayborne moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 34; NAYS 22.

The following voted in the affirmative:

Clayborne	Holmes	Link	Schoenberg
Collins, A.	Hunter	Maloney	Silverstein
Collins, J.	Hutchinson	Martinez	Steans
Crotty	Jacobs	Meeks	Sullivan
Delgado	Jones, E.	Mulroe	Trotter
Forby	Koehler	Muñoz	Wilhelmi
Frerichs	Kotowski	Noland	Mr. President
Haine	Landek	Raoul	
Harmon	Lightford	Sandoval	

The following voted in the negative:

Althoff	Duffy	McCarter	Righter
Bivins	Johnson, C.	Millner	Sandack
Bomke	Jones, J.	Murphy	Schmidt
Brady	LaHood	Pankau	Syverson
Cultra	Luechtefeld	Radogno	
Dillard	McCann	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 3 to **Senate Bill No. 1968**.

[May 31, 2011]

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Clayborne, **Senate Bill No. 2169**, with House Amendments numbered 1, 2, 3 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Clayborne moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 38; NAYS 16.

The following voted in the affirmative:

Bomke	Holmes	Maloney	Righter
Brady	Hunter	Martinez	Sandack
Clayborne	Jacobs	McCann	Sandoval
Collins, A.	Jones, E.	Meeks	Silverstein
Crotty	Jones, J.	Millner	Sullivan
Cultra	Koehler	Mulroe	Trotter
Delgado	Kotowski	Muñoz	Wilhelmi
Dillard	Landek	Noland	Mr. President
Forby	Lightford	Radogno	
Haine	Luechtefeld	Raoul	

The following voted in the negative:

Althoff	Johnson, C.	Pankau	Syverson
Bivins	LaHood	Rezin	
Duffy	Link	Schmidt	
Garrett	McCarter	Schoenberg	
Harmon	Murphy	Steans	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2, 3 and 4 to **Senate Bill No. 2169**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Haine asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the negative on **Senate Bill No. 2169**.

On motion of Senator Martinez, **Senate Bill No. 620**, with House Amendments numbered 1 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Martinez moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 56; NAY 1.

The following voted in the affirmative:

Althoff	Harmon	Maloney	Sandack
Bivins	Holmes	Martinez	Sandoval
Bomke	Hunter	McCann	Schmidt
Brady	Hutchinson	McCarter	Schoenberg
Clayborne	Jacobs	Meeks	Silverstein
Collins, A.	Johnson, C.	Millner	Steans
Collins, J.	Jones, E.	Mulroe	Sullivan
Crotty	Jones, J.	Muñoz	Syverson
Cultra	Koehler	Murphy	Trotter
Delgado	Kotowski	Noland	Wilhelmi
Dillard	LaHood	Pankau	Mr. President

[May 31, 2011]

Forby	Landek	Radogno
Frerichs	Lightford	Raoul
Garrett	Link	Rezin
Haine	Luechtefeld	Righter

The following voted in the negative:

Duffy

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 620**.

Ordered that the Secretary inform the House of Representatives thereof.

### PRESENTATION OF RESOLUTION

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

#### SENATE RESOLUTION NO. 262

WHEREAS, Since 2005, the U.S. Department of State has been conducting discussions with Poland so that the nation may be admitted to the United States' visa waiver program, which allows citizens of specific countries to travel to the United States for tourism or business purposes for up to 90 days with a passport, without having to obtain a visa; and

WHEREAS, President George W. Bush supported working with Congress and international partners to modify the visa waiver program; in 2006, the Secure Travel and Counterterrorism Partnership Bill was introduced, but the United States Senate took no action; the bill directed the Secretary of Homeland Security to establish a pilot program to expand the visa waiver program for countries that are cooperating with the United States on security and counterterrorism matters; and

WHEREAS, Citizens of 30 European countries, including Poland's neighbors Germany, Czech Republic, Lithuania, and Slovakia, are eligible for visa-free entry into the United States under the visa waiver program; and

WHEREAS, Poland has a very high ranking in human development, human rights, and standard of living, which are all criteria shared by countries eligible for the visa entry program; due to their country's strong economy, citizens of Poland who have visas do not overstay them; and

WHEREAS, Admitting Poland into the visa entry program would bring more Polish tourists to Chicago; additionally, both Chicago and the Polish city of Warsaw are major financial centers; easing restrictions for travel between the two cities would benefit both economies; and

WHEREAS, Polish President Komorowski has recently reached out to President Obama to encourage him to resurrect negotiations easing restrictions for Polish citizens to travel to the United States; President Obama has pledged to work on the issue; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the President of the United States to lift the restrictions currently in place that prevent Poland from being admitted to the visa waiver program; and be it further

RESOLVED, That a suitable copy of this resolution be delivered to President Barack Obama.

### RESOLUTIONS CONSENT CALENDAR

[May 31, 2011]

**SENATE RESOLUTION NO. 252**

Offered by Senator Koehler and all Senators:  
Mourns the death of Fred J. Haddad, Sr., of Hopedale.

**SENATE RESOLUTION NO. 253**

Offered by Senator E. Jones, III, and all Senators:  
Mourns the death of Blanche Spann Cohnen of Springfield.

**SENATE RESOLUTION NO. 256**

Offered by Senator Schoenberg and all Senators:  
Mourns the death of Lois Solomon of Wilmette.

**SENATE RESOLUTION NO. 257**

Offered by Senator Schoenberg and all Senators:  
Mourns the death of Howard Rosset Conant, Sr.

**SENATE RESOLUTION NO. 258**

Offered by Senator Schoenberg and all Senators:  
Mourns the death of Elmer Lynn Hauldren.

**SENATE RESOLUTION NO. 259**

Offered by Senator McCann and all Senators:  
Mourns the death of Barry Lakin of Carlinville.

**SENATE RESOLUTION NO. 260**

Offered by Senator Koehler and all Senators:  
Mourns the death of Virginia Bell Marsh Gore, formerly of Decatur.

The Chair moved the adoption of the Resolutions Consent Calendar. The motion prevailed, and the resolutions were adopted.

**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 adoption of their amendment to the following joint resolution, to-wit:

**HOUSE JOINT RESOLUTION NO. 27**

Senate Amendment No. 1

Action taken by the House, May 31, 2011.

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 adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

**HOUSE JOINT RESOLUTION NO. 34**

WHEREAS, Many Illinoisans suffer from respiratory disease; in 2007, it was estimated that over 1.2 million people in Illinois (12.8% of adults) are burdened with asthma; and

WHEREAS, Air pollution causes major health problems for these and other Illinoisans; for the past 20 years, the State of Illinois has had one of the highest asthma mortality rates in the nation and has seen increasing prevalence, morbidity, and mortality rates; and

[May 31, 2011]



WHEREAS, The United States Environmental Protection Agency (U.S. EPA) is charged by the United States Congress to protect and improve the nation's air quality as required by the Clean Air Act; and

WHEREAS, Clean air protections are good for Illinois' economy and help save money, as the average length of an asthma hospital stay is 3.3 days with a total direct cost of \$15,155 per person; and

WHEREAS, On March 11, 2011, the U.S. EPA released the Second Prospective Study estimating the benefits and costs of the Clean Air Act Amendments of 1990; the study found that the direct benefits significantly exceed their direct costs, improving the economic welfare and quality of life for Americans; and

WHEREAS, That same report estimates that the economic benefits of reducing fine particle and ground level ozone pollution under the Clean Air Act Amendments of 1990 will reach approximately \$2 trillion in 2020; these savings are a result of disease prevention, prevention of lost-work days, and from the prevention of approximately 230,000 premature human deaths in 2020 alone; and

WHEREAS, The U.S. EPA has a proven track record of cost-effectively cleaning up a variety of air pollutants as required under the Clean Air Act; and

WHEREAS, The U.S. EPA is poised to set a number of standards under the Clean Air Act in the next three years that will cut dangerous pollution to protect our health and environment; and

WHEREAS, These standards will address the reduction of toxic mercury pollution and ozone levels, and the curbing of carbon pollution from power plants; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that we support the United States Environmental Protection Agency in its efforts to protect the health of Illinoisans and fulfill the charge of the Clean Air Act to clean up dangerous air pollution, including mercury, lead, soot, smog, and carbon pollution; and be it further

RESOLVED, That we oppose any efforts in Congress to weaken the U.S. EPA's ability to set standards to protect our health and cut dangerous air pollution from power plants and other large pollution sources; and be it further

RESOLVED, That we urge the Governor to represent the State of Illinois as a supporter of the U.S. EPA's efforts to implement the Clean Air Act as appropriate; and be it further

RESOLVED, That suitable copies of this resolution be delivered to President Barack Obama, Governor Pat Quinn, Administrator of the U.S. Environmental Protection Agency Lisa P. Jackson, and the members of Illinois' congressional delegation.

Adopted by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 34 was referred to the Committee on Assignments.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

**HOUSE JOINT RESOLUTION NO. 39**

[May 31, 2011]

**RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN**, that when the two Houses adjourn on Tuesday, May 31, 2011, the House of Representatives stands adjourned until Wednesday, October 19, 2011, in perfunctory session, or until the call of the Speaker; and when it adjourns on that day, it stands adjourned until Tuesday, October 25, 2011, at 12:00 o'clock noon, or until the call of the Speaker; and the Senate stands adjourned until Wednesday, October 19, 2011, in perfunctory session, or until the call of the President; and when it adjourns on that day, it stands adjourned until Tuesday, October 25, 2011, or until the call of the President.

Adopted by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

By unanimous consent, on motion of Senator Clayborne, the foregoing message reporting House Joint Resolution No. 39 was taken up for immediate consideration.

Senator Clayborne moved that the Senate concur with the House in the adoption of the resolution. The motion prevailed.

And the Senate concurred with the House in the adoption of the resolution. Ordered that the Secretary inform the House of Representatives thereof.

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 the following joint resolution, to-wit:

**SENATE JOINT RESOLUTION NO. 15**

Concurred in by the House, May 31, 2011.

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 the following joint resolution, to-wit:

**SENATE JOINT RESOLUTION NO. 34**

Concurred in by the House, May 31, 2011.

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 the following joint resolution, to-wit:

**SENATE JOINT RESOLUTION NO. 35**

Concurred in by the House, May 31, 2011.

MARK MAHONEY, Clerk of the House

At the hour of 12:01 o'clock a.m., Honorable John J. Cullerton, President of the Senate, presiding.

**MOTIONS IN WRITING**

Senator Cullerton submitted the following Motions in Writing:

Pursuant to Senate Rule 7-15 having voted on the prevailing side, I move to reconsider the vote by which Senate Bill 744 passed.

[May 31, 2011]

s/John Cullerton  
Senator

5-31-11  
Date

Pursuant to Senate Rule 7-15 having voted on the prevailing side, I move to reconsider the vote by which Senate Bill 1652 passed.

s/John Cullerton  
Senator

5-31-11  
Date

At the hour of 12:02 o'clock a.m., pursuant to **House Joint Resolution No. 39**, the Chair announced the Senate stand adjourned until Wednesday, October 19, 2011, in perfunctory session, or until the call of the President.