
# SENATE JOURNAL

## STATE OF ILLINOIS

## NINETY-SEVENTH GENERAL ASSEMBLY

## 126TH LEGISLATIVE DAY

## THURSDAY, MAY 31, 2012

## 12:06 O'CLOCK P.M.

NO. 126
[May 31, 2012]

**SENATE**
**Daily Journal Index**
**126th Legislative Day**

The Senate met pursuant to adjournment.
Senator Kimberly A. Lightford, Maywood, Illinois, presiding.
Prayer by Reverend Michael W. Fender, Grace United Methodist Church, Jacksonville, Illinois.
Senator Jacobs led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Wednesday, May 30, 2012, be postponed, pending arrival of the printed Journal.
The motion prevailed.

**COMMUNICATION**

**EXECUTIVE ETHICS COMMISSION**

STATE OF ILLINOIS

May 31, 2012

Senate President and Honorable Members
Illinois State Senate
97th General Assembly
Springfield, IL 62706

RE: Withdrawal of Appointment Message 0186

Dear Senate President Cullerton and Honorable Members:

The Executive Ethics Commission hereby withdraws Appointment Message 0186 nominating and appointing Arlene A. Juracek as Director of the Illinois Power Agency.

Very truly yours,
s/Chad D. Fornoff
Chad D. Fornoff
Executive Director

**PRESENTATION OF RESOLUTION**

**SENATE RESOLUTION NO. 809**
Offered by Senator Frerichs and all Senators:
Mourns the death of Beatrice Freese of Royal.

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

**INTRODUCTION OF BILL**

**SENATE BILL NO. 3924.** Introduced by Senator Haine, a bill for AN ACT concerning revenue.
The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

**MESSAGE FROM THE HOUSE**

A message from the House by
Mr. Mapes, 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. 93**

WHEREAS, The 97th General Assembly of the State of Illinois has submitted House Joint Resolution Constitutional Amendment 49, a proposal to amend the Illinois Constitution, to the voters of Illinois at the November 2012 general election; and

WHEREAS, The Illinois Constitutional Amendment Act requires the General Assembly to prepare a brief explanation of the proposed amendment, a brief argument in favor of the amendment, a brief argument against the amendment, and the form in which the amendment will appear on the ballot, and also requires the information to be published and distributed to the electorate; 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 the proposed form of new Section 5.1 of Article XIII shall be published as follows:

"ARTICLE XIII
GENERAL PROVISIONS

(ILCON Art. XIII, Sec. 5.1 new)
SECTION 5.1. PENSION AND RETIREMENT BENEFIT INCREASES

(a) No bill, except a bill for appropriations, that provides a benefit increase under any pension or retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall become law without the concurrence of three-fifths of the members elected to each house of the General Assembly. If the Governor vetoes such a bill by returning it with objections to the house in which it originated, the provisions of Article IV, Section 9 shall govern the passage of that bill except that such bill shall not become law unless, upon its return, it is passed by a record vote of two-thirds of the members elected to each house of the General Assembly. If the Governor returns such a bill with specific recommendations for change to the house in which it originated, the provisions of Article IV, Section 9 shall govern the acceptance of those specific recommendations except that such recommendations may be accepted only by a record vote of two-thirds of the members elected to each house of the General Assembly, regardless of the bill's date of passage or effective date.

For purposes of this subsection, the term "benefit increase" means a change to any pension or other law that results in a member of a pension or retirement system receiving a new benefit or an enhancement to a benefit, including, but not limited to, any changes that (i) increase the amount of the pension or annuity that a member could receive upon retirement, or (ii) reduce or eliminate the eligibility requirements or other terms or conditions a member must meet to receive a pension or annuity upon retirement. The term "benefit increase" also means a change to any pension or other law that expands the class of persons who may become a member of any pension or retirement system or who may receive a pension or annuity from a pension or retirement system. An increase in salary or wage level, by itself, shall not constitute a "benefit increase" unless that increase exceeds limitations provided by law.

(b) No ordinance, resolution, rule, or other action of the governing body, or an appointee or employee of the governing body, of any unit of local government or school district that provides an emolument increase to an official or employee that has the effect of increasing the amount of the pension or annuity that an official or employee could receive as a member of a pension or retirement system shall be valid without the concurrence of three-fifths of the members of that governing body. For purposes of this subsection, the term "emolument increase" means the creation of a new or enhancement of an existing advantage, profit or gain that an official or employee receives by virtue of holding office or employment, including, but not limited to, compensated time off, bonuses, incentives, or other forms of compensation. An increase in salary or wage level, by itself, shall not constitute an "emolument increase" unless that increase exceeds limitations provided by law.

(c) No action of the governing body, or an appointee or employee of the governing body, of any pension or retirement system created or maintained for the benefit of officers or employees of the State,

any unit of local government or school district, or any agency or instrumentality thereof that results in a beneficial determination shall be valid without the concurrence of three-fifths of the members of that governing body. For the purposes of this subsection, the term "beneficial determination" means an interpretation or application of pension or other law by the governing body, or an appointee or employee of the governing body, that reverses or supersedes a previous interpretation or application and either (i) results in an increase in the amount of the pension or annuity received by a member of the pension or retirement system or (ii) results in a person becoming eligible to receive a pension or annuity from the pension or retirement system. The term "beneficial determination" shall not include a beneficial determination mandated by a final decision of a court of competent jurisdiction.

(d) Nothing in this Section shall prevent the passage or adoption of any law, ordinance, resolution, rule, policy, or practice that further restricts the ability to provide a "benefit increase", "emolument increase", or "beneficial determination" as those terms are used under this Section."; and be it further

RESOLVED, That a brief explanation of the proposed amendment, a brief argument in favor of the amendment, a brief argument against the amendment, and the form in which the amendment will appear on the ballot shall be published and distributed as follows:

**PROPOSED AMENDMENT**
**TO ADD SECTION 5.1 TO ARTICLE XIII**
**OF THE ILLINOIS CONSTITUTION**

**That will be submitted to the voters**
**November 6, 2012**

**This pamphlet includes**
***EXPLANATION OF THE PROPOSED AMENDMENT***
***ARGUMENTS IN FAVOR OF THE AMENDMENT***
***ARGUMENTS AGAINST THE AMENDMENT***
***FORM OF BALLOT***

*To the Electors of the State of Illinois:*

The purpose of a state constitution is to establish a structure for government and laws. The Illinois Constitution: provides citizens with rights and protections; creates the executive, judicial, and legislative branches of government; clarifies the powers given to local governments; limits the taxing power of the State; and imposes certain restrictions on the use of taxpayer dollars. There are three ways to initiate change to the Illinois Constitution: (1) a constitutional convention may propose changes to any part; (2) the General Assembly may propose changes to any part; or (3) the people of the State by referendum may propose changes to the Legislative Article. Regardless of the method of initiating change, the people of Illinois must approve any changes of the Constitution before they become effective.

The proposed amendment adds Section 5.1 to the General Provisions Article of the Illinois Constitution. The new section would require a three-fifths majority vote to approve any pension or retirement benefit increase for public employees and officials. At the general election to be held on November 6, 2012, you will be called upon to decide whether the proposed amendment should become part of the Illinois Constitution.

**EXPLANATION**

The proposed amendment adds a section to the Illinois Constitution requiring a three-fifths majority vote to approve any pension or retirement benefit increase for public employees and officials.

The proposed amendment requires a three-fifths vote of each chamber of the General Assembly (the Senate and the House of Representatives) for a bill that provides a pension benefit increase, except for appropriation bills. "Benefit increase" means a change to any pension or other law that results in a member of a pension or retirement system receiving a new benefit or an enhancement, including any changes that (i) increase the amount of a member's pension, or (ii) reduce or eliminate the eligibility requirements or other terms or conditions a member must meet to receive a pension. It also means a change to any pension or other law that expands the class of persons who may become members of any pension or retirement system. An increase in salary or wage level, by itself, does not constitute a "benefit

increase," unless the increase exceeds limitations provided by law.

The proposed amendment would also require a two-thirds vote for lawmakers to override a governor's veto or accept a governor's proposed changes in a rewrite of pension increase legislation. Currently, it takes a three-fifths vote to override a veto and only a simple majority to accept a governor's changes.

The proposed amendment requires approval of three-fifths of the members of the governing body of a unit of local government or school district for any ordinance, resolution, rule, or other action that provides an enhancement or emolument increase to an employee or officer that has the effect of increasing the pension of that employee or officer. "Emolument increase" means the creation of a new, or enhancement of an existing, advantage, profit, or gain that an official or employee receives by virtue of holding office or employment, which includes compensated time off, bonuses, incentives, or other forms of compensation. An increase in salary or wage level, by itself, does not constitute an "emolument increase," unless the increase exceeds limitations provided by law.

The proposed amendment requires approval of three-fifths of the members of the governing body of a pension or retirement system for any action that results in a "beneficial determination." A "beneficial determination" is an interpretation or application of law that reverses or supersedes a previous decision if that interpretation or application (i) results in an increase in the overall amount of pension benefits received by a member or (ii) results in a person becoming eligible to receive a pension. "Beneficial determination" does not include a final decision mandated by the courts.

Voters that believe the Illinois Constitution should be amended to require a three-fifths majority vote to approve any pension or retirement benefit increase for public employees and officials should vote "YES" on the question. Three-fifths of those voting on the question, or a majority of those voting in the election, must vote "YES" in order for the amendment to become effective. Voters that believe the Illinois Constitution should not be amended to require a three-fifths majority vote to approve any pension or retirement benefit increase for public employees and officials should vote "NO" on the question.

## Arguments in Favor of the Proposed Amendment

(1) A higher vote requirement would help prevent unfunded future liability for pension benefits.

(2) Requiring a three-fifths vote would provide better accountability.

(3) A three-fifths vote requires greater consensus among parties.

### Unfunded Liability

Currently, the public retirement system is not financially stable and is significantly underfunded. A higher vote requirement to enact pension benefit increases will help to maintain fiscal responsibility and make it more difficult to further burden the public retirement system.

### Provide More Accountability

The proposed amendment provides more accountability in the legislative process by requiring more votes to pass a pension benefit increase. Since the cost of benefit increases comes at a later date, the price to the taxpayers is not always noticed immediately. A higher vote requirement will signify to the governing body that they are taking a serious action and will encourage greater in-depth thought before passage.

### Greater Consensus

A three-fifths vote requirement means the members of the governing body, regardless of political affiliation, will need to work together to reach an agreement. A greater consensus would provide for better decisions and more serious deliberation. Given the importance of pension benefit increases, and their subsequent impact on taxpayers, greater agreement would be beneficial.

## Arguments Against the Proposed Amendment

(1) A higher vote requirement may limit the bargaining power of employers and employees.

(2) There is the possibility of disagreement on what constitutes a benefit increase.

(3) Requiring a supermajority for pension benefit increases could make it more difficult to recruit the best people to work in government service.

**Decreased Bargaining Power**

Many government employees are represented by labor unions that bargain on their behalf for particular benefits. This constitutional amendment may make it more difficult for unions to bargain for certain increased benefits for their employees. In addition, many government employers may prefer to bargain over these benefits to give incentives to employees to do their jobs well. This constitutional amendment could remove bargaining power from both the government employer and government employee.

**Possibility of Disagreement on Terms**

The proposed amendment creates new definitions for the terms "benefit increase," "emolument increase," and "beneficial determination," which are not defined in other statutes or in existing case law. These definitions could generate litigation, resulting in additional costs. There may also be disagreement amongst the governing body on whether a bill, resolution, or other action constitutes a "benefit increase," "emolument increase," or "beneficial determination."

**Recruiting Employees for Government Jobs**

Like any employer, units of government wish to attract good employees. This constitutional amendment may make it more difficult for employers to increase benefits to employees and, therefore, make it harder to attract the best people to government service.

**FORM OF BALLOT**

Proposed Amendment to the 1970 Illinois Constitution

Explanation of Amendment

Upon approval by the voters, the proposed amendment, which takes effect on January 9, 2013, adds a new section to the General Provisions Article of the Illinois Constitution. The new section would require a three-fifths majority vote of each chamber of the General Assembly, or the governing body of a unit of local government, school district, or pension or retirement system, in order to increase a benefit under any public pension or retirement system. At the general election to be held on November 6, 2012, you will be called upon to decide whether the proposed amendment should become part of the Illinois Constitution.

If you believe the Illinois Constitution should be amended to require a three-fifths majority vote in order to increase a benefit under any public pension or retirement system, you should vote **"YES"** on the question. If you believe the Illinois Constitution should not be amended to require a three-fifths majority vote in order to increase a benefit under any public pension or retirement system, you should vote **"NO"** on the question. Three-fifths of those voting on the question or a majority of those voting in the election must vote "YES" in order for the amendment to become effective on January 9, 2013.

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|---|---|
| YES | For the proposed addition |
| ---------- | of Section 5.1 to Article XIII |
| NO | of the Illinois Constitution. |

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Adopted by the House, May 30, 2012.

TIMOTHY D. MAPES, Clerk of the House

The foregoing message from the House of Representatives reporting House Joint Resolution No. 93 was referred to the Committee on Assignments.

**REPORT FROM STANDING COMMITTEE**

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

Senate Amendment No. 1 to House Bill 4568

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

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

Motion to Concur in House Amendments 1 and 2 to Senate Bill 2332; Motion to Concur in House Amendments 1, 2, 3 and 4 to Senate Bill 2348; Motion to Concur in House Amendments 1 and 3 to Senate Bill 2378; Motion to Concur in House Amendments 1, 2 and 5 to Senate Bill 2409; Motion to Concur in House Amendments 1 and 3 to Senate Bill 2413; Motion to Concur in House Amendments 1 and 2 to Senate Bill 2443; Motion to Concur in House Amendments 1, 4 and 5 to Senate Bill 2454; Motion to Concur in House Amendments 1, 2, 3 and 4 to Senate Bill 2474; Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 2971

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

Senator Trotter asked and obtained unanimous consent to recess for the purpose of a Democrat caucus.

Senator Murphy asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

At the hour of 12:19 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 1:57 o'clock p.m., the Senate resumed consideration of business.
Senator Sullivan, presiding.

**MESSAGES FROM THE HOUSE**

A message from the House by
Mr. Mapes, 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. 38
A bill for AN ACT concerning professional 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. 5 to SENATE BILL NO. 38
Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 5 TO SENATE BILL 38**

AMENDMENT NO. 5. Amend Senate Bill 38 by replacing everything after the enacting clause with the following:

"Section 1. The Regulatory Sunset Act is amended by changing Section 4.23 and by adding Section 4.33 as follows:

(5 ILCS 80/4.23)

Sec. 4.23. Acts and Sections repealed on January 1, 2013. The following Acts and Sections of Acts are repealed on January 1, 2013:

The Dietetic and Nutrition Services Practice Act.
The Elevator Safety and Regulation Act.
The Fire Equipment Distributor and Employee Regulation Act of 2011.
~~The Funeral Directors and Embalmers Licensing Code.~~
The Naprapathic Practice Act.
The Professional Counselor and Clinical Professional Counselor Licensing Act.
The Wholesale Drug Distribution Licensing Act.
Section 2.5 of the Illinois Plumbing License Law.
(Source: P.A. 95-331, eff. 8-21-07; 96-1499, eff. 1-18-11.)

(5 ILCS 80/4.33 new)

Sec. 4.33. Act repealed on January 1, 2023. The following Act is repealed on January 1, 2023:
The Funeral Directors and Embalmers Licensing Code.

Section 5. The Funeral Directors and Embalmers Licensing Code is amended by changing Sections 1-5, 1-10, 1-15, 1-20, 1-30, 5-5, 5-10, 5-15, 5-20, 10-5, 10-20, 10-30, 10-35, 15-5, 15-15, 15-16, 15-20, 15-21, 15-22, 15-25, 15-40, 15-41, 15-45, 15-46, 15-50, 15-65, 15-70, 15-75, 15-76, 15-77, 15-80, 15-85, 15-91, and 20-15 and by adding Sections 5-18, 10-38, 10-43, 15-18, 15-19, and 15-115 as follows:

(225 ILCS 41/1-5)

(Section scheduled to be repealed on January 1, 2013)

Sec. 1-5. Legislative intent. The practice of funeral directing and embalming in the State of Illinois is declared to be a practice affecting the public health, safety and welfare and subject to regulation and control in the public interest. It is further declared to be a matter of public interest and concern that the preparation, care and final disposition ~~disposal~~ of a deceased human body be attended with appropriate observance and understanding, having due regard and respect for the reverent care of the human body and for those bereaved and the overall spiritual dignity of every person ~~man~~. It is further a matter of public interest that the practice of funeral directing and embalming as defined in this Code merit and receive the confidence of the public and that only qualified persons be authorized to practice funeral directing and embalming in the State of Illinois. This Code shall be liberally construed to best carry out these subjects and purposes.
(Source: P.A. 87-966.)

(225 ILCS 41/1-10)

(Section scheduled to be repealed on January 1, 2013)

Sec. 1-10. Definitions. As used in this Code:

"Address of record" means the designated address recorded by the Department in the applicant's or licensee's application file or license file. It is the duty of the applicant or licensee to inform the Department of any changes of address and those changes must be made either through the Department's website or by contacting the Department.

"Applicant" means any person making application for a license ~~or certificate of registration~~. Any applicants ~~applicant~~ or people ~~any person~~ who hold ~~holds~~ themselves ~~himself~~ out as applicants are ~~an applicant is~~ considered licensees ~~a licensee~~ for purposes of enforcement, investigation, hearings, and the Illinois Administrative Procedure Act.

"Board" means the Funeral Directors and Embalmers Licensing and Disciplinary Board.

"Certificate of Death" means a certificate of death as referenced in the Illinois Vital Records Act.

"Department" means the Department of Financial and Professional Regulation.

"Funeral director and embalmer" means a person who is licensed and qualified to practice funeral directing and to prepare, disinfect and preserve dead human bodies by the injection or external application of antiseptics, disinfectants or preservative fluids and materials and to use derma surgery or plastic art for the restoring of mutilated features. It further means a person who restores the remains of a person for the purpose of funeralization whose organs or bone or tissue has been donated for anatomical purposes.

"Funeral director and embalmer intern" means a person licensed by the Department ~~State~~ who is qualified to render assistance to a funeral director and embalmer in carrying out the practice of funeral directing and embalming under the supervision of the funeral director and embalmer.

"Embalming" means the process of sanitizing and chemically treating a deceased human body in order to reduce the presence and growth of microorganisms, to retard organic decomposition, to render the remains safe to handle while retaining naturalness of tissue, and to restore an acceptable physical appearance for funeral viewing purposes.

"Funeral director" means a person, known by the title of "funeral director" or other similar words or titles, licensed by the Department ~~State~~ who practices funeral directing.

"Funeral establishment", "funeral chapel", "funeral home", or "mortuary" means a building or separate portion of a building having a specific street address or location and devoted to activities relating to the shelter, care, custody and preparation of a deceased human body and which may contain facilities for funeral or wake services.

"Licensee" means a person licensed under this Code as a funeral director, funeral director and embalmer, or funeral director and embalmer intern. Anyone who holds himself or herself out as a licensee or who is accused of unlicensed practice is considered a licensee for purposes of enforcement, investigation, hearings, and the Illinois Administrative Procedure Act.

"Owner" means the individual, partnership, corporation, limited liability company, association, trust, estate, or agent thereof, or other person or combination of persons who owns a funeral establishment or funeral business.

"Person" means any individual, partnership, association, firm, corporation, limited liability company, trust or estate, or other entity. "Person" includes both natural persons and legal entities.

"Secretary" means the Secretary of Financial and Professional Regulation.

(Source: P.A. 96-863, eff. 3-1-10; 96-1463, eff. 1-1-11.)

(225 ILCS 41/1-15)

(Section scheduled to be repealed on January 1, 2013)

Sec. 1-15. Funeral directing; definition. Conducting or engaging in or representing or holding out oneself as conducting or engaged in any one or any combination of the following practices constitutes the practice of funeral directing:

(a) The practice of preparing, otherwise than by embalming, for the burial, cremation, or disposition ~~disposal~~ and directing and supervising the burial or disposition ~~disposal~~ of deceased human remains or performing any act or service in connection with the preparing of dead human bodies. Preparation, direction, and supervision shall not be construed to mean those functions normally performed by cemetery and crematory personnel.

(b) The practice of operating a place for preparing for the disposition of deceased human bodies or for caring for deceased human bodies before their disposition. Nothing in this Code shall prohibit the ownership and management of such a place by an unlicensed owner if the place is operated in accordance with this Code and the unlicensed owner does not engage in any form of funeral directing.

(c) The removal of a deceased human body from its place of death, institution, or other location. A licensed funeral director and embalmer intern may remove a deceased human body from its place of death, institution, or other location without another licensee being present. The licensed funeral director may engage others who are not licensed funeral directors, licensed funeral director and embalmers, or licensed funeral director and embalmer interns to assist in the removal if the funeral director directs and instructs them in handling and precautionary procedures and accompanies them on all calls. The transportation of deceased human remains to a cemetery, crematory or other place of final disposition shall be under the immediate direct supervision of a licensee unless otherwise permitted by this Section. The transportation of deceased human remains that are embalmed or otherwise prepared and enclosed in an appropriate container to some other place that is not the place of final disposition, such as another funeral home or common carrier, or to a facility that shares common ownership with the transporting funeral home may be performed under the general supervision of a licensee, but the supervision need not be immediate or direct.

(d) The administering and conducting of, or assuming responsibility for administering and conducting of, at need funeral arrangements.

(e) The assuming custody of, transportation, providing shelter, protection and care and disposition of deceased human remains and the furnishing of necessary funeral services, facilities and equipment.

(f) Using in connection with a name or practice the word "funeral director", "undertaker", "mortician", "funeral home", "funeral parlor", "funeral chapel", or any other title implying that the person is engaged in the practice of funeral directing.

Within the existing scope of the practice of funeral directing or funeral directing and embalming, only a licensed funeral director, a licensed funeral director and embalmer, or a licensed funeral director and embalmer intern under the restrictions provided for in this Code, and not any other person employed or contracted by the licensee, may engage in the following activities at-need: (1) have direct contact with consumers and explain funeral or burial merchandise or services or (2) negotiate, develop, or finalize contracts with consumers. This paragraph shall not be construed or enforced in such a manner as to limit the functions of persons regulated under the Illinois Funeral or Burial Funds Act, the Illinois Pre-Need Cemetery Sales Act, the Cemetery Oversight Act, the Cemetery Care Act, the Cemetery Association

Act, the Illinois Insurance Code, or any other related professional regulatory Act.

The practice of funeral directing shall not include the phoning in of obituary notices, ordering of flowers for the funeral, or reporting of prices on the firm's general price list as required by the Federal Trade Commission Funeral Rule by nonlicensed persons, or like clerical tasks incidental to the act of making funeral arrangements.

The making of funeral arrangements, at need, shall be done only by licensed funeral directors or licensed funeral directors and embalmers. Licensed funeral director and embalmer interns may, however, assist or participate in the arrangements under the direct supervision of a licensed funeral director or licensed funeral director and embalmer.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/1-20)

(Section scheduled to be repealed on January 1, 2013)

Sec. 1-20. Funeral directing and embalming; definition. "The practice of funeral directing and embalming" means:

(a) The practice of preparing, otherwise than by embalming, for the burial, cremation, or disposition ~~disposal~~ and directing and supervising the burial or disposition ~~disposal~~ of deceased human remains or performing any act or service in connection with the preparing of dead human bodies. Preparation, direction, and supervision shall not be construed to mean those functions normally performed by cemetery and crematory personnel.

(b) The practice of operating a place for preparing for the disposition of deceased human bodies or for caring for deceased human bodies before their disposition. Nothing in this Code shall prohibit the ownership and management of such a place by an unlicensed owner if the place is operated in accordance with this Code and the unlicensed owner does not engage in any form of funeral directing and embalming.

(c) The removal of a deceased human body from its place of death, institution or other location. A licensed funeral director and embalmer intern may remove a deceased human body from its place of death, institution, or other location without another licensee being present. The licensed funeral director and embalmer may engage others who are not licensed funeral directors and embalmers, licensed funeral directors, or licensed funeral director and embalmer interns to assist in the removal if the funeral director and embalmer directs and instructs them in handling and precautionary procedures and accompanies them on all calls. The transportation of deceased human remains to a cemetery, crematory or other place of final disposition shall be under the immediate, direct supervision of a licensee unless otherwise permitted by this Section. The transportation of deceased human remains that are embalmed or otherwise prepared and enclosed in an appropriate container to some other place that is not the place of final disposition, such as another funeral home or common carrier, or to a facility that shares common ownership with the transporting funeral home may be performed under the general supervision of a licensee, but the supervision need not be immediate or direct.

(d) The administering and conducting of, or assuming responsibility for administering and conducting of, at need funeral arrangements.

(e) The assuming custody of, transportation, providing shelter, protection and care and disposition of deceased human remains and the furnishing of necessary funeral services, facilities and equipment.

(f) Using in connection with a name or practice the word "funeral director and embalmer", "embalmer", "funeral director", "undertaker", "mortician", "funeral home", "funeral parlor", "funeral chapel", or any other title implying that the person is engaged in the practice of funeral directing and embalming.

(g) The practice of embalming or representing or holding out oneself as engaged in the practice of embalming of deceased human bodies or the transportation of human bodies deceased of a contagious or infectious disease.

Within the existing scope of the practice of funeral directing or funeral directing and embalming, only a licensed funeral director, a licensed funeral director and embalmer, or a licensed funeral director and embalmer intern under the restrictions provided for in this Code, and not any other person employed or contracted by the licensee, may engage in the following activities at-need: (1) have direct contact with consumers and explain funeral or burial merchandise or services or (2) negotiate, develop, or finalize contracts with consumers. This paragraph shall not be construed or enforced in such a manner as to limit the functions of persons regulated under the Illinois Funeral or Burial Funds Act, the Illinois Pre-Need Cemetery Sales Act, the Cemetery Oversight Act, the Cemetery Care Act, the Cemetery Association Act, the Illinois Insurance Code, or any other related professional regulatory Act.

The practice of funeral directing and embalming shall not include the phoning in of obituary notices, ordering of flowers for the funeral, or reporting of prices on the firm's general price list as required by the Federal Trade Commission Funeral Rule by nonlicensed persons, or like clerical tasks incidental to the act of making funeral arrangements.

The making of funeral arrangements, at need, shall be done only by licensed funeral directors or licensed funeral directors and embalmers. Licensed funeral director and embalmer interns may, however, assist or participate in the arrangements under the direct supervision of a licensed funeral director or licensed funeral director and embalmer.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/1-30)

(Section scheduled to be repealed on January 1, 2013)

Sec. 1-30. Powers of the Department. Subject to the provisions of this Code, the Department may exercise the following powers:

(1) To authorize examinations to ascertain the qualifications and fitness of applicants for licensing as a licensed funeral director and embalmer and pass upon the qualifications of applicants for licensure.

(2) To examine the records of a licensed funeral director or licensed funeral director and embalmer from any year or any other aspect of funeral directing and embalming as the Department deems appropriate.

(3) To investigate any and all funeral directing and embalming activity.

(4) To conduct hearings on proceedings to refuse to issue or renew licenses or to revoke, suspend, place on probation, reprimand, or otherwise discipline a license under this Code or take other non-disciplinary action.

(5) To adopt all necessary and reasonable rules and regulations for the effective ~~required for the~~ administration of this Code.

(6) To prescribe forms to be issued for the administration and enforcement of this Code.

(7) To maintain rosters of the names and addresses of all licensees and all persons whose licenses have been suspended, revoked, denied renewal, or otherwise disciplined within the previous calendar year. These rosters shall be available upon written request and payment of the required fee as established by rule.

(8) To contract with third parties for services necessary for the proper administration of this Code including, without limitation, investigators with the proper knowledge, training, and skills to properly inspect funeral homes and investigate complaints under this Code.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/5-5)

(Section scheduled to be repealed on January 1, 2013)

Sec. 5-5. License requirement. It is unlawful for any person to practice, or to attempt to practice, funeral directing without a license as a funeral director issued by the Department.

No person shall practice funeral directing unless they are employed by or contracted with a fixed place of practice or establishment devoted to the care and preparation for burial or for the transportation of deceased human bodies. ~~who does not have a fixed place of practice or establishment devoted to the care and preparation for burial or for transportation of deceased human bodies, or who is not regularly employed in a fixed place of practice or establishment.~~

No person shall practice funeral directing independently at the fixed place of practice or establishment of another licensee unless that person's name is published and displayed at all times in connection therewith.

(Source: P.A. 87-966.)

(225 ILCS 41/5-10)

(Section scheduled to be repealed on January 1, 2013)

Sec. 5-10. Funeral director license; display. Every holder of a license as a funeral director shall display it in a conspicuous place in the licensee's place of practice or in the place of practice in which the licensee is employed or contracted. If ~~, in case~~ the licensee is engaged in funeral directing at more than one place of practice, then in the licensee's principal place of practice or the principal place of practice of the licensee's employer and a copy of the license shall be displayed in a conspicuous place at all other places of practice.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/5-15)

(Section scheduled to be repealed on January 1, 2013)

Sec. 5-15. Renewal; reinstatement; restoration ~~Expiration and renewal; inactive status; continuing education~~. The expiration date and renewal period for each license issued under this Article shall be set

by rule. The holder of a license as a licensed funeral director may renew the license during the month preceding the expiration date of the license by paying the required fee. A licensed funeral director whose license has expired may have the license reinstated within 5 years from the date of expiration upon payment of the required reinstatement fee. The reinstatement shall be effective as of the date of reissuance of the license.

Any licensed funeral director whose license has been expired for more than 5 years may have the license restored only by fulfilling the requirements of the Department's rules and by paying the required restoration fee. However, any licensed funeral director whose license has expired while he or she has been engaged (1) in federal service on active duty with the United States Army, Navy, Marine Corps, Air Force, or Coast Guard, or the State Militia called into the service or training of the United States of America or (2) in training or education under the supervision of the United States preliminary to induction into the military service may have his or her license restored without paying any lapsed renewal fees or restoration fee or without passing any examination if, within 2 years after termination of the service, training or education other than by dishonorable discharge, he or she furnishes the Department with an affidavit to the effect that he or she has been so engaged and that his or her service, training or education has been so terminated.

In addition to any other requirement for renewal of a license or reinstatement or restoration of an expired license, as a condition for the renewal, reinstatement, or restoration of a license as a licensed funeral director, each licensee shall provide evidence to the Department of completion of at least 12 hours of continuing education during the 24 months preceding the expiration date of the license, or in the case of reinstatement or restoration, during the 24 months preceding application for reinstatement or restoration. The continuing education sponsors shall be approved by the Board. In addition, any qualified continuing education course for funeral directors offered by a college, university, the Illinois Funeral Directors Association, Funeral Directors Services Association of Greater Chicago, Cook County Association of Funeral Home Owners, Inc., Illinois Selected Morticians Association, Inc., Illinois Cemetery and Funeral Home Association, National Funeral Directors Association, Selected Independent Funeral Homes, National Funeral Directors and Morticians Association, Inc., International Order of the Golden Rule, or an Illinois school of mortuary science shall be accepted toward satisfaction of the continuing education requirements.

The Department shall establish by rule a means for verification of completion of the continuing education required by this Section. This verification may be accomplished through audits of records maintained by licensees, by requiring the filing of continued education certificates with the Department or a qualified organization selected by the Department to maintain these records, or by other means established by the Department.

Except as otherwise provided in this paragraph, a ~~A~~ person who is licensed as a funeral director under this Code and who has engaged in the practice of funeral directing for at least 40 years shall be exempt from the continuing education requirements of this Section. Licensees who have not engaged in the practice of funeral directing for at least 40 years by January 1, 2016 shall not receive this exemption after that date. In addition, the Department shall establish by rule an exemption or exception, for a limited period of time, for funeral directors who, by reason of advanced age, health or other extreme condition should reasonably be excused from the continuing education requirement upon the approval of the Secretary. Those persons, identified above, who cannot attend on-site classes, shall have the opportunity to comply by completing home study courses designed for them by sponsors.

~~Any funeral director who notifies the Department in writing on forms prescribed by the Department may elect to place his or her license on an inactive status and shall, subject to rules of the Department, be excused from payment of renewal fees and completion of continuing education requirements until he or she notifies the Department in writing of an intent to restore or reinstate the license to active status. Any licensee requesting restoration or reinstatement from inactive status shall notify the Department as provided by rule of the Department and pay the fee required by the Department for restoration or reinstatement of the license. Any licensee whose license is on inactive status shall not practice in the State of Illinois.~~

~~Practice on a license that has lapsed or been placed in inactive status is practicing without a license and a violation of this Code.~~

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/5-18 new)

Sec. 5-18. Inactive status.

(a) Any funeral director who notifies the Department in writing on forms prescribed by the Department may elect to place his or her license on an inactive status and shall, subject to rules of the Department, be excused from payment of renewal fees and completion of continuing education

requirements until he or she notifies the Department in writing of an intent to restore or reinstate the license to active status.

(b) Any licensee who has permitted his or her license to expire or who has had his or her license on inactive status may have the license restored by making application to the Department, by filing proof acceptable to the Department of his or her fitness to have the license restored, and by paying the required fees. Proof of fitness may include sworn evidence certifying to active lawful practice in another jurisdiction. If the licensee has not maintained an active practice in another jurisdiction satisfactory to the Department, then the Department shall determine by an evaluation program, established by rule, his or her fitness for restoration of the license and shall establish procedures and requirements for restoration. Any licensee whose license is on inactive status shall not practice in the State.

(c) Any licensee whose license is on inactive status or in a non-renewed status shall not engage in the practice of funeral directing in the State or use the title or advertise that he or she performs the services of a licensed funeral director. Any person violating this Section shall be considered to be practicing without a license and shall be subject to the disciplinary provisions of this Code.

(225 ILCS 41/5-20)

(Section scheduled to be repealed on January 1, 2013)

Sec. 5-20. Disposition of unclaimed cremated remains ~~residual ashes~~. The holder of a license is authorized at his or her discretion to effect a final disposition of the unclaimed cremated remains ~~residual ashes~~ of any cremated human body if no person lawfully entitled to the custody of the ashes makes or has made a proper request for them within one year of the date of death of the person whose body was cremated.

(Source: P.A. 87-966.)

(225 ILCS 41/10-5)

(Section scheduled to be repealed on January 1, 2013)

Sec. 10-5. License requirement. It is unlawful for any person to practice or attempt to practice funeral directing and embalming without being licensed by the Department.

No person shall practice funeral directing and embalming unless they are employed by or contracted with a fixed place of practice or establishment devoted to the care and preparation for burial or for the transportation of deceased human bodies. ~~who does not have a fixed place of practice or establishment in Illinois devoted to the care and preparation for burial or for transportation of deceased human bodies, or who is not regularly employed in a fixed place of practice or establishment.~~

No person shall practice funeral directing and embalming independently at the fixed place of practice or establishment of another licensee unless his or her name shall be published and displayed at all times in connection therewith.

No licensed intern shall independently practice funeral directing and embalming; however, a licensed funeral director and embalmer intern may under the immediate personal supervision of a licensed funeral director and embalmer assist a licensed funeral director and embalmer in the practice of funeral directing and embalming.

No person shall practice as a funeral director and embalmer intern unless he or she possesses a valid license in good standing to do so in the State of Illinois.

(Source: P.A. 93-268, eff. 1-1-04.)

(225 ILCS 41/10-20)

(Section scheduled to be repealed on January 1, 2013)

Sec. 10-20. Application. Every person who desires to obtain a license under this Code shall apply to the Department in writing on forms prepared and furnished by the Department. The application shall contain proof of the particular qualifications required of the applicant, shall be certified by the applicant, and shall be accompanied by the required fee. Applicants have 3 years after the date of application to complete the application process. If the process has not been completed in 3 years, then the application shall be denied, the fee shall be forfeited, and the applicant must reapply and meet the requirements in effect at the time of reapplication.

(Source: P.A. 87-966.)

(225 ILCS 41/10-30)

(Section scheduled to be repealed on January 1, 2013)

Sec. 10-30. Issuance, display of license. Whenever an applicant has met the requirements of this Code, the Department shall issue to the applicant a license as a licensed funeral director and embalmer or licensed funeral director and embalmer intern, as the case may be.

Every holder of a license shall display it in a conspicuous place in the licensee's place of practice or in the place of practice in which the licensee is employed or contracted. If ~~In case~~ the licensee is engaged in funeral directing and embalming at more than one place of practice, then the license shall be displayed in

the licensee's principal place of practice or the principal place of practice of the licensee's employer and a copy of the license shall be displayed in a conspicuous place at all other places of practice.
(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/10-35)

(Section scheduled to be repealed on January 1, 2013)

Sec. 10-35. Renewal; reinstatement; restoration~~; continuing education~~. The expiration date and renewal period for each license issued under this Article shall be set by rule. The holder of a license as a licensed funeral director and embalmer or funeral director and embalmer intern may renew the license during the month preceding the expiration date of the license by paying the required fee. A licensed funeral director and embalmer or licensed funeral director and embalmer trainee whose license has expired may have the license reinstated within 5 years from the date of expiration upon payment of the required reinstatement fee and fulfilling the requirements of the Department's rules. The reinstatement of the license is effective as of the date of the reissuance of the license.

Any licensed funeral director and embalmer whose license has been expired for more than 5 years may have the license restored only by fulfilling the requirements set forth in the Department's rules and by paying the required restoration fee. However, any licensed funeral director and embalmer or licensed funeral director and embalmer intern whose license has expired while he or she has been engaged (1) in federal service on active duty with the United States Army, Navy, Marine Corps, Air Force, or Coast Guard, or the State Militia called into the service or training of the United States of America or (2) in training or education under the supervision of the United States preliminary to induction into the military service, may have his or her license restored without paying any lapsed renewal fees or restoration fee or without passing any examination if, within 2 years after termination of the service, training or education other than by dishonorable discharge, he or she furnishes the Department with an affidavit to the effect that he or she has been so engaged and that his or her service, training or education has been so terminated.

No license of a funeral director and embalmer intern shall be renewed more than twice.

In addition to any other requirement for renewal of a license or reinstatement or restoration of an expired license, as a condition for the renewal, reinstatement, or restoration of a license as a licensed funeral director and embalmer, each licensee shall provide evidence to the Department of completion of at least 24 hours of continuing education during the 24 months preceding the expiration date of the license, or in the case of reinstatement or restoration, within the 24 months preceding the application for reinstatement or restoration. The continuing education sponsors shall be approved by the Board. In addition, any qualified continuing education course for funeral directors and embalmers offered by a college, university, the Illinois Funeral Directors Association, Funeral Directors Services Association of Greater Chicago, Cook County Association of Funeral Home Owners, Inc., Illinois Selected Morticians Associations, Inc., Illinois Cemetery and Funeral Home Association, National Funeral Directors Association, Selected Independent Funeral Homes, National Funeral Directors and Morticians Association, Inc., International Order of the Golden Rule, or an Illinois school of mortuary science shall be accepted toward satisfaction of the continuing education requirements.

The Department shall establish by rule a means for verification of completion of the continuing education required by this Section. This verification may be accomplished through audits of records maintained by licensees, by requiring the filing of continued education certificates with the Department or a qualified organization selected by the Department to maintain the records, or by other means established by the Department.

Except as otherwise provided in this paragraph, a ~~A~~ person who is licensed as a funeral director and embalmer under this Code and who has engaged in the practice of funeral directing and embalming for at least 40 years shall be exempt from the continuing education requirements of this Section. Licensees who have not engaged in the practice of funeral directing and embalming for at least 40 years by January 1, 2016 shall not receive this exemption after that date. In addition, the Department shall establish by rule an exemption or exception, for a limited period of time, for funeral directors and embalmers who, by reason of advanced age, health or other extreme condition, should reasonably be excused from the continuing education requirement upon the approval of the Secretary. Those persons, identified above, who cannot attend on-site classes, shall have the opportunity to comply by completing home study courses designed for them by sponsors.

~~Any funeral director and embalmer who notifies the Department in writing on forms prescribed by the Department, may elect to place his or her license on an inactive status and shall, subject to rules of the Department, be excused from payment of renewal fees and completion of continuing education requirements until he or she notifies the Department in writing of an intent to restore or reinstate the license to active status. While on inactive status, the licensee shall only be required to pay a single fee,~~

~~established by the Department, to have the license placed on inactive status. Any licensee requesting restoration or reinstatement from inactive status shall notify the Department as provided by rule of the Department and pay the fee required by the Department for restoration or reinstatement of the license. Any licensee whose license is on inactive status shall not practice in the State of Illinois.~~

~~Practice on a license that has lapsed or been placed in inactive status is practicing without a license and a violation of this Code.~~

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/10-38 new)

Sec. 10-38. Inactive status.

(a) Any funeral director and embalmer who notifies the Department in writing on forms prescribed by the Department, may elect to place his or her license on an inactive status and shall, subject to rules of the Department, be excused from payment of renewal fees and completion of continuing education requirements until he or she notifies the Department in writing of an intent to restore or reinstate the license to active status.

(b) While on inactive status, the licensee shall only be required to pay a single fee, established by the Department, to have the license placed on inactive status. Any licensee who has permitted his or her license to expire or who has had his or her license on inactive status may have the license restored by making application to the Department, by filing proof acceptable to the Department of his or her fitness to have the license restored, and by paying the required fees. Proof of fitness may include sworn evidence certifying to active lawful practice in another jurisdiction. If the licensee has not maintained an active practice in another jurisdiction satisfactory to the Department, then the Department shall determine by an evaluation program, established by rule, his or her fitness for restoration of the license and shall establish procedures and requirements for restoration.

(c) Any licensee whose license is on inactive status or in a non-renewed status shall not engage in the practice of funeral directing and embalming in the State or use the title or advertise that he or she performs the services of a licensed funeral director and embalmer. Any person violating this Section shall be considered to be practicing without a license and shall be subject to the disciplinary provisions of this Code.

(225 ILCS 41/10-43 new)

Sec. 10-43. Endorsement. The Department may issue a funeral director and embalmer license, without the required examination, to an applicant licensed by another state, territory, possession of the United States, or the District of Columbia, if (i) the licensing requirements of that licensing authority are, on the date of licensure, substantially equal to the requirements set forth under this Code and (ii) the applicant provides the Department with evidence of good standing from the licensing authority of that jurisdiction. An applicant under this Section shall pay all of the required fees.

(225 ILCS 41/15-5) (from Ch. 111, par. 2825)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-5. Funeral Directors and Embalmers Licensing and Disciplinary Board. A Funeral Directors and Embalmers Licensing and Disciplinary Board is created and shall consist of 7 persons, 6 of whom are licensed to practice funeral directing and embalming in this State, and one who is a knowledgeable public member. Each member shall be appointed by the Secretary ~~of the Department~~. The persons so appointed shall hold their offices for 4 years and until qualified successors are appointed. All vacancies occurring shall be filled by the Secretary for the unexpired portion of the term rendered vacant. No member shall be eligible to serve for more than 2 full consecutive terms. The Secretary may remove or suspend any member of the Board for cause at any time before the expiration of his or her term. The Secretary shall be the sole arbiter of cause ~~reasons prescribed by law for removal of State officials or for misconduct, incompetence, neglect of duty, or failing to attend 2 consecutive Board meetings. The cause for removal must be set forth in writing~~. The Board shall annually select a chairman from its membership. The members of the Board shall be reimbursed for all legitimate and necessary expenses incurred in attending meetings of the Board. The Board may meet as often as necessary to perform its duties under this Code, and shall meet at least once a year in Springfield, Illinois.

Four members of the Board shall constitute a quorum. A quorum is required for all Board decisions.

The Department shall consider the recommendation of the Board in the development of proposed rules under this Code. Notice of any proposed rulemaking under this Code shall be transmitted to the Board and the Department shall review the response of the Board and any recommendations relating to that rulemaking.

The Department shall seek the advice and recommendations of the Board in connection with any rulemaking or disciplinary actions relating to funeral director and embalmers and funeral director and embalmer interns, including applications for restoration of revoked licenses. Members of the Board shall

be immune from suit in any action based upon any disciplinary proceedings or other activities performed in good faith as members of the Board. ~~The Board shall have 60 days to respond to a Department request for advice and recommendations.~~

~~The Department shall adopt all necessary and reasonable rules and regulations for the effective administration of this Code, and without limiting the foregoing, the Department shall adopt rules and regulations:~~

~~(1) prescribing a method of examination of candidates;~~

~~(2) defining what shall constitute a school, college, university, department of a university or other institution to determine the reputability and good standing of these institutions by reference to a compliance with the rules and regulations; however, no school, college, university, department of a university or other institution that refuses admittance to applicants, solely on account of race, color, creed, sex or national origin shall be considered reputable and in good standing;~~

~~(3) establishing expiration dates and renewal periods for all licenses;~~

~~(4) prescribing a method of handling complaints and conducting hearings on proceedings to take disciplinary action under this Code; and~~

~~(5) providing for licensure by reciprocity.~~

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-15)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-15. Complaints; investigations; hearings~~; summary suspension of license~~. The Department may investigate the actions of any applicant or of any person or persons rendering or offering to render services or any person holding or claiming to hold a license under this Code.

The Department shall, before refusing to issue or renew a license or seeking to discipline a licensee under Section 75 ~~revoking, suspending, placing on probation, reprimanding, or taking any other disciplinary action~~, at least 30 days before the date set for the hearing, (i) notify the accused in writing of the charges made and the time and place for the hearing on the charges, (ii) direct him or her to file a written answer to the charges under oath within 20 days after ~~the~~ service ~~on him or her of the notice~~, and (iii) inform the applicant or licensee ~~accused~~ that~~,~~ failure ~~if he or she fails~~ to answer~~,~~ shall result in a default being entered ~~will be taken~~ against the applicant or licensee ~~him or her or that his or her license may be suspended, revoked, or placed on probationary status, or other disciplinary action taken with regard to the license, including limiting the scope, nature, or extent of his or her practice, as the Department may consider proper~~.

At the time and place fixed in the notice, the Board or the hearing officer appointed by the Secretary ~~Department~~ shall proceed to hear the charges and the parties or their counsel shall be accorded ample opportunity to present any pertinent statements, testimony, evidence, and arguments. The Board or hearing officer ~~Department~~ may continue the hearing from time to time. In case the person, after receiving the notice, fails to file an answer, his or her license may, in the discretion of the Secretary, having first received the recommendation of the Board ~~Department~~, be suspended, revoked, or placed on probationary status, or be subject to ~~the Department may take~~ whatever disciplinary action the Secretary ~~it~~ considers proper, including limiting the scope, nature, or extent of the person's practice or the imposition of a fine, without a hearing, if the act or acts charged constitute sufficient grounds for that action under this Code. The written notice and any notice in the subsequent proceeding may be served by regular ~~personal delivery~~ or ~~by~~ certified mail to the licensee's address of record ~~specified by the accused in his or her last notification with the Department~~.

~~The Department has the power to subpoena and bring before it any person to take oral or written testimony and to compel the production of any books, papers, records, or other documents that the Secretary or his or her designee deems relevant or material to any investigation or hearing conducted by the Department, with the same fees and in the same manner as prescribed in civil cases. The Secretary, the designated hearing officer, and every member of the Board has the power to administer oaths to witnesses at any hearing that the Department is authorized to conduct, and any other oaths authorized in any Act or Code administered by the Department.~~

~~If the Department determines that any licensee is guilty of a violation of any of the provisions of this Code, disciplinary action shall be taken against the licensee. The Department may take disciplinary action without a formal hearing subject to Section 10-70 of the Illinois Administrative Procedure Act.~~

~~The Secretary may summarily suspend the license of any person licensed under this Code without a hearing, simultaneously with the institution of proceedings for a hearing provided for in this Section, if the Secretary finds that evidence in the possession of the Secretary indicates that the continuation of practice by the licensee would constitute an imminent danger to the public. In the event that the Secretary summarily suspends the license of an individual without a hearing, a hearing must be held~~

~~within 30 days after the suspension has occurred and concluded as expeditiously as practical.~~
(Source: P.A. 96-48, eff. 7-17-09; 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-16)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-16. Appointment of a hearing officer. The Secretary has the authority to appoint any attorney licensed to practice law in the State of Illinois to serve as the hearing officer in any action for refusal to issue, restore, or renew a license or to discipline a licensee. The hearing officer has full authority to conduct the hearing. ~~Any Board member may attend hearings.~~
(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-18 new)

Sec. 15-18. Temporary suspension. The Secretary may temporarily suspend the license of a licensee without a hearing, simultaneously with the institution of proceedings for a hearing provided in Section 15-15 of this Code, if the Secretary finds that the public interest, safety, or welfare requires such emergency action. In the event that the Secretary temporarily suspends a license without a hearing before the Board or a duly appointed hearing officer, a hearing shall be held within 30 days after the suspension has occurred. The suspended licensee may seek a continuance of the hearing, during which time the suspension shall remain in effect. The proceeding shall be concluded without appreciable delay. If the Department does not hold a hearing within 30 days after the date of the suspension, then the licensee's license shall be automatically reinstated.

(225 ILCS 41/15-19 new)

Sec. 15-19. Consent to Administrative Supervision order. In appropriate cases, the Department may resolve a complaint against a licensee through the issuance of a Consent to Administrative Supervision order. A licensee subject to a Consent to Administrative Supervision order shall be considered by the Department as an active licensee in good standing. This order shall not be reported or considered by the Department to be a discipline of the licensee. The records regarding an investigation and a Consent to Administrative Supervision order shall be considered confidential and shall not be released by the Department except as mandated by law. A complainant shall be notified if his or her complaint has been resolved by a Consent to Administrative Supervision order.

(225 ILCS 41/15-20)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-20. Transcript; record of proceedings. The Department, at its expense, shall preserve a record of all proceedings at the formal hearing of any case. The notice of hearing, complaint and all other documents in the nature of pleadings and written motions filed in the proceedings, the transcript of testimony, the report of the Board or hearing officer, and the orders of the Department shall be the record of the proceedings. ~~The Department shall furnish a transcript of the record to any person interested in the hearing upon payment of the actual cost of making the transcript.~~
(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-21)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-21. Findings and recommendations. At the conclusion of the hearing, the Board or hearing officer shall present to the Secretary a written report of its findings of fact, conclusions of law, and recommendations. The report shall contain a finding of whether or not the accused person violated this Code or its rules or failed to comply with the conditions required in this Code or its rules. The Board shall specify the nature of any violations or failure to comply and shall make its recommendations to the Secretary. In making recommendations for any disciplinary action, the Board may take into consideration all facts and circumstances bearing upon the reasonableness of the conduct of the accused and the potential for future harm to the public, including, but not limited to, previous discipline of the accused by the Department, intent, degree of harm to the public and likelihood of harm in the future, any restitution made by the accused, and whether the incident or incidents contained in the complaint appear to be isolated or represent a continuing pattern of conduct. In making its recommendations for discipline, the Board shall endeavor to ensure that the severity of the discipline recommended is reasonably related to the severity of the violation.

The report of findings of fact, conclusions of law, and recommendation of the Board or hearing officer shall be the basis for the Secretary's ~~Department's~~ order refusing to issue, restore, or renew a license, or otherwise disciplining a licensee. If the Secretary disagrees with the recommendations of the Board or hearing officer, the Secretary may issue an order in contravention of the Board or hearing officer's recommendations. The finding is not admissible in evidence against the person in a criminal prosecution brought for a violation of this Code, but the hearing and finding are not a bar to a criminal prosecution brought for a violation of this Code.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-22)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-22. Rehearing. At the conclusion of the hearing, a copy of the Board or hearing officer's report shall be served upon the applicant or licensee by the Department, either personally or as provided in this Code for the service of a notice of hearing. Within 20 calendar days after service, the applicant or licensee may present to the Department a motion in writing for a rehearing, which shall specify the particular grounds for rehearing. The Department may respond to the motion for rehearing within 20 calendar days after its service on the Department. If no motion for rehearing is filed, then upon the expiration of the time specified for filing such a motion, or if a motion for rehearing is denied, then upon denial, the Secretary may enter an order in accordance with the recommendations of the Board or hearing officer. If the applicant or licensee orders from the reporting service and pays for a transcript of the record within the time for filing a motion for rehearing, the 20-day period within which a motion may be filed shall commence upon the delivery of the transcript to the applicant or licensee.

If the Secretary believes that substantial justice has not been done in the revocation, suspension, or refusal to issue, restore, or renew a license, or other discipline of an applicant or licensee, he or she may order a rehearing by the same or other hearing officers ~~examiners~~.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-25)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-25. Subpoenas; oaths; attendance of witnesses ~~Court order; contempt~~.

(a) The Department may subpoena and bring before it any person to take the oral or written testimony or compel the production of any books, papers, records, or any other documents that the Secretary or his or her designee deems relevant or material to any investigation or hearing conducted by the Department with the same fees and mileage and in the same manner as prescribed in civil cases in the courts of this State.

(b) The Secretary, the hearing officer, any member of the Board, or a certified shorthand court reporter may administer oaths at any hearing that the Department conducts. Notwithstanding any other statute or Department rule to the contrary, all requests for testimony, production of documents, or records shall be in accordance with this Code.

(c) Any circuit court, upon application of the applicant, licensee or the Department, may ~~, by~~ order ~~duly entered, require~~ the attendance and testimony of witnesses and the production of relevant documents, files, books, records, and papers in connection with any hearing or investigation. The ~~before the Department in any hearing relating to the refusal, suspension or revocation of a license. Upon refusal or neglect to obey the order of the court, the~~ court may compel compliance with its order by proceedings for contempt of court.

(Source: P.A. 87-966.)

(225 ILCS 41/15-40)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-40. Certification of record; receipt. The Department shall not be required to certify any record to the court, to file an answer in court, or otherwise to appear in any court in a judicial review proceeding unless and until the Department has received from the plaintiff payment of the costs of furnishing and certifying the record, which costs shall be determined by the Department. Exhibits shall be certified without cost. Failure on the part of the Plaintiff to file a receipt in court is ~~shall be~~ grounds for dismissal of the action.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-41)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-41. Order or certified copy; prima facie proof. An order or certified copy thereof, over the seal of the Department and purporting to be signed by the Secretary, is prima facie proof that:

(1) the signature is the genuine signature of the Secretary; and

(2) the Secretary is duly appointed and qualified. ~~; and~~

~~(3) the hearing officer is qualified to act.~~

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-45)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-45. Practice without license; injunction; cease and desist order; civil penalties.

(a) The practice of funeral directing and embalming or funeral directing by any person who has not been issued a license by the Department, whose license has been suspended or revoked, or whose license

has not been renewed is hereby declared to be inimical to the public welfare and to constitute a public nuisance. The Secretary may, in the name of the People of the State of Illinois through the Attorney General of the State of Illinois, or the State's Attorney of any county in which the violation is alleged to have occurred in the State of Illinois, apply for an injunction in the circuit court to enjoin any person who has not been issued a license or whose license has been suspended or revoked, or whose license has not been renewed, from practicing funeral directing and embalming or funeral directing. Upon the filing of a verified complaint in court, the court, if satisfied by affidavit or otherwise that the person is or has been practicing funeral directing and embalming or funeral directing without having been issued a license or after his or her license has been suspended, revoked, or not renewed, may issue a temporary restraining order or preliminary injunction, without notice or bond, enjoining the defendant from further practicing funeral directing and embalming or funeral directing. A copy of the verified complaint shall be served upon the defendant and the proceedings shall thereafter be conducted as in other civil cases. If it is established that the defendant has been or is practicing funeral directing and embalming or funeral directing without having been issued a license or has been or is practicing funeral directing and embalming or funeral directing after his or her license has been suspended, revoked, or not renewed, the court may enter a judgment perpetually enjoining the defendant from further practicing funeral directing and embalming or funeral directing. In case of violation of any injunction entered under this Section, the court may summarily try and punish the offender for contempt of court. Any injunction proceeding shall be in addition to, and not in lieu of, all penalties and other remedies in this Code.

(b) Whenever, in the opinion of the Department, any person or other entity violates any provision of this Code, the Department may issue a notice to show cause why an order to cease and desist should not be entered against that person or other entity. The rule shall clearly set forth the grounds relied upon by the Department and shall provide a period of 7 days from the date of the rule to file an answer to the satisfaction of the Department. Failure to answer to the satisfaction of the Department shall cause an order to cease and desist to be issued immediately.

(c) (Blank).

(Source: P.A. 96-1463, eff. 1-1-11; 97-333, eff. 8-12-11.)

(225 ILCS 41/15-46)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-46. Civil penalties; civil action.

(a) In addition to any other penalty provided by law, any person, sole proprietorship, professional service corporation, limited liability company, partnership, or other entity that violates Section 1-15 or 1-20 of this Code shall forfeit and pay to the General Professions Dedicated Fund a civil penalty in an amount determined by the Department not to exceed $10,000 for each violation. The penalty shall be assessed in proceedings as provided in Sections 15-10 through 15-41 of this Code.

(b) In addition to the other penalties and remedies provided in this Code, the Department may bring a civil action in the county in which the funeral establishment is located against a licensee or any other person to enjoin any violation or threatened violation of this Code.

(c) Unless the amount of the penalty is paid within 60 days after the order becomes final, the order shall constitute a judgment ~~judgement~~ and shall be filed and execution issued thereon in the same manner as the judgment ~~judgement~~ of a court of record.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-50)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-50. Practice by corporation, limited liability company, partnership, or association. No corporation, limited liability company, partnership or association of individuals, as such, shall be issued a license as a licensed funeral director and embalmer or licensed funeral director, nor shall any corporation, limited liability company, partnership, firm or association of individuals, or any individual connected therewith, publicly advertise any corporation, partnership, or association of individuals as being licensed funeral directors and embalmers or licensed funeral directors. Nevertheless, nothing in this Act shall restrict funeral director licensees or funeral director and embalmer licensees from forming professional service corporations under the Professional Service Corporation Act or from having these corporations registered for the practice of funeral directing.

No funeral director licensee or funeral director and embalmer licensee, and no partnership or association of those licensees, formed since July 1, 1935, shall engage in the practice of funeral directing and embalming or funeral directing under a trade name or partnership or firm name unless in the use and advertising of the trade name, partnership or firm name there is published in connection with the advertising the name of the owner or owners as the owner or owners.

(Source: P.A. 96-863, eff. 3-1-10.)

(225 ILCS 41/15-65)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-65. Fees. The Department shall provide by rule for a schedule of fees for the administration and enforcement of this Code, including but not limited to, original licensure, renewal, and restoration. The fees shall be nonrefundable.

All fees, fines, and penalties collected under this Code shall be deposited into the General Professions Dedicated Fund and shall be appropriated to the Department for the ordinary and contingent expenses of the Department in the administration of this Code.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-70)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-70. Returned checks; fines. Any person who delivers a check or other payment to the Department that is returned to the Department unpaid by the financial institution upon which it is drawn shall pay to the Department, in addition to the amount already owed to the Department, a fine of $50. The fines imposed by this Section are in addition to any other discipline provided under this Code for unlicensed practice or practice on a nonrenewed license. The Department shall notify the person that payment of fees and fines shall be paid to the Department by certified check or money order within 30 calendar days of the notification. If, after the expiration of 30 days from the date of the notification, the person has failed to submit the necessary remittance, the Department shall automatically terminate the license ~~or certificate~~ or deny the application, without hearing. If, after termination or denial, the person seeks a license ~~or certificate~~, he or she shall apply to the Department for restoration or issuance of the license ~~or certificate~~ and pay all fees and fines due to the Department. The Department may establish a fee for the processing of an application for restoration of a license ~~or certificate~~ to pay all expenses of processing this application. The Secretary may waive the fines due under this Section in individual cases where the Secretary finds that the fines would be unreasonable or unnecessarily burdensome.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-75)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-75. Violations; grounds for discipline; penalties.

(a) Each of the following acts is a Class A misdemeanor for the first offense, and a Class 4 felony for each subsequent offense. These penalties shall also apply to unlicensed owners of funeral homes.

(1) Practicing the profession of funeral directing and embalming or funeral directing, or attempting to practice the profession of funeral directing and embalming or funeral directing without a license as a funeral director and embalmer or funeral director.

(2) Serving or attempting to serve as an intern under a licensed funeral director and embalmer ~~or attempting to serve as an intern under a licensed funeral director and embalmer~~ without a license as a licensed funeral director and embalmer intern.

(3) Obtaining or attempting to obtain a license, practice or business, or any other thing of value, by fraud or misrepresentation.

(4) Permitting any person in one's employ, under one's control or in or under one's service to serve as a funeral director and embalmer, funeral director, or funeral director and embalmer intern when the person does not have the appropriate license.

(5) Failing to display a license as required by this Code.

(6) Giving false information or making a false oath or affidavit required by this Code.

(b) The Department may refuse to issue or renew, ~~a license or may~~ revoke, suspend, place on probation or administrative supervision, reprimand, or take other disciplinary or non-disciplinary action as the Department may deem appropriate, including imposing fines not to exceed $10,000 for each violation, with regard to any license under the Code for any one or combination of the following:

(1) Fraud or any misrepresentation in applying for or procuring a license under this Code or in connection with applying for renewal of a license under this Code ~~Obtaining or attempting to obtain a license by fraud or misrepresentation~~.

(2) Conviction by plea of guilty or nolo contendere, finding of guilt, jury verdict, or entry of judgment or by sentencing of any crime, including, but not limited to, convictions, preceding sentences of supervision, conditional discharge, or first offender probation, under the laws of any jurisdiction of the United States: (i) that is a felony or (ii) that is a misdemeanor, an essential element of which is dishonesty, or that is directly related to the practice of the profession ~~Conviction in this State or another state of any crime that is a felony or misdemeanor under the laws of this State or conviction of a felony or misdemeanor in a federal court~~.

(3) Violation of the laws of this State relating to the funeral, burial or disposition ~~disposal~~ of

deceased human bodies or of the rules and regulations of the Department, or the Department of Public Health.

(4) Directly or indirectly paying or causing to be paid any sum of money or other valuable consideration for the securing of business or for obtaining authority to dispose of any deceased human body.

(5) Professional incompetence, gross negligence, malpractice, or untrustworthiness in the practice of funeral directing and embalming or funeral directing.

(6) (Blank). ~~False or misleading advertising as a funeral director and embalmer or funeral director, or advertising or using the name of a person other than the holder of a license in connection with any service being rendered in the practice of funeral directing and embalming or funeral directing. Nothing in this paragraph shall prevent including the name of any owner, officer or corporate director of a funeral business who is not a licensee in any advertisement used by a funeral home with which the individual is affiliated if the advertisement specifies the individual's affiliation with the funeral home.~~

(7) Engaging in, promoting, selling, or issuing burial contracts, burial certificates, or burial insurance policies in connection with the profession as a funeral director and embalmer, funeral director, or funeral director and embalmer intern in violation of any laws of the State of Illinois.

(8) Refusing, without cause, to surrender the custody of a deceased human body upon the proper request of the person or persons lawfully entitled to the custody of the body.

(9) Taking undue advantage of a client or clients as to amount to the perpetration of fraud.

(10) Engaging in funeral directing and embalming or funeral directing without a license.

(11) Encouraging, requesting, or suggesting by a licensee or some person working on his behalf and with his consent for compensation that a person utilize the services of a certain funeral director and embalmer, funeral director, or funeral establishment unless that information has been expressly requested by the person. This does not prohibit general advertising or pre-need solicitation.

(12) Making or causing to be made any false or misleading statements about the laws concerning the disposition ~~disposal~~ of human remains, including, but not limited to, the need to embalm, the need for a casket for cremation or the need for an outer burial container.

(13) (Blank).

(14) Embalming or attempting to embalm a deceased human body without express prior authorization of the person responsible for making the funeral arrangements for the body. This does not apply to cases where embalming is directed by local authorities who have jurisdiction or when embalming is required by State or local law. A licensee may embalm without express prior authorization if a good faith effort has been made to contact family members and has been unsuccessful and the licensee has no reason to believe the family opposes embalming.

(15) Making a false statement on a Certificate of Death where the person making the statement knew or should have known that the statement was false.

(16) Soliciting human bodies after death or while death is imminent.

(17) Performing any act or practice that is a violation of this Code, the rules for the administration of this Code, or any federal, State or local laws, rules, or regulations governing the practice of funeral directing or embalming.

(18) Performing any act or practice that is a violation of Section 2 of the Consumer Fraud and Deceptive Business Practices Act.

(19) Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud or harm the public.

(20) Taking possession of a dead human body without having first obtained express permission from the person holding the right to control the disposition in accordance with Section 5 of the Disposition of Remains Act ~~next of kin~~ or a public agency legally authorized to direct, control or permit the removal of deceased human bodies.

(21) Advertising in a false or misleading manner or advertising using the name of an unlicensed person in connection with any service being rendered in the practice of funeral directing or funeral directing and embalming. The use of any name of an unlicensed or unregistered person in an advertisement so as to imply that the person will perform services is considered misleading advertising. Nothing in this paragraph shall prevent including the name of any owner, officer or corporate director of a funeral home, who is not a licensee, in any advertisement used by a funeral home with which the individual is affiliated, if the advertisement specifies the individual's affiliation with the funeral home.

(22) Charging for professional services not rendered, including filing false statements for the

collection of fees for which services are not rendered ~~Directly or indirectly receiving compensation for any professional services not actually performed~~.

(23) Failing to account for or remit any monies, documents, or personal property that belongs to others that comes into a licensee's possession.

(24) Treating any person differently to his detriment because of race, color, creed, gender, religion, or national origin.

(25) Knowingly making any false statements, oral or otherwise, of a character likely to influence, persuade or induce others in the course of performing professional services or activities.

(26) Willfully ~~Knowingly~~ making or filing false records or reports in the practice of funeral directing and embalming, including, but not limited to, false records filed with State agencies or departments.

(27) Failing to acquire continuing education required under this Code.

(28) (Blank). ~~Violations of this Code or of the rules adopted pursuant to this Code.~~

(29) Aiding or assisting another person in violating any provision of this Code or rules adopted pursuant to this Code.

(30) Failing within 10 days, to provide information in response to a written request made by the Department.

(31) Discipline by another state, District of Columbia, territory, ~~or~~ foreign nation , or governmental agency, if at least one of the grounds for the discipline is the same or substantially equivalent to those set forth in this Section.

(32) (Blank). ~~Directly or indirectly giving to or receiving from any person, firm, corporation, partnership, or association any fee, commission, rebate, or other form of compensation for professional services not actually or personally rendered.~~

(33) Mental illness or disability which results in the inability ~~Inability~~ to practice the profession with reasonable judgment, skill, or safety.

(34) Gross, willful, or continued overcharging for professional services, including filing false statements for collection of fees for which services are not rendered.

(35) Physical illness, including, but not limited to, deterioration through the aging process or loss of motor skill which results in a licensee's inability to practice under this Code with reasonable judgment, skill, or safety ~~A pattern of practice or other behavior that demonstrates incapacity or incompetence to practice under this Code~~.

(36) Failing to comply with any of the following required activities:

(A) When reasonably possible, a funeral director licensee or funeral director and embalmer licensee or anyone acting on his or her behalf shall obtain the express authorization of the person or persons responsible for making the funeral arrangements for a deceased human body prior to removing a body from the place of death or any place it may be or embalming or attempting to embalm a deceased human body, unless required by State or local law. This requirement is waived whenever removal or embalming is directed by local authorities who have jurisdiction. If the responsibility for the handling of the remains lawfully falls under the jurisdiction of a public agency, then the regulations of the public agency shall prevail.

(B) A licensee shall clearly mark the price of any casket offered for sale or the price of any service using the casket on or in the casket if the casket is displayed at the funeral establishment. If the casket is displayed at any other location, regardless of whether the licensee is in control of that location, the casket shall be clearly marked and the registrant shall use books, catalogues, brochures, or other printed display aids to show the price of each casket or service.

(C) At the time funeral arrangements are made and prior to rendering the funeral services, a licensee shall furnish a written statement of services to be retained by the person or persons making the funeral arrangements, signed by both parties, that shall contain: (i) the name, address and telephone number of the funeral establishment and the date on which the arrangements were made; (ii) the price of the service selected and the services and merchandise included for that price; (iii) a clear disclosure that the person or persons making the arrangement may decline and receive credit for any service or merchandise not desired and not required by law or the funeral director or the funeral director and embalmer; (iv) the supplemental items of service and merchandise requested and the price of each item; (v) the terms or method of payment agreed upon; and (vi) a statement as to any monetary advances made by the registrant on behalf of the family. The licensee shall maintain a copy of the written statement of services in its permanent records. All written statements of services are subject to inspection by the Department.

(D) In all instances where the place of final disposition of a deceased human body

or the cremated remains of a deceased human body is a cemetery, the licensed funeral director and embalmer, or licensed funeral director, who has been engaged to provide funeral or embalming services shall remain at the cemetery and personally witness the placement of the human remains in their designated grave or the sealing of the above ground depository, crypt, or urn. The licensed funeral director or licensed funeral director and embalmer may designate a licensed funeral director and embalmer intern or representative of the funeral home to be his or her witness to the placement of the remains. If the cemetery authority, cemetery manager, or any other agent of the cemetery takes any action that prevents compliance with this paragraph (D), then the funeral director and embalmer or funeral director shall provide written notice to the Department within 5 business days after failing to comply. If the Department receives this notice, then the Department shall not take any disciplinary action against the funeral director and embalmer or funeral director for a violation of this paragraph (D) unless the Department finds that the cemetery authority, manager, or any other agent of the cemetery did not prevent the funeral director and embalmer or funeral director from complying with this paragraph (D) as claimed in the written notice.

(E) A funeral director or funeral director and embalmer shall fully complete the portion of the Certificate of Death under the responsibility of the funeral director or funeral director and embalmer and provide all required information. In the event that any reported information subsequently changes or proves incorrect, a funeral director or funeral director and embalmer shall immediately upon learning the correct information correct the Certificate of Death.

(37) A finding by the Department that the license, after having his or her license placed on probationary status or subjected to conditions or restrictions, violated the terms of the probation or failed to comply with such terms or conditions.

(38) (Blank). ~~Violation of any final administrative action of the Secretary.~~

(39) Being named as a perpetrator in an indicated report by the Department of Children and Family Services pursuant to the Abused and Neglected Child Reporting Act and, upon proof by clear and convincing evidence, being found to have caused a child to be an abused child or neglected child as defined in the Abused and Neglected Child Reporting Act.

(40) Habitual or excessive use or abuse of drugs defined in law as controlled substances, alcohol, or any other substance which results in the inability to practice with reasonable judgment, skill, or safety.

(41) Practicing under a false or, except as provided by law, an assumed name.

(42) Cheating on or attempting to subvert the licensing examination administered under this Code.

(c) The Department may refuse to issue or renew~~,~~ or may suspend without a hearing, as provided for in the Department of Professional Regulation Law of the Civil Administrative Code of Illinois, the license of any person who fails to file a return, 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 the time as the requirements of the tax Act are satisfied in accordance with subsection (g) of Section 2105-15 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

(d) No action may be taken under this Code against a person licensed under this Code unless the action is commenced within 5 years after the occurrence of the alleged violations. A continuing violation shall be deemed to have occurred on the date when the circumstances last existed that give rise to the alleged violation.

(e) Nothing in this Section shall be construed or enforced to give a funeral director and embalmer, or his or her designees, authority over the operation of a cemetery or over cemetery employees. Nothing in this Section shall be construed or enforced to impose duties or penalties on cemeteries with respect to the timing of the placement of human remains in their designated grave or the sealing of the above ground depository, crypt, or urn due to patron safety, the allocation of cemetery staffing, liability insurance, a collective bargaining agreement, or other such reasons.

(f) All fines imposed under this Section shall be paid 60 days after the effective date of the order imposing the fine.

(g) The Department shall deny a license or renewal authorized by this Code to a person who has defaulted on an educational loan or scholarship provided or guaranteed by the Illinois Student Assistance Commission or any governmental agency of this State in accordance with item (5) of subsection (g) of Section 2105-15 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

(h) In cases where the Department of Healthcare and Family Services has previously determined a licensee or a potential licensee is more than 30 days delinquent in the payment of child support and has subsequently certified the delinquency to the Department, the Department may refuse to issue or renew or may revoke or suspend that person's license or may take other disciplinary action against that person

based solely upon the certification of delinquency made by the Department of Healthcare and Family Services in accordance with item (5) of subsection (g) of Section 1205-15 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

(i) A person not licensed under this Code who is an owner of a funeral establishment or funeral business shall not aid, abet, assist, procure, advise, employ, or contract with any unlicensed person to offer funeral services or aid, abet, assist, or direct any licensed person contrary to or in violation of any rules or provisions of this Code. A person violating this subsection shall be treated as a licensee for the purposes of disciplinary action under this Section and shall be subject to cease and desist orders as provided in this Code, the imposition of a fine up to $10,000 for each violation and any other penalty provided by law.

(j) The determination by a circuit court that a licensee is subject to involuntary admission or judicial admission as provided in the Mental Health and Developmental Disabilities Code, as amended, operates as an automatic suspension. The suspension may end only upon a finding by a court that the licensee is no longer subject to the involuntary admission or judicial admission and issues an order so finding and discharging the licensee, and upon the recommendation of the Board to the Secretary that the licensee be allowed to resume his or her practice.

(k) In enforcing this Code, the Department, upon a showing of a possible violation, may compel an individual licensed to practice under this Code, or who has applied for licensure under this Code, to submit to a mental or physical examination, or both, as required by and at the expense of the Department. The Department may order the examining physician to present testimony concerning the mental or physical examination of the licensee or applicant. No information shall be excluded by reason of any common law or statutory privilege relating to communications between the licensee or applicant and the examining physician. The examining physicians shall be specifically designated by the Department. The individual to be examined may have, at his or her own expense, another physician of his or her choice present during all aspects of this examination. The examination shall be performed by a physician licensed to practice medicine in all its branches. Failure of an individual to submit to a mental or physical examination, when directed, shall result in an automatic suspension without hearing.

A person holding a license under this Code or who has applied for a license under this Code who, because of a physical or mental illness or disability, including, but not limited to, deterioration through the aging process or loss of motor skill, is unable to practice the profession with reasonable judgment, skill, or safety, may be required by the Department to submit to care, counseling, or treatment by physicians approved or designated by the Department as a condition, term, or restriction for continued, reinstated, or renewed licensure to practice. Submission to care, counseling, or treatment as required by the Department shall not be considered discipline of a license. If the licensee refuses to enter into a care, counseling, or treatment agreement or fails to abide by the terms of the agreement, the Department may file a complaint to revoke, suspend, or otherwise discipline the license of the individual. The Secretary may order the license suspended immediately, pending a hearing by the Department. Fines shall not be assessed in disciplinary actions involving physical or mental illness or impairment.

In instances in which the Secretary immediately suspends a person's license under this Section, a hearing on that person's license must be convened by the Department within 15 days after the suspension and completed without appreciable delay. The Department shall have the authority to review the subject individual's record of treatment and counseling regarding the impairment to the extent permitted by applicable federal statutes and regulations safeguarding the confidentiality of medical records.

An individual licensed under this Code and affected under this Section shall be afforded an opportunity to demonstrate to the Department that he or she can resume practice in compliance with acceptable and prevailing standards under the provisions of his or her license.

(Source: P.A. 96-863, eff. 3-1-10; 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-76)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-76. Vehicle traffic control. A funeral director licensee or funeral director and embalmer licensee planning an ~~a~~ interment, inurnment, or entombment at a cemetery shall use his or her ~~its~~ reasonable best efforts to ensure that funeral processions entering and exiting the cemetery grounds do not obstruct traffic on any street for a period in excess of 10 minutes, except where such funeral procession is continuously moving or cannot be moved by reason of circumstances over which the licensee ~~cemetery authority~~ has no reasonable control. The ~~funeral director licensee or funeral director and embalmer~~ licensee arranging funeral processions to the cemetery shall use his or her ~~its~~ reasonable best efforts to ~~help~~ prevent multiple funeral processions from arriving at the cemetery simultaneously. Notwithstanding any provision of this Code ~~Act~~ to the contrary, any ~~funeral director licensee or funeral director and embalmer~~ licensee who violates the provisions of this Section shall be guilty of a business

offense and receive ~~punishable by~~ a fine of not more than $500 for each offense.
(Source: P.A. 96-863, eff. 3-1-10.)

(225 ILCS 41/15-77)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-77. Method of payment, receipt. No licensee shall require payment for any goods or services by cash only. Licensees ~~Each licensee subject to this Section~~ shall permit payment by at least one other option, including, but not limited to, personal check, cashier's check, money order, or credit or debit card. In addition to the statement of services, the licensee shall provide a receipt to the consumer upon payment in part or in full~~, whatever the case may be~~.
(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-80)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-80. Statement of place of practice; roster. Each applicant for a funeral director and embalmer's license shall with his or her application submit a statement of the place of practice, ownership, names and license numbers of all funeral directors and embalmers and funeral directors associated with the applicant.

The Department shall maintain a roster of names and addresses of all persons who hold valid licenses and all persons whose licenses have been suspended or revoked within the previous year. This roster shall be available upon request and payment of the required fee. ~~The Department shall keep a record, which shall be open to public inspection at all reasonable times, of its proceedings relating to the issuance, refusal, renewal, suspension and revocation of licenses. This record shall also contain the name, known place of practice and residence, and the date and number of the license of every licensed funeral director and embalmer, licensed funeral director, and licensed funeral director and embalmer intern in this State.~~

~~The Department shall publish an annual list of the names and addresses of all licensees registered by it under the provisions of this Code, and of all persons whose licenses have been suspended or revoked within the past year, together with other information relative to the enforcement of the provisions of this Code as it may deem of interest to the public. One list shall be mailed to each local registrar of vital statistics upon request by the registrar. Lists shall also be mailed by the Department to any person in the State upon request.~~
(Source: P.A. 93-268, eff. 1-1-04.)

(225 ILCS 41/15-85)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-85. Duties of public institution; regulation by local government. No provision of this Code shall apply to, or in any way interfere with, the duties of any officer of any public institution; nor with the duties of any officer of a medical college, county medical society, anatomical association, college of embalming, or any other recognized person carrying out the laws of the State of Illinois prescribing the conditions under which indigent dead human bodies are held subject for scientific or anatomical study; nor with the customs or rites of any religious sect in the funeral and burial of their dead.
(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-91)

(Section scheduled to be repealed on January 1, 2013)

Sec. 15-91. Denial of license. If the Department determines that an application for licensure should be denied pursuant to Section 15-75, then the applicant shall be sent a notice of intent to deny license ~~or exemption from licensure~~ and the applicant shall be given the opportunity to request, within 20 days of the notice, a hearing on the denial. If the applicant requests a hearing, then the Secretary shall schedule a hearing within 30 days after the request for a hearing, unless otherwise agreed to by the parties. The Secretary shall have the authority to appoint an attorney duly licensed to practice law in the State of Illinois to serve as the hearing officer. The hearing officer shall have full authority to conduct the hearing. The hearing shall be held at the time and place designated by the Secretary. The Secretary shall have the authority to prescribe rules for the administration of this Section.
(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/15-115 new)

Sec. 15-115. Confidentiality. All information collected by the Department in the course of an examination or investigation of a licensee or applicant, including, but not limited to, any complaint against a licensee filed with the Department and information collected to investigate any such complaint, shall be maintained for the confidential use of the Department and shall not be disclosed. The Department shall not disclose the information to anyone other than law enforcement officials, regulatory agencies that have an appropriate regulatory interest as determined by the Secretary, or a party

presenting a lawful subpoena to the Department. Information and documents disclosed to a federal, State, county, or local law enforcement agency shall not be disclosed by the agency for any purpose to any other agency or person. A formal complaint filed against a licensee by the Department or any order issued by the Department against a licensee or applicant shall be a public record, except as otherwise prohibited by law.

(225 ILCS 41/20-15)

(Section scheduled to be repealed on January 1, 2013)

Sec. 20-15. Home rule. The regulation and licensing provided for in this Code are exclusive powers and functions of the State. A home rule unit may not regulate or license funeral directors, funeral director and embalmers, ~~customer service employees,~~ or any activities relating to the services of funeral directing and embalming. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(Source: P.A. 96-1463, eff. 1-1-11.)

(225 ILCS 41/10-40 rep.) (225 ILCS 41/15-71 rep.) (225 ILCS 41/15-110 rep.)

Section 10. The Funeral Directors and Embalmers Licensing Code is amended by repealing Sections 10-40, 15-71, and 15-110.

Section 15. The Cemetery Oversight Act is amended by changing Section 25-75 as follows:

(225 ILCS 411/25-75)

(Section scheduled to be repealed on January 1, 2021)

Sec. 25-75. Cemetery Relief Fund.

(a) A special income-earning fund is hereby created in the State treasury, known as the Cemetery Relief Fund.

(b) Beginning on July 1, 2011, and occurring on an annual basis every year thereafter, three percent of the moneys in the Cemetery Oversight Licensing and Disciplinary Fund shall be transferred ~~deposited~~ into the Cemetery Relief Fund.

(c) All monies transferred ~~deposited~~ into the fund together with all accumulated undistributed income thereon shall be held as a special fund in the State treasury. The fund shall be used solely for the purpose of providing grants to units of local government and not-for-profit organizations, including, but not limited to, not-for-profit cemetery authorities, to clean up cemeteries that have been abandoned, neglected, or are otherwise in need of additional care.

(d) The grant program shall be administered by the Department.

(e) In the event there is a structural surplus in the Cemetery Oversight Licensing and Disciplinary Fund, the Department may expend moneys out of the Cemetery Oversight Licensing and Disciplinary Fund for the purposes described in subsection (c) of this Section.

(Source: P.A. 96-863, eff. 3-1-10; 97-679, eff. 2-6-12.)

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

Under the rules, the foregoing **Senate Bill No. 38**, with House Amendment No. 5, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, 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. 179

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. 179

House Amendment No. 2 to SENATE BILL NO. 179

Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 179**

AMENDMENT NO. 1. Amend Senate Bill 179 by replacing everything after the enacting clause with the following:

"Section 5. The River Edge Redevelopment Zone Act is amended by changing Section 10-1 as follows:

(65 ILCS 115/10-1)

Sec. 10-1. This Article may be cited as the ~~the~~ River Edge Redevelopment Zone Act, and references in this Article to "this Act" mean this Article.

(Source: P.A. 94-1021, eff. 7-12-06.)".

**AMENDMENT NO. 2 TO SENATE BILL 179**

AMENDMENT NO. 2. Amend Senate Bill 179, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois State Auditing Act is amended by adding Section 2-8.1 as follows:

(30 ILCS 5/2-8.1 new)

Sec. 2-8.1. Actuarial Responsibilities.

(a) The Auditor General shall contract with or hire an actuary to serve as the State Actuary. The State Actuary shall be retained by, serve at the pleasure of, and be under the supervision of the Auditor General and shall be paid from appropriations to the office of the Auditor General. The State Actuary may be selected by the Auditor General without engaging in a competitive procurement process.

(b) The State Actuary shall:

(1) review assumptions and valuations prepared by actuaries retained by the boards of trustees of the State-funded retirement systems;

(2) issue preliminary reports to the boards of trustees of the State-funded retirement systems concerning proposed certifications of required State contributions submitted to the State Actuary by those boards;

(3) cooperate with the boards of trustees of the State-funded retirement systems to identify recommended changes in actuarial assumptions that the boards must consider before finalizing their certifications of the required State contributions;

(4) conduct reviews of the actuarial practices of the boards of trustees of the State-funded retirement systems;

(5) make additional reports as directed by joint resolution of the General Assembly; and

(6) perform any other duties assigned by the Auditor General, including, but not limited to, reviews of the actuarial practices of other entities.

(c) On or before January 1, 2013 and each January 1 thereafter, the Auditor General shall submit a written report to the General Assembly and Governor documenting the initial assumptions and valuations prepared by actuaries retained by the boards of trustees of the State-funded retirement systems, any changes recommended by the State Actuary in the actuarial assumptions, and the responses of each board to the State Actuary's recommendations.

(d) For the purposes of this Section, "State-funded retirement system" means a retirement system established pursuant to Article 2, 14, 15, 16, or 18 of the Illinois Pension Code.

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

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

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

(a) The Board shall certify to the Governor on or before December 15 of each year until December 15, 2011 the amount of the required State contribution to the System for the next fiscal year and shall specifically identify the System's projected State normal cost for that fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and every January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal

year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

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

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

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

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

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

(Source: P.A. 95-331, eff. 8-21-07; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

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

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

(a) To certify to the Governor and to each department, on or before November 15 of each year until November 15, 2011, the required rate for State contributions to the System for the next State fiscal year, as determined under subsection (b) of Section 14-131. The certification to the Governor under this subsection (a) shall include a copy of the actuarial recommendations upon which the rate is based and shall specifically identify the System's projected State normal cost for that fiscal year.

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(b) The certifications under subsections (a) and (a-5) ~~certification~~ shall include an additional amount necessary to pay all principal of and interest on those general obligation bonds due the next fiscal year authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act. For State fiscal year 2005, the Board shall make a supplemental certification of the additional amount necessary to pay all principal of and interest on those general obligation bonds due in State fiscal years 2004 and 2005 authorized by Section 7.2(a) of

the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act, as soon as practical after the effective date of this amendatory Act of the 93rd General Assembly.

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

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

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

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

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

(a) The Board shall certify to the Governor on or before November 15 of each year <u>until November 15, 2011</u> the appropriation required from State funds for the purposes of this System for the following fiscal year. The certification <u>under this subsection (a)</u> shall include a copy of the actuarial recommendations upon which it is based <u>and shall specifically identify the System's projected State normal cost for that fiscal year and the projected State cost for the self-managed plan for that fiscal year</u>.

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

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

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

<u>(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year, beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note, in a written response to the State Actuary, any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.</u>

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

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

fiscal year.

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

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

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

(Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

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

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

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

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

(a-1) Annually, on or before November 15 until November 15, 2011, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification under this subsection (a-1) shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

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

On or before July 1, 2005 ~~April 1, 2011~~, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before April 1, 2011 ~~June 15, 2010~~, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year, beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

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

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

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

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

(b-3) For State fiscal years 2012 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is $738,014,500.

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to subsection (a-1) of this Section and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include, in addition to the amount certified by the System, an amount necessary to meet employer contributions required by the State as an employer under paragraph (e) of this Section, which may also be used by the System for contributions required by paragraph (a) of Section 16-127.

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued 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.

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

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System.

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

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

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

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

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

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

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

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

The additional 1% employee contribution required under Section 16-152 by this amendatory Act of 1998 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees,

through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

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

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

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

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

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

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

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

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

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

amount stipulated in the collective bargaining agreement for a similar position requiring the same certification.

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

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

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

(1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

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

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

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

(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; revised 4-6-11.)

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

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

(a) The Board shall certify to the Governor, on or before November 15 of each year until November 15, 2011, the amount of the required State contribution to the System for the following fiscal year and shall specifically identify the System's projected State normal cost for that fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and every January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

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

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in

required State contributions made by this amendatory Act of the 94th General Assembly.

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

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

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

(Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

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

Under the rules, the foregoing **Senate Bill No. 179**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, 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. 3428

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. 3428

House Amendment No. 2 to SENATE BILL NO. 3428

Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 3428**

AMENDMENT NO. 1. Amend Senate Bill 3428 on page 2, line 9, after "college", by inserting ", the Chancellor of City Colleges of Chicago (Community College District No. 508), or the Chief Executive Officer of Illinois Valley Community College (Community College District No. 513)".

**AMENDMENT NO. 2 TO SENATE BILL 3428**

AMENDMENT NO. 2. Amend Senate Bill 3428, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 1, lines 5 and 6, by replacing "Valley Community College (Community College District No. 513" with "Eastern Community Colleges (Community College District No. 529".

Under the rules, the foregoing **Senate Bill No. 3428**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, 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. 3802

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. 3802

House Amendment No. 6 to SENATE BILL NO. 3802

Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 3802**

AMENDMENT NO. 1. Amend Senate Bill 3802 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Procurement Code is amended by changing Section 1-5 as follows:

(30 ILCS 500/1-5)

Sec. 1-5. Public policy. It is the ~~the~~ purpose of this Code and is declared to be the policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts by or for any State agency.

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

**AMENDMENT NO. 6 TO SENATE BILL 3802**

AMENDMENT NO. 6. Amend Senate Bill 3802, AS AMENDED, by replacing everything after the enacting clause with the following:

"ARTICLE 1. SHORT TITLE; PURPOSE

Section 1-1. Short Title. This Act may be cited as the FY2013 Budget Implementation (Supplemental) Act.

Section 1-5. Purpose. It is the purpose of this Act to make changes in State programs that are necessary to implement the Governor's fiscal year 2013 budget recommendations.

ARTICLE 5. AMENDATORY PROVISIONS

Section 5-5. 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 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. During fiscal year 2013, the Department shall require that any convention and tourism bureau receiving a grant under this Section that requires matching funds shall provide matching funds equal to no less than 50% of the grant amount. During fiscal year 2013, the Department shall reserve $2,000,000 of the available local tourism funds for appropriation to the Historic Preservation Agency for the operation of the Abraham Lincoln Presidential Library and Museum and State historic sites.

(Source: P.A. 97-617, eff. 10-26-11.)

(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. During fiscal year 2013, the Department shall require that any convention and tourism

bureau receiving a grant under this Section that requires matching funds shall provide matching funds equal to no less than 50% of 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. 97-617, eff. 10-26-11.)

Section 5-10. The Illinois Promotion Act is amended by changing Section 4a as follows:
(20 ILCS 665/4a) (from Ch. 127, par. 200-24a)
Sec. 4a. Funds.
(1) All moneys deposited in the Tourism Promotion Fund pursuant to this subsection are allocated to the Department for utilization, as appropriated, in the performance of its powers under Section 4; except that during fiscal year 2013, the Department shall reserve $9,800,000 of the total funds available for appropriation in the Tourism Promotion Fund for appropriation to the Historic Preservation Agency for the operation of the Abraham Lincoln Presidential Library and Museum and State historic sites.
As soon as possible after the first day of each month, beginning July 1, 1997, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Tourism Promotion Fund an amount equal to 13% of the net revenue realized from the Hotel Operators' Occupation Tax Act plus an amount equal to 13% 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. "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.
(1.1) (Blank).
(2) As soon as possible after the first day of each month, beginning July 1, 1997, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Tourism Promotion Fund an amount equal to 8% of the net revenue realized from the Hotel Operators' Occupation Tax 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. "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.
All monies deposited in the Tourism Promotion Fund under this subsection (2) shall be used solely as provided in this subsection to advertise and promote tourism throughout Illinois. Appropriations of monies deposited in the Tourism Promotion Fund pursuant to this subsection (2) shall be used solely for advertising to promote tourism, including but not limited to advertising production and direct advertisement costs, but shall not be used to employ any additional staff, finance any individual event, or lease, rent or purchase any physical facilities. The Department shall coordinate its advertising under this subsection (2) with other public and private entities in the State engaged in similar promotion activities. Print or electronic media production made pursuant to this subsection (2) for advertising promotion shall not contain or include the physical appearance of or reference to the name or position of any public officer. "Public officer" means a person who is elected to office pursuant to statute, or who is appointed to an office which is established, and the qualifications and duties of which are prescribed, by statute, to discharge a public duty for the State or any of its political subdivisions.
(3) Notwithstanding anything in this Section to the contrary, amounts transferred from the General Revenue Fund to the Tourism Promotion Fund pursuant to this Section shall not exceed $26,300,000 in State fiscal year 2012.
(Source: P.A. 97-641, eff. 12-19-11.)

Section 5-15. The Mental Health and Developmental Disabilities Administrative Act is amended by adding Section 18.7 as follows:
(20 ILCS 1705/18.7 new)
Sec. 18.7. Home Services Medicaid Trust Fund.
(a) The Home Services Medicaid Trust Fund is hereby created as a special fund in the State treasury.
(b) Amounts paid to the State during each State fiscal year by the federal government under Title XIX or Title XXI of the Social Security Act for services delivered in relation to the Department's Home

Services Program established pursuant to Section 3 of the Disabled Persons Rehabilitation Act, and any interest earned thereon, shall be deposited into the Fund.

(c) Moneys in the Fund may be used by the Department for the purchase of services, and operational and administrative expenses, in relation to the Home Services Program.

Section 5-20. The Disabled Persons Rehabilitation Act is amended by changing Section 3 as follows:

(20 ILCS 2405/3) (from Ch. 23, par. 3434)

Sec. 3. Powers and duties. The Department shall have the powers and duties enumerated herein:

(a) To co-operate with the federal government in the administration of the provisions of the federal Rehabilitation Act of 1973, as amended, of the Workforce Investment Act of 1998, and of the federal Social Security Act to the extent and in the manner provided in these Acts.

(b) To prescribe and supervise such courses of vocational training and provide such other services as may be necessary for the habilitation and rehabilitation of persons with one or more disabilities, including the administrative activities under subsection (e) of this Section, and to co-operate with State and local school authorities and other recognized agencies engaged in habilitation, rehabilitation and comprehensive rehabilitation services; and to cooperate with the Department of Children and Family Services regarding the care and education of children with one or more disabilities.

(c) (Blank).

(d) To report in writing, to the Governor, annually on or before the first day of December, and at such other times and in such manner and upon such subjects as the Governor may require. The annual report shall contain (1) a statement of the existing condition of comprehensive rehabilitation services, habilitation and rehabilitation in the State; (2) a statement of suggestions and recommendations with reference to the development of comprehensive rehabilitation services, habilitation and rehabilitation in the State; and (3) an itemized statement of the amounts of money received from federal, State and other sources, and of the objects and purposes to which the respective items of these several amounts have been devoted.

(e) (Blank).

(f) To establish a program of services to prevent unnecessary institutionalization of persons with Alzheimer's disease and related disorders or persons in need of long term care who are established as blind or disabled as defined by the Social Security Act, thereby enabling them to remain in their own homes or other living arrangements. Such preventive services may include, but are not limited to, any or all of the following:

(1) home health services;
(2) home nursing services;
(3) homemaker services;
(4) chore and housekeeping services;
(5) day care services;
(6) home-delivered meals;
(7) education in self-care;
(8) personal care services;
(9) adult day health services;
(10) habilitation services;
(11) respite care; or
(12) other nonmedical social services that may enable the person to become self-supporting.

The Department shall establish eligibility standards for such services taking into consideration the unique economic and social needs of the population for whom they are to be provided. Such eligibility standards may be based on the recipient's ability to pay for services; provided, however, that any portion of a person's income that is equal to or less than the "protected income" level shall not be considered by the Department in determining eligibility. The "protected income" level shall be determined by the Department, shall never be less than the federal poverty standard, and shall be adjusted each year to reflect changes in the Consumer Price Index For All Urban Consumers as determined by the United States Department of Labor. The standards must provide that a person may have not more than $10,000 in assets to be eligible for the services, and the Department may increase the asset limitation by rule. Additionally, in determining the amount and nature of services for which a person may qualify, consideration shall not be given to the value of cash, property or other assets held in the name of the person's spouse pursuant to a written agreement dividing marital property into equal but separate shares or pursuant to a transfer of the person's interest in a home to his spouse, provided that the spouse's share of the marital property is not made available to the person seeking such services.

The services shall be provided to eligible persons to prevent unnecessary or premature institutionalization, to the extent that the cost of the services, together with the other personal maintenance expenses of the persons, are reasonably related to the standards established for care in a group facility appropriate to their condition. These non-institutional services, pilot projects or experimental facilities may be provided as part of or in addition to those authorized by federal law or those funded and administered by the Illinois Department on Aging. The Department shall set rates and fees for services in a fair and equitable manner. Services identical to those offered by the Department on Aging shall be paid at the same rate.

Personal care attendants shall be paid:

(i) A $5 per hour minimum rate beginning July 1, 1995.

(ii) A $5.30 per hour minimum rate beginning July 1, 1997.

(iii) A $5.40 per hour minimum rate beginning July 1, 1998.

Solely for the purposes of coverage under the Illinois Public Labor Relations Act (5 ILCS 315/), personal care attendants and personal assistants providing services under the Department's Home Services Program shall be considered to be public employees and the State of Illinois shall be considered to be their employer as of the effective date of this amendatory Act of the 93rd General Assembly, but not before. The State shall engage in collective bargaining with an exclusive representative of personal care attendants and personal assistants working under the Home Services Program concerning their terms and conditions of employment that are within the State's control. Nothing in this paragraph shall be understood to limit the right of the persons receiving services defined in this Section to hire and fire personal care attendants and personal assistants or supervise them within the limitations set by the Home Services Program. The State shall not be considered to be the employer of personal care attendants and personal assistants for any purposes not specifically provided 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/).

The Department shall execute, relative to the nursing home prescreening project, as authorized by Section 4.03 of the Illinois Act on the Aging, written inter-agency agreements with the Department on Aging and the Department of Public Aid (now Department of Healthcare and Family Services), to effect the following: (i) intake procedures and common eligibility criteria for those persons who are receiving non-institutional services; and (ii) the establishment and development of non-institutional services in areas of the State where they are not currently available or are undeveloped. On and after July 1, 1996, all nursing home prescreenings for individuals 18 through 59 years of age shall be conducted by the Department.

The Department is authorized to establish a system of recipient cost-sharing for services provided under this Section. The cost-sharing shall be based upon the recipient's ability to pay for services, but in no case shall the recipient's share exceed the actual cost of the services provided. Protected income shall not be considered by the Department in its determination of the recipient's ability to pay a share of the cost of services. The level of cost-sharing shall be adjusted each year to reflect changes in the "protected income" level. The Department shall deduct from the recipient's share of the cost of services any money expended by the recipient for disability-related expenses.

The Department, or the Department's authorized representative, shall recover the amount of moneys expended for services provided to or in behalf of a person under this Section by a claim against the person's estate or against the estate of the person's surviving spouse, but no recovery may be had until after the death of the surviving spouse, if any, and then only at such time when there is no surviving child who is under age 21, blind, or permanently and totally disabled. This paragraph, however, shall not bar recovery, at the death of the person, of moneys for services provided to the person or in behalf of the person under this Section to which the person was not entitled; provided that such recovery shall not be enforced against any real estate while it is occupied as a homestead by the surviving spouse or other dependent, if no claims by other creditors have been filed against the estate, or, if such claims have been filed, they remain dormant for failure of prosecution or failure of the claimant to compel administration of the estate for the purpose of payment. This paragraph shall not bar recovery from the estate of a spouse, under Sections 1915 and 1924 of the Social Security Act and Section 5-4 of the Illinois Public Aid Code, who precedes a person receiving services under this Section in death. All moneys for services paid to or in behalf of the person under this Section shall be claimed for recovery from the deceased spouse's estate. "Homestead", as used in this paragraph, means the dwelling house and contiguous real estate occupied by a surviving spouse or relative, as defined by the rules and regulations of the Department of Healthcare and Family Services, regardless of the value of the property.

The Department and the Department on Aging shall cooperate in the development and submission of

an annual report on programs and services provided under this Section. Such joint report shall be filed with the Governor and the General Assembly on or before March 30 each year.

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

(g) To establish such subdivisions of the Department as shall be desirable and assign to the various subdivisions the responsibilities and duties placed upon the Department by law.

(h) To cooperate and enter into any necessary agreements with the Department of Employment Security for the provision of job placement and job referral services to clients of the Department, including job service registration of such clients with Illinois Employment Security offices and making job listings maintained by the Department of Employment Security available to such clients.

(i) To possess all powers reasonable and necessary for the exercise and administration of the powers, duties and responsibilities of the Department which are provided for by law.

(j) To establish a procedure whereby new providers of personal care attendant services shall submit vouchers to the State for payment two times during their first month of employment and one time per month thereafter. In no case shall the Department pay personal care attendants an hourly wage that is less than the federal minimum wage.

(k) To provide adequate notice to providers of chore and housekeeping services informing them that they are entitled to an interest payment on bills which are not promptly paid pursuant to Section 3 of the State Prompt Payment Act.

(l) To establish, operate and maintain a Statewide Housing Clearinghouse of information on available, government subsidized housing accessible to disabled persons and available privately owned housing accessible to disabled persons. The information shall include but not be limited to the location, rental requirements, access features and proximity to public transportation of available housing. The Clearinghouse shall consist of at least a computerized database for the storage and retrieval of information and a separate or shared toll free telephone number for use by those seeking information from the Clearinghouse. Department offices and personnel throughout the State shall also assist in the operation of the Statewide Housing Clearinghouse. Cooperation with local, State and federal housing managers shall be sought and extended in order to frequently and promptly update the Clearinghouse's information.

(m) To assure that the names and case records of persons who received or are receiving services from the Department, including persons receiving vocational rehabilitation, home services, or other services, and those attending one of the Department's schools or other supervised facility shall be confidential and not be open to the general public. Those case records and reports or the information contained in those records and reports shall be disclosed by the Director only to proper law enforcement officials, individuals authorized by a court, the General Assembly or any committee or commission of the General Assembly, and other persons and for reasons as the Director designates by rule. Disclosure by the Director may be only in accordance with other applicable law.

(Source: P.A. 94-252, eff. 1-1-06; 95-331, eff. 8-21-07.)

Section 5-25. The State Finance Act is amended by changing Sections 6z-21, 6z-27, 6z-30, 6z-45, 6z-81, 6z-82, 8.3, and 25 and by adding Sections 5.811, 5.812, 5.813, 6z-93, and 8g-1 as follows:

(30 ILCS 105/5.811 new)

Sec. 5.811. The Home Services Medicaid Trust Fund.

(30 ILCS 105/5.812 new)

Sec. 5.812. The Estate Tax Refund Fund.

(30 ILCS 105/5.813 new)

Sec. 5.813. The FY13 Backlog Payment Fund.

(30 ILCS 105/6z-21) (from Ch. 127, par. 142z-21)

Sec. 6z-21. Education Assistance Fund; transfers to and from the Education Assistance Fund. All monies deposited into the Education Assistance Fund, a special fund in the State treasury which is hereby created, shall be appropriated to provide financial assistance for elementary and secondary education programs including, among others, distributions under Section 18-19 of The School Code, and for higher education programs. During fiscal years 2012 and 2013 only, the State Comptroller may order transferred and the State Treasurer may transfer from the General Revenue Fund to the Education Assistance Fund, or the State Comptroller may order transferred and the State Treasurer may transfer

from the Education Assistance Fund to the General Revenue Fund, such amounts as may be required to honor the vouchers presented by the State Universities Retirement System, by a public institution of higher education, as defined in Section 1 of the Board of Higher Education Act, or by the State Board of Education pursuant to Sections 18-3, 18-4.3, 18-5, 18-6, and 18-7 of the School Code.

(Source: P.A. 86-18.)

(30 ILCS 105/6z-27)

Sec. 6z-27. All moneys in the Audit Expense Fund shall be transferred, appropriated and used only for the purposes authorized by, and subject to the limitations and conditions prescribed by, the State Auditing Act.

Within 30 days after the effective date of this amendatory Act of 2012 ~~2011~~, the State Comptroller shall order transferred and the State Treasurer shall transfer from the following funds moneys in the specified amounts for deposit into the Audit Expense Fund:

Adeline Jay Geo-Karis Illinois Beach Marina Fund....4,825 ~~517~~

Aggregate Operations Regulatory Fund....507

Agricultural Premium Fund....17,505

Alternate Fuels Fund....641

Appraisal Administration Fund....2,555

Asbestos Abatement Fund....3,563

Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund....9,010

Attorney General Whistleblower Reward and Protection Fund....7,878

Bank and Trust Company Fund....114,670

Brownfields Redevelopment Fund....2,874

Build Illinois Capital Revolving Loan Fund....966

Capital Development Board Revolving Fund....3,163

~~Assisted Living and Shared Housing Regulatory Fund....532~~

Care Provider Fund for Persons with Developmental Disability....3,939 ~~12,370~~

Clean Air Act (CAA) Permit Fund....9,789

~~Carolyn Adams Ticket for the Cure Grant Fund....687~~

~~CDLIS/AAMVA Net Trust Fund....609~~

Coal Mining Regulatory Fund....8,334 ~~884~~

Coal Technology Development Assistance Fund....10,321

Common School Fund....250,850 ~~162,681~~

The Communications Revolving Fund....33,809 ~~79,373~~

~~Community Health Center Care Fund....599~~

Community Mental Health Medicaid Trust Fund....7,539 ~~20,824~~

Corporate Franchise Tax Refund Fund....532

Corporate Headquarters Relocation Assistance Fund....2,093

Credit Union Fund....17,110

Cycle Rider Safety Training Fund....546

DCFS Children's Services Fund....186,660

~~Death Certificate Surcharge Fund....1,917~~

Department of Business Services Special Operations Fund....1,983 ~~4,088~~

Department of Corrections Reimbursement and Education Fund....29,617

Design Professionals Administration and Investigation Fund....6,341

Digital Divide Elimination Fund....3,314

The Downstate Public Transportation Fund....19,258 ~~6,423~~

Drivers Education Fund....1,491 ~~676~~

The Education Assistance Fund....40,564 ~~40,799~~

Energy Efficiency Trust Fund....1,946

~~Emergency Public Health Fund....4,934~~

Environmental Protection Permit and Inspection Fund....4,620 ~~913~~

~~Estate Tax Collection Distributive Fund.....1,315~~
Facilities Management Revolving Fund.....59,124 ~~146,649~~
Fair and Exposition Fund.....789
Federal Workforce Training Fund.....141,336
Feed Control Fund.....1,133
The Fire Prevention Fund.....216,465 ~~4,110~~
~~Food and Drug Safety Fund.....2,216~~
General Professions Dedicated Fund.....28,411 ~~7,978~~
The General Revenue Fund.....16,043,536 ~~17,684,627~~
Grade Crossing Protection Fund.....4,345 ~~1,188~~
Hazardous Waste Fund.....5,183 ~~1,295~~
~~Health Facility Plan Review Fund.....2,063~~
Health and Human Services
Medicaid Trust Fund.....5,758 ~~11,590~~
Healthcare Provider Relief Fund.....26,311 ~~16,458~~
Home Inspector Administration Fund.....876
~~Home Care Services Agency Licensure Fund.....1,025~~
Illinois Affordable Housing Trust Fund.....763 ~~799~~
Illinois Charity Bureau Fund.....2,011
Illinois Clean Water Fund.....8,592 ~~1,420~~
Illinois Department of Agriculture Laboratory Services
Revolving Fund.....665
Illinois Fire Fighters' Memorial Fund.....1,814
Illinois Forestry Development Fund.....2,642
Illinois Gaming Law Enforcement Fund.....1,674
Illinois Habitat Fund.....4,192
~~Illinois Health Facilities Planning Fund.....2,572~~
~~Illinois Power Agency Trust Fund.....46,305~~
Illinois Power Agency Operations Fund.....110,651 ~~30,960~~
Illinois Standardbred Breeders Fund.....1,132
Illinois State Dental Disciplinary Fund.....6,888
Illinois State Fair Fund.....4,673
Illinois State Medical Disciplinary Fund.....27,524
Illinois State Pharmacy Disciplinary Fund.....8,373
~~Illinois School Asbestos Abatement Fund.....1,368~~
Illinois Tax Increment Fund.....1,390 ~~751~~
Illinois Thoroughbred Breeders Fund.....1,808
Illinois Wildlife Preservation Fund.....1,282
~~Illinois Veterans Rehabilitation Fund.....1,134~~
Illinois Workers' Compensation Commission
Operations Fund.....2,212 ~~70,049~~
IMSA Income Fund.....5,326 ~~7,588~~
Income Tax Refund Fund.....109,482 ~~55,211~~
Insurance Financial Regulation Fund.....96,074
Insurance Premium Tax Refund Fund.....7,589
Insurance Producer Administration Fund.....75,222
International Tourism Fund.....2,814
~~Innovations in Long-term Care Quality Demonstration
Grants Fund.....3,140~~
~~Lead Poisoning, Screening, Prevention and
Abatement Fund.....5,025~~
Live and Learn Fund.....9,516 ~~18,166~~
The Local Government Distributive Fund.....81,356 ~~49,520~~
Local Tourism Fund.....7,095
~~Long Term Care Monitor/Receiver Fund.....2,365~~
~~Long Term Care Provider Fund.....2,214~~
~~Low-Level Radioactive Waste Facility Development and
Operation Fund.....3,880~~
~~Mandatory Arbitration Fund.....2,926~~

Mental Health Fund....2,806 ~~6,210~~
~~Metabolic Screening and Treatment Fund....19,342~~
~~Monitoring Device Driving Permit Administration Fee Fund....645~~
The Motor Fuel Tax Fund....80,083 ~~31,806~~
Motor Vehicle License Plate Fund....4,763 ~~8,027~~
~~Motor Vehicle Theft Prevention Trust Fund....59,407~~
~~Multiple Sclerosis Research Fund....1,830~~
Natural Areas Acquisition Fund....16,001 ~~1,776~~
~~Nuclear Safety Emergency Preparedness Fund....216,920~~
Nursing Dedicated and Professional Fund....10,167 ~~2,180~~
Off-Highway Vehicle Trails Fund....794
Open Space Lands Acquisition and
Development Fund....58,827 ~~7,009~~
Optometric Licensing and Disciplinary Board Fund....1,408
Park and Conservation Fund....47,464 ~~4,857~~
Partners for Conservation Fund....11,901 ~~759~~
Pawnbroker Regulation Fund....757
The Personal Property Tax Replacement Fund....142,488 ~~47,871~~
Pesticide Control Fund....3,903
Prisoner Review Board Vehicle and Equipment Fund....2,621
~~Plumbing Licensure and Program Fund....3,065~~
Professional Services Fund....2,029 ~~8,811~~
Professions Indirect Cost Fund....191,548
Public Pension Regulation Fund....7,519
~~Public Health Laboratory Services Revolving Fund....1,420~~
The Public Transportation Fund....52,905 ~~18,837~~
Real Estate License Administration Fund....26,119
Registered Certified Public Accountants' Administration
and Disciplinary Fund....1,547
Renewable Energy Resources Trust Fund....1,601
~~Radiation Protection Fund....65,921~~
Rental Housing Support Program Fund....865 ~~681~~
The Road Fund....289,575 ~~203,659~~
Regional Transportation Authority Occupation and
Use Tax Replacement Fund....1,833 ~~1,010~~
Savings and Residential Finance Regulatory Fund....30,756
Secretary of State DUI Administration Fund....765 ~~1,350~~
Secretary of State Identification
Security and Theft Prevention Fund....1,757 ~~1,219~~
Secretary of State Special License Plate Fund....2,304 ~~3,194~~
Secretary of State Special Services Fund....10,045 ~~14,404~~
Securities Audit and Enforcement Fund....3,211 ~~4,743~~
~~Securities Investors Education Fund....882~~
~~September 11th Fund....1,062~~
Solid Waste Management Fund....9,494 ~~1,348~~
State and Local Sales Tax Reform Fund....3,638 ~~1,984~~
State Boating Act Fund....38,425 ~~3,155~~
State Construction Account Fund....79,336 ~~34,102~~
The State Garage Revolving Fund....11,541 ~~30,345~~
The State Lottery Fund....68,197 ~~17,959~~
State Migratory Waterfowl Stamp Fund....4,757
State Parks Fund....29,249 ~~2,483~~
State Pensions Fund....1,000,000
State Pheasant Fund....723
State Surplus Property Revolving Fund....1,078 ~~2,090~~
The Statistical Services Revolving Fund....40,944 ~~105,824~~
Subtitle D Management Fund....989
Supplemental Low Income Energy Assistance Fund....48,768
Tobacco Settlement Recovery Fund....2,501 ~~30,157~~

Tourism Promotion Fund.....14,362
Underground Resources Conservation Enforcement Fund.....1,722
~~Trauma Center Fund.....6,569~~
Underground Storage Tank Fund.....69,453 ~~7,216~~
The Vehicle Inspection Fund.....14,322 ~~5,050~~
Violent Crime Victims Assistance Fund.....10,629
Weights and Measures Fund.....3,408
~~1~~
Wildlife and Fish Fund.....164,990 ~~16,553~~
The Working Capital Revolving Fund.....281,376 ~~31,272~~

Notwithstanding any provision of the law to the contrary, the General Assembly hereby authorizes the use of such funds for the purposes set forth in this Section.

These provisions do not apply to funds classified by the Comptroller as federal trust funds or State trust funds. The Audit Expense Fund may receive transfers from those trust funds only as directed herein, except where prohibited by the terms of the trust fund agreement. The Auditor General shall notify the trustees of those funds of the estimated cost of the audit to be incurred under the Illinois State Auditing Act for the fund. The trustees of those funds shall direct the State Comptroller and Treasurer to transfer the estimated amount to the Audit Expense Fund.

The Auditor General may bill entities that are not subject to the above transfer provisions, including private entities, related organizations and entities whose funds are locally-held, for the cost of audits, studies, and investigations incurred on their behalf. Any revenues received under this provision shall be deposited into the Audit Expense Fund.

In the event that moneys on deposit in any fund are unavailable, by reason of deficiency or any other reason preventing their lawful transfer, the State Comptroller shall order transferred and the State Treasurer shall transfer the amount deficient or otherwise unavailable from the General Revenue Fund for deposit into the Audit Expense Fund.

On or before December 1, 1992, and each December 1 thereafter, the Auditor General shall notify the Governor's Office of Management and Budget (formerly Bureau of the Budget) of the amount estimated to be necessary to pay for audits, studies, and investigations in accordance with the Illinois State Auditing Act during the next succeeding fiscal year for each State fund for which a transfer or reimbursement is anticipated.

Beginning with fiscal year 1994 and during each fiscal year thereafter, the Auditor General may direct the State Comptroller and Treasurer to transfer moneys from funds authorized by the General Assembly for that fund. In the event funds, including federal and State trust funds but excluding the General Revenue Fund, are transferred, during fiscal year 1994 and during each fiscal year thereafter, in excess of the amount to pay actual costs attributable to audits, studies, and investigations as permitted or required by the Illinois State Auditing Act or specific action of the General Assembly, the Auditor General shall, on September 30, or as soon thereafter as is practicable, direct the State Comptroller and Treasurer to transfer the excess amount back to the fund from which it was originally transferred.

(Source: P.A. 96-476, eff. 8-14-09; 96-976, eff. 7-2-10; 97-66, eff. 6-30-11; revised 7-13-11.)

(30 ILCS 105/6z-30)

Sec. 6z-30. University of Illinois Hospital Services Fund.

(a) The University of Illinois Hospital Services Fund is created as a special fund in the State Treasury. The following moneys shall be deposited into the Fund:

(1) As soon as possible after the beginning of fiscal year 2010, and in no event later than July 30, the State Comptroller and the State Treasurer shall automatically transfer $30,000,000 from the General Revenue Fund to the University of Illinois Hospital Services Fund.

(1.5) Starting in fiscal year 2011, as soon as possible after the beginning of each fiscal year, and in no event later than July 30, the State Comptroller and the State Treasurer shall automatically transfer $45,000,000 from the General Revenue Fund to the University of Illinois Hospital Services Fund; except that, in fiscal year 2012 only, the State Comptroller and the State Treasurer shall transfer $90,000,000 from the General Revenue Fund to the University of Illinois Hospital Services Fund under this paragraph, and, in fiscal year 2013 only, the State Comptroller and the State Treasurer shall transfer no amounts from the General Revenue Fund to the University of Illinois Hospital Services Fund under this paragraph.

(2) All intergovernmental transfer payments to the Department of Healthcare and Family Services by the University of Illinois made pursuant to an intergovernmental agreement under subsection (b) or (c) of Section 5A-3 of the Illinois Public Aid Code.

(3) All federal matching funds received by the Department of Healthcare and Family

Services (formerly Illinois Department of Public Aid) as a result of expenditures made by the Department that are attributable to moneys that were deposited in the Fund.

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

(b) Moneys in the fund may be used by the Department of Healthcare and Family Services, subject to appropriation and to an interagency agreement between that Department and the Board of Trustees of the University of Illinois, to reimburse the University of Illinois Hospital for hospital and pharmacy services, to reimburse practitioners who are employed by the University of Illinois, to reimburse other health care facilities operated by the University of Illinois, and to pass through to the University of Illinois federal financial participation earned by the State as a result of expenditures made by the University of Illinois.

(c) (Blank).

(Source: P.A. 95-331, eff. 8-21-07; 95-744, eff. 7-18-08; 96-45, eff. 7-15-09; 96-959, eff. 7-1-10.)

(30 ILCS 105/6z-45)

Sec. 6z-45. The School Infrastructure Fund.

(a) The School Infrastructure Fund is created as a special fund in the State Treasury.

In addition to any other deposits authorized by law, beginning January 1, 2000, on the first day of each month, or as soon thereafter as may be practical, the State Treasurer and State Comptroller shall transfer the sum of $5,000,000 from the General Revenue Fund to the School Infrastructure Fund, except that, notwithstanding any other provision of law, and in addition to any other transfers that may be provided for by law, before June 30, 2012, the Comptroller and the Treasurer shall transfer $45,000,000 from the General Revenue Fund into the School Infrastructure Fund, and, for fiscal year 2013 only, the Treasurer and the Comptroller shall transfer $1,250,000 from the General Revenue Fund to the School Infrastructure Fund on the first day of each month; provided, however, that no such transfers shall be made from July 1, 2001 through June 30, 2003.

(b) Subject to the transfer provisions set forth below, money in the School Infrastructure Fund shall, if and when the State of Illinois incurs any bonded indebtedness for the construction of school improvements under the School Construction Law, 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.

In addition to other transfers to the General Obligation Bond Retirement and Interest Fund made pursuant to Section 15 of the General Obligation Bond Act, upon each delivery of bonds issued for construction of school improvements under the School Construction Law, the State Comptroller shall compute and certify to the State Treasurer the total amount of principal of, interest on, and premium, if any, on such bonds during the then current and each succeeding fiscal year. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for that period.

On or before the last day of each month, the State Treasurer and State Comptroller shall transfer from the School Infrastructure Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the bonds payable on their next payment date, divided by the number of monthly transfers occurring between the last previous payment date (or the delivery date if no payment date has yet occurred) and the next succeeding payment date. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for that period. Interest for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection.

(c) The surplus, if any, in the School Infrastructure Fund after the payment of principal and interest on that bonded indebtedness then annually due shall, subject to appropriation, be used as follows:

First - to make 3 payments to the School Technology Revolving Loan Fund as follows:

Transfer of $30,000,000 in fiscal year 1999;

Transfer of $20,000,000 in fiscal year 2000; and

Transfer of $10,000,000 in fiscal year 2001.

Second - to pay the expenses of the State Board of Education and the Capital Development Board in administering programs under the School Construction Law, the total expenses not to exceed $1,200,000 in any fiscal year.

Third - to pay any amounts due for grants for school construction projects and debt service under the

School Construction Law.

Fourth - to pay any amounts due for grants for school maintenance projects under the School Construction Law.

(Source: P.A. 92-11, eff. 6-11-01; 92-600, eff. 6-28-02; 93-9, eff. 6-3-03.)

(30 ILCS 105/6z-81)

Sec. 6z-81. Healthcare Provider Relief Fund.

(a) There is created in the State treasury a special fund to be known as the Healthcare Provider Relief Fund.

(b) The Fund is created for the purpose of receiving and disbursing moneys in accordance with this Section. Disbursements from the Fund shall be made only as follows:

(1) Subject to appropriation, for payment by the Department of Healthcare and Family Services or by the Department of Human Services of medical bills and related expenses, including administrative expenses, for which the State is responsible under Titles XIX and XXI of the Social Security Act, 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.

(2) For repayment of funds borrowed from other State funds or from outside sources, including interest thereon.

(c) The Fund shall consist of the following:

(1) Moneys received by the State from short-term borrowing pursuant to the Short Term Borrowing Act on or after the effective date of this amendatory Act of the 96th General Assembly.

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

(3) All federal matching funds received by the Illinois Department of Healthcare and Family Services as a result of federal approval of Title XIX State plan amendment transmittal number 07-09.

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

(d) In addition to any other transfers that may be provided for by law, on the effective date of this amendatory Act of the 97th General Assembly, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer the sum of $365,000,000 from the General Revenue Fund into the Healthcare Provider Relief Fund.

(e) 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 $160,000,000 from the General Revenue Fund to the Healthcare Provider Relief Fund.

(f) Notwithstanding any other State law to the contrary, and in addition to any other transfers that may be provided for by law, the State Comptroller shall order transferred and the State Treasurer shall transfer $500,000,000 to the Healthcare Provider Relief Fund from the General Revenue Fund in equal monthly installments of $100,000,000, with the first transfer to be made on July 1, 2012, or as soon thereafter as practical, and with each of the remaining transfers to be made on August 1, 2012, September 1, 2012, October 1, 2012, and November 1, 2012, or as soon thereafter as practical. This transfer may assist the Department of Healthcare and Family Services in improving Medical Assistance bill processing timeframes or in meeting the possible requirements of Senate Bill 3397, or other similar legislation, of the 97th General Assembly should it become law.

(Source: P.A. 96-820, eff. 11-18-09; 96-1100, eff. 1-1-11; 97-44, eff. 6-28-11; 97-641, eff. 12-19-11.)

(30 ILCS 105/6z-82)

Sec. 6z-82. State Police Operations Assistance Fund.

(a) There is created in the State treasury a special fund known as the State Police Operations Assistance Fund. The Fund shall receive revenue pursuant to Section 27.3a of the Clerks of Courts Act. The Fund may also receive revenue from grants, donations, appropriations, and any other legal source.

(b) The Department of State Police may use moneys in the Fund to finance any of its lawful purposes or functions.

(c) Expenditures may be made from the Fund only as appropriated by the General Assembly by law.

(d) Investment income that is attributable to the investment of moneys in the Fund shall be retained in the Fund for the uses specified in this Section.

(e) The State Police Operations Assistance Fund shall not be subject to administrative chargebacks.

(f) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2012, and until

June 30, 2013, in addition to any other transfers that may be provided for by law, at the direction of and upon notification from the Director of State Police, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the State Police Operations Assistance Fund from the designated funds not exceeding the following totals:

State Police Vehicle Fund.....$2,250,000
State Police Wireless Service
Emergency Fund.....$2,500,000
State Police Services Fund.....$3,500,000

(Source: P.A. 96-1029, eff. 7-13-10; 97-333, eff. 8-12-11.)

(30 ILCS 105/6z-93 new)

Sec. 6z-93. FY 13 Backlog Payment Fund. The FY 13 Backlog Payment Fund is created as a special fund in the State treasury. Beginning July 1, 2012 and on or before December 31, 2012, the State Comptroller shall direct and the State Treasurer shall transfer funds from the FY 13 Backlog Payment Fund to the General Revenue Fund as needed for the payment of vouchers and transfers to other State funds obligated in State fiscal year 2012, other than costs incurred for claims under the Medical Assistance Program.

(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, during fiscal year 2013 only, for the purposes of a grant not to exceed $3,825,000 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 and except during fiscal year 2013 only when no more than $17,570,300 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 except during fiscal year 2013 only when no more than $26,000,000 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.

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 moneys shall be appropriated to the Department of State Police. It shall not be lawful to circumvent this limitation on appropriations by governmental reorganization or other methods unless otherwise provided in Section 5g of this Act.

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

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

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

| | |
|---|---|
| Fiscal Year 2000 | $80,500,000; |
| Fiscal Year 2001 | $80,500,000; |
| Fiscal Year 2002 | $80,500,000; |
| Fiscal Year 2003 | $130,500,000; |
| Fiscal Year 2004 | $130,500,000; |
| Fiscal Year 2005 | $130,500,000; |
| Fiscal Year 2006 | $130,500,000; |
| Fiscal Year 2007 | $130,500,000; |
| Fiscal Year 2008 | $130,500,000; |
| Fiscal Year 2009 | $130,500,000. |

For 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. 96-34, eff. 7-13-09; 96-959, eff. 7-1-10; 97-72, eff. 7-1-11.)

(30 ILCS 105/8g-1 new)

Sec. 8g-1. FY13 fund transfers. In addition to any other transfers that may be provided for by law, on and after July 1, 2012 and until May 1, 2013, 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, 2013.

(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-2.6) All outstanding liabilities as of June 30, 2012, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2012, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2012, 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, 2012.

(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 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. 96-928, eff. 6-15-10; 96-958, eff. 7-1-10; 96-1501, eff. 1-25-11; 97-75, eff. 6-30-11; 97-333, eff. 8-12-11.)

Section 5-30. 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 fiscal year 2013, the Annual Percentage shall be 9.75%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, minus the amounts transferred into the Income Tax Refund Fund from the Tobacco Settlement Recovery Fund, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 7.6%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(2) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. The Department shall deposit 18% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999, 2000, and 2001, the Annual Percentage shall be 19%. For fiscal year 2003, the Annual Percentage shall be 27%. For fiscal year 2004, the Annual Percentage shall be 32%. Upon the effective date of this amendatory Act of the 93rd General Assembly, the Annual Percentage shall be 24% for fiscal year 2005. For fiscal year 2006, the Annual Percentage shall be 20%. For fiscal 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 fiscal year 2013, the Annual Percentage shall be 14%. 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. 96-45, eff. 7-15-09; 96-328, eff. 8-11-09; 96-959, eff. 7-1-10; 96-1496, eff. 1-13-11; 97-72, eff. 7-1-11.)

Section 5-35. The Illinois Estate and Generation-Skipping Transfer Tax Act is amended by changing Sections 6 and 13 as follows:

(35 ILCS 405/6) (from Ch. 120, par. 405A-6)

Sec. 6. Returns and payments.

(a) Due Dates. The Illinois transfer tax shall be paid and the Illinois transfer tax return shall be filed on

the due date or dates, respectively, including extensions, for paying the federal transfer tax and filing the related federal return.

(b) Installment payments and deferral. In the event that any portion of the federal transfer tax is deferred or to be paid in installments under the provisions of the Internal Revenue Code, the portion of the Illinois transfer tax which is subject to deferral or payable in installments shall be determined by multiplying the Illinois transfer tax by a fraction, the numerator of which is the gross value of the assets included in the transferred property having a tax situs in this State and which give rise to the deferred or installment payment under the Internal Revenue Code, and the denominator of which is the gross value of all assets included in the transferred property having a tax situs in this State. Deferred payments and installment payments, with interest, shall be paid at the same time and in the same manner as payments of the federal transfer tax are required to be made under the applicable Sections of the Internal Revenue Code, provided that the rate of interest on unpaid amounts of Illinois transfer tax shall be determined under this Act. Acceleration of payment under this Section shall occur under the same circumstances and in the same manner as provided in the Internal Revenue Code.

(c) Who shall file and pay. The Illinois transfer tax return (including any supplemental or amended return) shall be filed, and the Illinois transfer tax (including any additional tax that may become due) shall be paid by the same person or persons, respectively, who are required to pay the federal transfer tax and file the federal return, or who would have been required to pay a federal transfer tax and file a federal return if a federal transfer tax were due.

(d) Where to file return. The executed Illinois transfer tax return shall be filed with the Attorney General. In addition, for payments made prior to July 1, 2012, a copy of the Illinois transfer tax return shall be filed with the county treasurer to whom the Illinois transfer tax is paid, determined under subsection (e) of this Section, and, for payments made on or after July 1, 2012, a copy of the Illinois transfer tax return shall be filed with the State Treasurer.

(e) Where to pay tax. The Illinois transfer tax shall be paid according to ~~to the treasurer of the county determined under~~ the following rules:

(1) Illinois Estate Tax. Prior to July 1, 2012, the ~~The~~ Illinois estate tax shall be paid to the treasurer of the

county in which the decedent was a resident on the date of the decedent's death or, if the decedent was not a resident of this State on the date of death, the county in which the greater part, by gross value, of the transferred property with a tax situs in this State is located.

(2) Illinois Generation-Skipping Transfer Tax. Prior to July 1, 2012, the ~~The~~ Illinois generation-skipping transfer

tax involving transferred property from or in a resident trust shall be paid to the county treasurer for the county in which the grantor resided at the time the trust became irrevocable (in the case of an inter vivos trust) or the county in which the decedent resided at death (in the case of a trust created by the will of a decedent). In the case of an Illinois generation-skipping transfer tax involving transferred property from or in a non-resident trust, the Illinois generation-skipping transfer tax shall be paid to the county treasurer for the county in which the greater part, by gross value, of the transferred property with a tax situs in this State is located.

(3) Payments on or after July 1, 2012. On or after July 1, 2012, both the Illinois estate tax and the Illinois generation-skipping transfer tax shall be paid directly to the State Treasurer.

(f) Forms; confidentiality. The Illinois transfer tax return shall be in all respects in the manner and form prescribed by the regulations of the Attorney General. At the same time the Illinois transfer tax return is filed, the person required to file shall also file with the Attorney General a copy of the related federal return. For individuals dying after December 31, 2005, in cases where no federal return is required to be filed, the person required to file an Illinois return shall also file with the Attorney General schedules of assets in the manner and form prescribed by the Attorney General. The Illinois transfer tax return and the copy of the federal return filed with the Attorney General, the ~~or any~~ county treasurer , or the State Treasurer shall be confidential, and the Attorney General, each county treasurer, and the State Treasurer and all of their assistants or employees are prohibited from divulging in any manner any of the contents of those returns, except only in a proceeding instituted under the provisions of this Act.

(g) County Treasurer shall accept payment. Prior to July 1, 2012, no ~~No~~ county treasurer shall refuse to accept payment of any amount due under this Act on the grounds that the county treasurer has not yet received a copy of the appropriate Illinois transfer tax return.

(h) Beginning July 1, 2012, the State Treasurer shall not refuse to accept payment of any amount due under this Act on the grounds that the State Treasurer has not yet received a copy of the appropriate Illinois transfer tax return.

(Source: P.A. 93-30, eff. 6-20-03.)

(35 ILCS 405/13) (from Ch. 120, par. 405A-13)

Sec. 13. Collection by county treasurers; tax collection distribution fund.

(a) Collection by county treasurers. Each county treasurer shall transmit to the State Treasurer all taxes, interest or penalties paid to the county treasurer under this Act and in the county treasurer's possession as of the last day of the previous month, together with a report under oath identifying the taxpayer for or by whom an amount was paid. Those amounts and the report shall be transmitted to and received by the State Treasurer by the 10th day of each month. At the same time, a copy of the report shall be furnished to the Attorney General. The report shall be in a form and contain the particulars as the State Treasurer may prescribe. The State Treasurer shall give the county treasurer a receipt for the amount transmitted to the State Treasurer. Except as provided in subsection (a-5) of this Section, if any county treasurer fails to pay to the State Treasurer all amounts that may be due and payable under this Act as required by this Section, the county treasurer shall pay to the State Treasurer, as a penalty, a sum of money equal to the interest on the amounts not paid at the rate of 1% per month from the time those amounts are due by the county treasurer until those amounts are paid. The sureties upon the official bond of the county treasurer shall be security for the payment of the penalty. The penalty under this Section may be recovered in a civil action against the county treasurer and his or her sureties, in the name of the People of the State of Illinois, in the circuit court within the county wherein the county treasurer is resident; and the penalty, when recovered, shall be paid into the State treasury. The civil action to recover the penalty shall be brought by the State treasurer within 10 days after the failure of the county treasurer to pay to the State Treasurer any amounts collected by the county treasurer within the time required by this Act. Failure to bring the action within that time shall not prevent the bringing of the action thereafter. It is the duty of the State Treasurer to make necessary and proper investigation to determine what amounts should be paid under this Act.

(a-5) The State Treasurer may waive penalties imposed by subsection (a) of this Section on a case-by-case basis if the State Treasurer finds that imposing penalties would be unreasonable or unnecessarily burdensome because the delay in payment was due to an incident caused by the operation of an extraordinary force, including, but not limited to, the occurrence of a natural disaster, that cannot be foreseen, that cannot be avoided by the exercise of due care, and for which no person can be held liable.

(b) Transfer Tax Collection Distributive Fund. The Transfer Tax Collection Distributive Fund is created as a special fund in the State treasury. The Fund is a continuation of the Fund of the same name created under the Illinois Estate Tax Law, repealed by this Act. As soon as may be after the first day of each month after the effective date of this Act, and before September 1, 2012, the State Treasurer shall transfer from the General Revenue Fund to the Transfer Tax Collection Distributive Fund an amount equal to 6% of the net revenue realized from this Act during the preceding month.

As soon as may be after the first day of each month, the State Treasurer shall allocate among the counties of this State the amount available in the Transfer Tax Collection Distributive Fund. The allocation to each county shall be 6% of the net revenues collected by the county treasurer under this Act. The State Comptroller, pursuant to appropriation, shall then pay those allocations over to the counties. As soon as possible after all of the required monthly allocations are made from the Transfer Tax Collection Distributive Fund and before September 1, 2012, the State Comptroller shall order transferred and the State Treasurer shall transfer any moneys remaining in the Transfer Tax Collection Distributive Fund from that Fund to the General Revenue Fund, and the Transfer Tax Collection Distributive Fund shall be dissolved.

(c) On and after July 1, 2012, 94% of the amounts collected from the taxes, interest, and penalties collected under this Act shall be deposited into the General Revenue Fund and 6% of those amounts shall be deposited into the Estate Tax Refund Fund, a special fund created in the State Treasury.

Moneys in the Estate Tax Refund Fund shall be expended exclusively for the purpose of paying refunds resulting from overpayment of tax liability under this Act, except that, whenever the State Treasurer determines that any such moneys in the Fund exceed the amount required for the purpose of paying refunds resulting from overpayment of tax liability under this Act, the State Treasurer may transfer any such excess amounts from the Estate Tax Refund Fund to the General Revenue Fund.

The Treasurer shall order payment of refunds resulting from overpayment of tax liability under this Act from the Estate Tax Refund Fund only to the extent that amounts have been deposited and retained in the Fund.

This amendatory Act of the 97th General Assembly shall constitute an irrevocable and continuing appropriation from the Estate Tax Refund Fund for the purpose of paying refunds upon the order of the Treasurer in accordance with the provisions of this Act and for the purpose of paying refunds under this Act.

(Source: P.A. 96-1162, eff. 7-21-10.)

Section 5-40. The Illinois Police Training Act is amended by changing Section 9 as follows:

(50 ILCS 705/9) (from Ch. 85, par. 509)

Sec. 9. A special fund is hereby established in the State Treasury to be known as "The Traffic and Criminal Conviction Surcharge Fund" and shall be financed as provided in Section 9.1 of this Act and Section 5-9-1 of the "Unified Code of Corrections", unless the fines, costs or additional amounts imposed are subject to disbursement by the circuit clerk under Section 27.5 of the Clerks of Courts Act. Moneys in this Fund shall be expended as follows:

(1) A portion of the total amount deposited in the Fund may be used, as appropriated by the General Assembly, for the ordinary and contingent expenses of the Illinois Law Enforcement Training Standards Board;

(2) A portion of the total amount deposited in the Fund shall be appropriated for the reimbursement of local governmental agencies participating in training programs certified by the Board, in an amount equaling 1/2 of the total sum paid by such agencies during the State's previous fiscal year for mandated training for probationary police officers or probationary county corrections officers and for optional advanced and specialized law enforcement or county corrections training. These reimbursements may include the costs for tuition at training schools, the salaries of trainees while in schools, and the necessary travel and room and board expenses for each trainee. If the appropriations under this paragraph (2) are not sufficient to fully reimburse the participating local governmental agencies, the available funds shall be apportioned among such agencies, with priority first given to repayment of the costs of mandatory training given to law enforcement officer or county corrections officer recruits, then to repayment of costs of advanced or specialized training for permanent police officers or permanent county corrections officers;

(3) A portion of the total amount deposited in the Fund may be used to fund the "Intergovernmental Law Enforcement Officer's In-Service Training Act", veto overridden October 29, 1981, as now or hereafter amended, at a rate and method to be determined by the board;

(4) A portion of the Fund also may be used by the Illinois Department of State Police for expenses incurred in the training of employees from any State, county or municipal agency whose function includes enforcement of criminal or traffic law;

(5) A portion of the Fund may be used by the Board to fund grant-in-aid programs and services for the training of employees from any county or municipal agency whose functions include corrections or the enforcement of criminal or traffic law; and ~~.~~

(6) For fiscal year 2013 only, a portion of the Fund also may be used by the Department of State Police to finance any of its lawful purposes or functions.

All payments from The Traffic and Criminal Conviction Surcharge Fund shall be made each year from moneys appropriated for the purposes specified in this Section. No more than 50% of any appropriation under this Act shall be spent in any city having a population of more than 500,000. The State Comptroller and the State Treasurer shall from time to time, at the direction of the Governor, transfer from The Traffic and Criminal Conviction Surcharge Fund to the General Revenue Fund in the State Treasury such amounts as the Governor determines are in excess of the amounts required to meet the obligations of The Traffic and Criminal Conviction Surcharge Fund.

(Source: P.A. 88-586, eff. 8-12-94; 89-464, eff. 6-13-96.)

Section 5-45. The Law Enforcement Camera Grant Act is amended by changing Section 10 as follows:

(50 ILCS 707/10)

Sec. 10. Law Enforcement Camera Grant Fund; creation, rules.

(a) The Law Enforcement Camera Grant Fund is created as a special fund in the State treasury. From appropriations to the Board from the Fund, the Board must make grants to units of local government in Illinois for the purpose of installing video cameras in law enforcement vehicles and training law enforcement officers in the operation of the cameras.

Moneys received for the purposes of this Section, including, without limitation, fee receipts 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.

(b) The Board may set requirements for the distribution of grant moneys and determine which law enforcement agencies are eligible.

(c) The Board shall develop model rules to be adopted by law enforcement agencies that receive grants under this Section. The rules shall include the following requirements:

(1) Cameras must be installed in the law enforcement vehicles.

(2) Videotaping must provide audio of the officer when the officer is outside of the vehicle.

(3) Camera access must be restricted to the supervisors of the officer in the vehicle.

(4) Cameras must be turned on continuously throughout the officer's shift.

(5) A copy of the videotape must be made available upon request to personnel of the law enforcement agency, the local State's Attorney, and any persons depicted in the video. Procedures for distribution of the videotape must include safeguards to protect the identities of individuals who are not a party to the requested stop.

(6) Law enforcement agencies that receive moneys under this grant shall provide for storage of the tapes for a period of not less than 2 years.

(d) Any law enforcement agency receiving moneys under this Section must provide an annual report to the Board, the Governor, and the General Assembly, which will be due on May 1 of the year following the receipt of the grant and each May 1 thereafter during the period of the grant. The report shall include (i) the number of cameras received by the law enforcement agency, (ii) the number of cameras actually installed in law enforcement vehicles, (iii) a brief description of the review process used by supervisors within the law enforcement agency, (iv) a list of any criminal, traffic, ordinance, and civil cases where video recordings were used, including party names, case numbers, offenses charged, and disposition of the matter, (this item applies, but is not limited to, court proceedings, coroner's inquests, grand jury proceedings, and plea bargains), and (v) any other information relevant to the administration of the program.

(e) No applications for grant money under this Section shall be accepted before January 1, 2007 or after January 1, 2011.

(f) Notwithstanding any other provision of law, in addition to any other transfers that may be provided by law, on July 1, 2012 only, or as soon thereafter as practical, the State Comptroller shall direct and the State Treasurer shall transfer any funds in excess of $1,000,000 held in the Law Enforcement Camera Grant Fund to the State Police Operations Assistance Fund.

(Source: P.A. 94-987, eff. 6-30-06.)

Section 5-50. The Illinois Nuclear Safety Preparedness Act is amended by changing Sections 4, 7, and 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

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 fiscal year 2011, $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. 97-195, eff. 7-25-11.)

(420 ILCS 5/7) (from Ch. 111 1/2, par. 4307)

Sec. 7. All monies received by the Agency under this Act shall be deposited in the State Treasury and shall be set apart in a special fund to be known as the "Nuclear Safety Emergency Preparedness Fund". All monies within the Nuclear Safety Emergency Preparedness Fund shall be invested by the State Treasurer in accordance with established investment practices. Interest earned by such investment shall be returned to the Nuclear Safety Emergency Preparedness Fund. Monies deposited in this fund shall be expended by the Agency ~~Director only~~ to support the activities of the Illinois Nuclear Safety Preparedness Program, including activities of the Illinois State Police and the Illinois Commerce Commission under Section 8(a)(9) , or to fund any other administrative or operational costs of the Agency.

(Source: P.A. 92-576, eff. 6-26-02; 93-1029, eff. 8-25-04.)

(420 ILCS 5/8.5)

(Section scheduled to be repealed on January 1, 2015)

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.

(Source: P.A. 97-195, eff. 7-25-11.)

(420 ILCS 5/6 rep.)

Section 5-55. The Illinois Nuclear Safety Preparedness Act is amended by repealing Section 6.

Section 5-60. The Radiation Protection Act of 1990 is amended by changing Section 35 as follows:
(420 ILCS 40/35) (from Ch. 111 1/2, par. 210-35)
(Section scheduled to be repealed on January 1, 2021)
Sec. 35. Radiation Protection Fund.
(a) All moneys received by the Agency under this Act shall be deposited in the State treasury and shall be set apart in a special fund to be known as the "Radiation Protection Fund". All monies within the Radiation Protection Fund shall be invested by the State Treasurer in accordance with established investment practices. Interest earned by such investment shall be returned to the Radiation Protection Fund. Monies deposited in this Fund shall be expended by the Agency ~~Assistant Director~~ pursuant to appropriation ~~only~~ to support the activities of the Agency under this Act and as provided in the Laser System Act of 1997 and the Radon Industry Licensing Act , or to fund any other administrative or operational costs of the Agency.
(b) On August 15, 1997, all moneys remaining in the Federal Facilities Compliance Fund shall be transferred to the Radiation Protection Fund.
(Source: P.A. 94-104, eff. 7-1-05.)

ARTICLE 10. RETIREMENT CONTRIBUTIONS

Section 10-5. The State Finance Act is amended by changing Sections 8.12 and 14.1 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 expenses incurred by the Auditor General for administering the provisions of Section 2-8.1 of the Illinois State Auditing Act and for the funding of the unfunded liabilities of the designated retirement systems. Beginning in State fiscal year 2014, payments ~~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 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 2013 ~~2012~~, 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 2014 ~~2013~~ 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. 96-959, eff. 7-1-10; 97-72, eff. 7-1-11.)

(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), (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 years ~~year~~ 2012 and 2013 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 years ~~year~~ 2012 and 2013 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. 96-45, eff. 7-15-09; 96-958, eff. 7-1-10; 96-1497, eff. 1-14-11; 97-72, eff. 7-1-11.)

Section 10-10. 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 (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 2010, ~~and~~ 2012 , and 2013 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 2010, ~~and~~ 2012 , and 2013 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 General Revenue Fund contribution as certified by 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.

(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 years ~~year~~ 2012 and 2013 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 "Prior Fiscal Year Shortfall" for purposes of this Section, and the Prior 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 "Prior Fiscal Year Overpayment" for purposes of this Section, and the Prior Fiscal Year Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.
(Source: P.A. 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; 97-72, eff. 7-1-11.)

Section 10-20. The Uniform Disposition of Unclaimed Property Act is amended by changing Section 18 as follows:

(765 ILCS 1025/18) (from Ch. 141, par. 118)

Sec. 18. Deposit of funds received under the Act.

(a) The State Treasurer shall retain all funds received under this Act, including the proceeds from the sale of abandoned property under Section 17, in a trust fund. The State Treasurer may deposit any amount in the Trust Fund into the State Pensions Fund during the fiscal year at his or her discretion; however, he or she shall, on April 15 and October 15 of each year, deposit any amount in the trust fund exceeding $2,500,000 into the State Pensions Fund. Beginning in State fiscal year 2014, all ~~All~~ amounts in excess of $2,500,000 that are deposited into the State Pensions Fund from the unclaimed Property Trust Fund shall be apportioned to the designated retirement systems as provided in subsection (c-6) of Section 8.12 of the State Finance Act to reduce their actuarial reserve deficiencies. He or she shall make prompt payment of claims he or she duly allows as provided for in this Act for the trust fund. Before making the deposit the State Treasurer shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property. The record shall be available for public inspection during reasonable business hours.

(b) Before making any deposit to the credit of the State Pensions Fund, the State Treasurer may deduct: (1) any costs in connection with sale of abandoned property, (2) any costs of mailing and publication in connection with any abandoned property, and (3) any costs in connection with the maintenance of records or disposition of claims made pursuant to this Act. The State Treasurer shall semiannually file an itemized report of all such expenses with the Legislative Audit Commission.
(Source: P.A. 95-950, eff. 8-29-08; 96-1000, eff. 7-2-10.)

ARTICLE 15. REGIONAL OFFICES OF EDUCATION

Section 15-5. The State Finance Act is amended by changing Section 8.2 as follows:

(30 ILCS 105/8.2) (from Ch. 127, par. 144.2)

Sec. 8.2. Appropriations for the distribution of the common school fund to the several counties and for the payment of ~~salaries and~~ expenses of regional ~~county~~ superintendents of schools and the amount to be paid into the Illinois State teachers' pension and retirement fund and for the refund of excess taxes paid into the common school fund are payable from the common school fund.
(Source: Laws 1953, p. 1048.)

Section 15-10. 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, regional offices and officials for fiscal years ~~year~~ 2012 and 2013 only, and local officials as provided in this Section and in the School Code, 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 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 and other authorized 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; (d) for fiscal year 1989 through fiscal year 2011 no more than 105% of the actual administrative expenses of the prior fiscal year; (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 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; or (f) for fiscal <u>years</u> ~~year~~ 2012 <u>and 2013</u> only, a sufficient amount to pay stipends, additional compensation, salary reimbursements, and other amounts directed to be paid out of this Fund for regional offices and officials as authorized or required by statute. 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 payments for regional offices and officials or local officials or 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 payments for regional offices and officials, local officials, transfers into the General Revenue Fund, and 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; 97-72, eff. 7-1-11; 97-619, eff. 11-14-11.)

Section 15-15. The School Code is amended by changing Sections 3-2.5 and 18-5 as follows:

(105 ILCS 5/3-2.5)

Sec. 3-2.5. Salaries.

(a) Except as otherwise provided in this Section, the regional superintendents of schools shall receive for their services an annual salary according to the population, as determined by the last preceding federal census, of the region they serve, as set out in the following schedule:

SALARIES OF REGIONAL SUPERINTENDENTS OF SCHOOLS

| POPULATION OF REGION | ANNUAL SALARY |
|---|---|
| Less than 48,000 | $73,500 |

| | |
|---|---|
| 48,000 to 99,999 | $78,000 |
| 100,000 to 999,999 | $81,500 |
| 1,000,000 and over | $83,500 |

The changes made by Public Act 86-98 in the annual salary that the regional superintendents of schools shall receive for their services shall apply to the annual salary received by the regional superintendents of schools during each of their elected terms of office that commence after July 26, 1989 and before the first Monday of August, 1995.

The changes made by Public Act 89-225 in the annual salary that regional superintendents of schools shall receive for their services shall apply to the annual salary received by the regional superintendents of schools during their elected terms of office that commence after August 4, 1995 and end on August 1, 1999.

The changes made by this amendatory Act of the 91st General Assembly in the annual salary that the regional superintendents of schools shall receive for their services shall apply to the annual salary received by the regional superintendents of schools during each of their elected terms of office that commence on or after August 2, 1999.

Beginning July 1, 2000, the salary that the regional superintendent of schools receives for his or her services shall be adjusted annually to reflect the percentage increase, if any, in the most recent Consumer Price Index, as defined and officially reported by the United States Department of Labor, Bureau of Labor Statistics, except that no annual increment may exceed 2.9%. If the percentage of change in the Consumer Price Index is a percentage decrease, the salary that the regional superintendent of schools receives shall not be adjusted for that year.

When regional superintendents are authorized by the School Code to appoint assistant regional superintendents, the assistant regional superintendent shall receive an annual salary based on his or her qualifications and computed as a percentage of the salary of the regional superintendent to whom he or she is assistant, as set out in the following schedule:

SALARIES OF ASSISTANT REGIONAL SUPERINTENDENTS

| QUALIFICATIONS OF ASSISTANT REGIONAL SUPERINTENDENT | PERCENTAGE OF SALARY OF REGIONAL SUPERINTENDENT |
|---|---|
| No Bachelor's degree, but State certificate valid for teaching and supervising. | 70% |
| Bachelor's degree plus State certificate valid for supervising. | 75% |
| Master's degree plus State certificate valid for supervising. | 90% |

However, in any region in which the appointment of more than one assistant regional superintendent is authorized, whether by Section 3-15.10 of this Code or otherwise, not more than one assistant may be compensated at the 90% rate and any other assistant shall be paid at not exceeding the 75% rate, in each case depending on the qualifications of the assistant.

The salaries provided in this Section plus an amount for other employment-related compensation or benefits for regional superintendents and assistant regional superintendents are payable monthly by the State Board of Education out of the Personal Property Tax Replacement Fund through a specific appropriation to that effect in the State Board of Education budget for the fiscal years ~~year~~ 2012 and 2013 only, and are payable monthly from the Common School Fund for fiscal year 2014 ~~2013~~ and beyond through a specific appropriation to that effect in the State Board of Education budget. The State Comptroller in making his or her warrant to any county for the amount due it from the Personal Property Tax Replacement Fund for the fiscal years ~~year~~ 2012 and 2013 only, and from the Common School Fund for fiscal year 2014 ~~2013~~ and beyond shall deduct from it the several amounts for which warrants have been issued to the regional superintendent, and any assistant regional superintendent, of the educational service region encompassing the county since the preceding apportionment from the Personal Property Tax Replacement Fund for the fiscal years ~~year~~ 2012 and 2013 only, and from the Common School Fund for fiscal year 2014 ~~2013~~ and beyond.

County boards may provide for additional compensation for the regional superintendent or the assistant regional superintendents, or for each of them, to be paid quarterly from the county treasury.

(b) Upon abolition of the office of regional superintendent of schools in educational service regions containing 2,000,000 or more inhabitants as provided in Section 3-0.01 of this Code, the funds provided

under subsection (a) of this Section shall continue to be appropriated and reallocated, as provided for pursuant to subsection (b) of Section 3-0.01 of this Code, to the educational service centers established pursuant to Section 2-3.62 of this Code for an educational service region containing 2,000,000 or more inhabitants.

(c) If the State pays all or any portion of the employee contributions required under Section 16-152 of the Illinois Pension Code for employees of the State Board of Education, it shall also, subject to appropriation in the State Board of Education budget for such payments to Regional Superintendents and Assistant Regional Superintendents, pay the employee contributions required of regional superintendents of schools and assistant regional superintendents of schools on the same basis, but excluding any contributions based on compensation that is paid by the county rather than the State.

This subsection (c) applies to contributions based on payments of salary earned after the effective date of this amendatory Act of the 91st General Assembly, except that in the case of an elected regional superintendent of schools, this subsection does not apply to contributions based on payments of salary earned during a term of office that commenced before the effective date of this amendatory Act.

(Source: P.A. 96-893, eff. 7-1-10; 96-1086, eff. 7-16-10; 97-333, eff. 8-12-11; 97-619, eff. 11-14-11.)

(105 ILCS 5/18-5) (from Ch. 122, par. 18-5)

Sec. 18-5. Compensation of regional superintendents and assistants. The State Board of Education shall request an appropriation payable from the Personal Property Tax Replacement Fund for fiscal years ~~year~~ 2012 and 2013 only, and the common school fund for fiscal year 2014 ~~2013~~ and beyond as and for compensation for regional superintendents of schools and the assistant regional superintendents of schools authorized by Section 3-15.10 of this Act, and as provided in "An Act concerning fees and salaries and to classify the several counties of this State with reference thereto", approved March 29, 1872 as amended, and shall present vouchers to the Comptroller monthly for the payment to the several regional superintendents and such assistant regional superintendents of their compensation as fixed by law. Such payments shall be made either (1) monthly, at the close of the month, or (2) semimonthly on or around the 15th of the month and at the close of the month, at the option of the regional superintendent or assistant regional superintendent.

(Source: P.A. 97-619, eff. 11-14-11.)

ARTICLE 20. GRANT FUNDS RECOVERY ACT

Section 20-5. The Illinois Grant Funds Recovery Act is amended by changing Section 4.2 as follows:

(30 ILCS 705/4.2)

Sec. 4.2. Suspension of grant making authority. Any grant funds and any grant program administered by a grantor agency subject to this Act are indefinitely suspended on January 1, 2013 ~~July 1, 2012~~, and on July 1st of every 5th year thereafter, unless the General Assembly, by law, authorizes that grantor agency to make grants or lifts the suspension of the authorization of that grantor agency to make grants. In the case of a suspension of the authorization of a grantor agency to make grants, the authority of that grantor agency to make grants is suspended until the suspension is explicitly lifted by law by the General Assembly, even if an appropriation has been made for the explicit purpose of such grants. This suspension of grant making authority supersedes any other law or rule to the contrary.

(Source: P.A. 96-1529, eff. 2-16-11.)

ARTICLE 95. SEVERABILITY

Section 95-95. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

ARTICLE 99. EFFECTIVE DATE

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

Under the rules, the foregoing **Senate Bill No. 3802**, with House Amendments numbered 1 and 6, was referred to the Secretary's Desk.

A message from the House by
Mr. Mapes, 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. 2621

A bill for AN ACT concerning corrections.

Passed the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, 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 196

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 196

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, 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 1151

A bill for AN ACT concerning transportation.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1151

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, 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 1577

A bill for AN ACT concerning health.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1577

Senate Amendment No. 6 to HOUSE BILL NO. 1577

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, 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 1645

A bill for AN ACT concerning revenue.

Which amendments are as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 1645

Senate Amendment No. 3 to HOUSE BILL NO. 1645

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, 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 5 to Senate Bill 38
Motion to Concur in House Amendments 1 and 2 to Senate Bill 3428
Motion to Concur in House Amendments 1 and 6 to Senate Bill 3802

## PRESENTATION OF RESOLUTIONS

### SENATE RESOLUTION NO. 810

Offered by Senator Lightford and all Senators:
Mourns the death of Mary L. McCoy.

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

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

### SENATE RESOLUTION NO. 811

WHEREAS, The Army National Guard, the Air National Guard, the Army Reserve, the Air Force Reserve, the Navy Reserve, the Marine Corps Reserve, and the Coast Guard Reserve constitute a vital and ever more important part of our nation's defense; and

WHEREAS, Members of the National Guard and Reserve are "Citizen Warriors" who lead dual lives as workers, managers, professionals, and students throughout our communities; as members of our nation's armed forces, they train and maintain their military skills so they can answer the call to serve in military security operations at home and abroad as well, as provide humanitarian aid at home; and

WHEREAS, On June 22, 1972, President Richard Nixon authorized the Secretary of Defense to create the National Committee for Employer Support of the Guard and Reserve (ESGR) and the Department of Defense established the Illinois Committee for Employer Support of the Guard and Reserve; and

WHEREAS, For 40 years, ESGR has promoted and facilitated a strong culture of mutually-beneficial relationships between employers and their military employees, thereby enabling members of the Guard and Reserve to respond quickly to state disaster emergencies and national military necessities, while knowing that they have a secure civilian career after their service; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we designate June 22, 2012 as National and Illinois Committee for Employer Support of the Guard and Reserve Day and gratefully acknowledge the 40th anniversary of the Employer Support of the Guard and Reserve and especially the Illinois Committee of Employer Support of the Guard and Reserve, and thank the organization and its volunteer members for their outstanding service to our State's employers and their employee members of the National Guard and Reserve; and be it further

RESOLVED, That suitable copies of this resolution be presented to the Employer Support of the Guard and Reserve and the Illinois Committee of Employer Support of the Guard and Reserve.

## CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Dillard, **Senate Bill No. 1338**, with House Amendments numbered 3 and 4 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 amendments 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 | Luechtefeld | Righter |
| Bivins | Holmes | Maloney | Sandack |
| Bomke | Hunter | Martinez | Sandoval |
| Brady | Jacobs | McCann | Schmidt |
| Clayborne | Johnson, C. | McGuire | 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 |
| Duffy | LaHood | Noland | Mr. President |
| Forby | Landek | Pankau | |
| Frerichs | Lauzen | Radogno | |
| Garrett | Lightford | Raoul | |
| Haine | Link | Rezin | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 3 and 4 to **Senate Bill No. 1338**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator LaHood, **Senate Bill No. 2822**, with House Amendment No. 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator LaHood 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 | Link | Rezin |
| Bivins | Harmon | Luechtefeld | Righter |
| Bomke | Holmes | Maloney | Sandack |
| Brady | Hunter | Martinez | Sandoval |
| Clayborne | Jacobs | McCann | Schmidt |
| Collins, A. | Johnson, C. | McCarter | Schoenberg |
| Collins, J. | Johnson, T. | McGuire | Silverstein |
| Crotty | Jones, E. | Meeks | Steans |
| Cultra | Jones, J. | Millner | Sullivan |
| Delgado | Koehler | Mulroe | Syverson |
| Dillard | Kotowski | Muñoz | Trotter |
| Duffy | LaHood | Murphy | Mr. President |
| Forby | Landek | Noland | |
| Frerichs | Lauzen | Pankau | |
| Garrett | Lightford | Raoul | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 3 to **Senate Bill No. 2822**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hutchinson, **Senate Bill No. 3320**, with House Amendments numbered 1 and 2 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 amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 31; NAYS 16; Present 3.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Jones, E. | McGuire | Schmidt |
| Collins, J. | Koehler | Meeks | Schoenberg |
| Crotty | Kotowski | Mulroe | Silverstein |
| Delgado | Lightford | Muñoz | Steans |
| Harmon | Link | Noland | Sullivan |
| Hunter | Maloney | Raoul | Trotter |
| Hutchinson | Martinez | Rezin | Mr. President |
| Jacobs | McCann | Sandoval | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Bivins | Johnson, C. | Millner | Syverson |
| Cultra | Jones, J. | Pankau | |
| Dillard | LaHood | Radogno | |
| Duffy | Lauzen | Righter | |
| Haine | McCarter | Sandack | |

The following voted present:

Althoff
Bomke
Johnson, T.

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 3320**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 3397**, with House Amendment No. 1 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 54; NAYS None.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Haine | Link | Radogno |
| Bivins | Harmon | Luechtefeld | Raoul |
| Bomke | Holmes | Maloney | Rezin |
| Brady | Jacobs | Martinez | Righter |
| Clayborne | Johnson, C. | McCann | Sandack |
| Collins, A. | Johnson, T. | McCarter | Schmidt |
| Collins, J. | Jones, E. | McGuire | Schoenberg |
| Crotty | Jones, J. | Meeks | Silverstein |
| Cultra | Koehler | Millner | Steans |
| Dillard | Kotowski | Mulroe | Sullivan |

| | | | |
|---|---|---|---|
| Duffy | LaHood | Muñoz | Syverson |
| Forby | Landek | Murphy | Mr. President |
| Frerichs | Lauzen | Noland | |
| Garrett | Lightford | Pankau | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3397**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Muñoz, **Senate Bill No. 3458**, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Muñoz 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 43; NAYS 12.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Haine | Link | Raoul |
| Bomke | Harmon | Maloney | Sandack |
| Clayborne | Hunter | Martinez | Sandoval |
| Collins, A. | Hutchinson | McGuire | Schmidt |
| Collins, J. | Jacobs | Meeks | Schoenberg |
| Crotty | Johnson, T. | Millner | Silverstein |
| Delgado | Jones, E. | Mulroe | Steans |
| Dillard | Koehler | Muñoz | Sullivan |
| Forby | Kotowski | Noland | Trotter |
| Frerichs | Landek | Pankau | Mr. President |
| Garrett | Lightford | Radogno | |

The following voted in the negative:

| | | |
|---|---|---|
| Brady | LaHood | McCarter |
| Cultra | Lauzen | Rezin |
| Duffy | Luechtefeld | Righter |
| Johnson, C. | McCann | Syverson |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 3458**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Martinez, **Senate Bill No. 3597**, 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 57; NAYS 2.

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 | McGuire | 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 | Mr. President |
| Forby | Landek | Pankau | |
| Frerichs | Lightford | Radogno | |
| Garrett | Link | Raoul | |

The following voted in the negative:

LaHood
Lauzen

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 3597**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Raoul, **Senate Bill No. 3629**, 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 59; NAYS None.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Haine | Lightford | Radogno |
| Bivins | Harmon | Link | Raoul |
| Bomke | Holmes | Luechtefeld | Rezin |
| Brady | Hunter | Maloney | Righter |
| Clayborne | Hutchinson | Martinez | Sandack |
| Collins, A. | Jacobs | McCann | Sandoval |
| Collins, J. | Johnson, C. | McCarter | Schmidt |
| Crotty | Johnson, T. | McGuire | Schoenberg |
| Cultra | Jones, E. | Meeks | Silverstein |
| Delgado | Jones, J. | Millner | Steans |
| Dillard | Koehler | Mulroe | Sullivan |
| Duffy | Kotowski | Muñoz | Syverson |
| Forby | LaHood | Murphy | Trotter |
| Frerichs | Landek | Noland | Mr. President |
| Garrett | Lauzen | Pankau | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 3629**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Harmon, **Senate Bill No. 3722**, with House Amendments numbered 1 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 30; NAYS 26.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Holmes | Link | Schoenberg |
| Collins, J. | Hunter | Maloney | Silverstein |
| Crotty | Hutchinson | Martinez | Steans |
| Delgado | Jacobs | McGuire | Sullivan |
| Forby | Jones, E. | Meeks | Trotter |
| Frerichs | Koehler | Muñoz | Mr. President |
| Haine | Kotowski | Noland | |
| Harmon | Lightford | Raoul | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Garrett | Luechtefeld | Righter |
| Bivins | Johnson, C. | McCann | Sandack |
| Bomke | Johnson, T. | Millner | Sandoval |
| Brady | Jones, J. | Murphy | Schmidt |
| Cultra | LaHood | Pankau | Syverson |
| Dillard | Landek | Radogno | |
| Duffy | Lauzen | Rezin | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 4 to **Senate Bill No. 3722**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator McCarter asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the negative on **Senate Bill No. 3722**.

On motion of Senator Kotowski, **Senate Bill No. 2332**, with House Amendments numbered 1 and 2 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 amendments 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 | Luechtefeld | Righter |
| Bomke | Holmes | Maloney | Sandack |
| Brady | Hunter | Martinez | Sandoval |
| Clayborne | Hutchinson | McCann | Schmidt |
| Collins, A. | Jacobs | McCarter | Schoenberg |
| Collins, J. | Johnson, C. | McGuire | Silverstein |
| Crotty | Johnson, T. | Meeks | Steans |
| Cultra | Jones, E. | Millner | Sullivan |
| Delgado | Jones, J. | Mulroe | Syverson |
| Dillard | Koehler | Muñoz | Trotter |
| Duffy | Kotowski | Murphy | Mr. President |
| Forby | LaHood | Noland | |
| Frerichs | Landek | Pankau | |
| Garrett | Lightford | Raoul | |
| Haine | Link | Rezin | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2332**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 2348**, with House Amendments numbered 1, 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 25.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Harmon | Maloney | Schoenberg |
| Collins, A. | Holmes | Martinez | Silverstein |
| Collins, J. | Hunter | McGuire | Steans |
| Crotty | Hutchinson | Meeks | Sullivan |
| Delgado | Koehler | Mulroe | Trotter |
| Forby | Kotowski | Muñoz | Mr. President |
| Frerichs | Landek | Noland | |
| Garrett | Lightford | Raoul | |
| Haine | Link | Sandoval | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Jacobs | McCann | Righter |
| Bivins | Johnson, C. | McCarter | Sandack |
| Bomke | Johnson, T. | Millner | Schmidt |
| Brady | Jones, J. | Murphy | Syverson |
| Cultra | LaHood | Pankau | |
| Dillard | Lauzen | Radogno | |
| Duffy | Luechtefeld | Rezin | |

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. 2348**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 2378**, with House Amendments numbered 1 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 34; NAYS 25.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Harmon | Link | Sandoval |
| Collins, A. | Holmes | Maloney | Schoenberg |
| Collins, J. | Hunter | Martinez | Silverstein |
| Crotty | Hutchinson | McGuire | Steans |
| Delgado | Jones, E. | Meeks | Sullivan |
| Forby | Koehler | Mulroe | Trotter |
| Frerichs | Kotowski | Muñoz | Mr. President |
| Garrett | Landek | Noland | |
| Haine | Lightford | Raoul | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Jacobs | McCann | Righter |

| | | | |
|---|---|---|---|
| Bivins | Johnson, C. | McCarter | Sandack |
| Bomke | Johnson, T. | Millner | Schmidt |
| Brady | Jones, J. | Murphy | Syverson |
| Cultra | LaHood | Pankau | |
| Dillard | Lauzen | Radogno | |
| Duffy | Luechtefeld | Rezin | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 2378**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Kotowski, **Senate Bill No. 2409**, with House Amendments numbered 1, 2 and 5 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 amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 35; NAYS 24.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Holmes | Luechtefeld | Raoul |
| Collins, J. | Hunter | Maloney | Sandoval |
| Crotty | Hutchinson | Martinez | Schoenberg |
| Delgado | Jones, E. | McCarter | Silverstein |
| Forby | Jones, J. | McGuire | Steans |
| Frerichs | Koehler | Meeks | Sullivan |
| Garrett | Kotowski | Mulroe | Trotter |
| Haine | Landek | Muñoz | Mr. President |
| Harmon | Link | Noland | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Duffy | McCann | Sandack |
| Bivins | Jacobs | Millner | Schmidt |
| Bomke | Johnson, C. | Murphy | Syverson |
| Brady | Johnson, T. | Pankau | |
| Collins, A. | LaHood | Radogno | |
| Cultra | Lauzen | Rezin | |
| Dillard | Lightford | Righter | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 5 to **Senate Bill No. 2409**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Kotowski, **Senate Bill No. 2474**, with House Amendments numbered 1, 2, 3 and 4 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 amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 37; NAYS 21; Present 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Harmon | Link | Sandoval |
| Collins, A. | Holmes | Luechtefeld | Schoenberg |

| | | | |
|---|---|---|---|
| Collins, J. | Hunter | Maloney | Silverstein |
| Crotty | Hutchinson | Martinez | Steans |
| Cultra | Jones, E. | McGuire | Sullivan |
| Delgado | Jones, J. | Meeks | Trotter |
| Forby | Koehler | Mulroe | Mr. President |
| Frerichs | Kotowski | Muñoz | |
| Garrett | Landek | Noland | |
| Haine | Lightford | Rezin | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Jacobs | McCarter | Sandack |
| Bivins | Johnson, C. | Millner | Schmidt |
| Bomke | Johnson, T. | Murphy | Syverson |
| Brady | LaHood | Pankau | |
| Dillard | Lauzen | Radogno | |
| Duffy | McCann | Righter | |

The following voted present:

Raoul

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. 2474**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Collins asked and obtained unanimous consent for the Journal to reflect her intention to have voted in the negative on **Senate Bill No. 2474**.

## HOUSE BILL RECALLED

On motion of Senator Cullerton, **House Bill No. 5440** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 1 was withdrawn by the sponsor.

Senator Cullerton offered the following amendment and moved its adoption:

## AMENDMENT NO. 2 TO HOUSE BILL 5440

AMENDMENT NO. _2_. Amend House Bill 5440 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Direct Broadcast Satellite Service Providers Fee Act.

Section 5. Definitions.

"Department" means the Department of Revenue of the State of Illinois.

"Direct broadcast satellite service" means the distribution or broadcasting of video programming or services by satellite to receiving equipment located at a subscriber's or customer's premises, including, but not limited to, the provision of premium channels, the provision of music or other audio services or channels, and any other service received in connection with the provision of that video programming or those services. However, "direct broadcast satellite service" does not include satellite radio service or subscription radio service whereby a digital radio signal is broadcast without any corresponding or related video programming or services.

"Gross revenue" means all consideration of any kind or nature received by a provider, or an affiliate of the provider, in connection with the provision of direct broadcast satellite service to subscribers or customers, including recurring monthly charges for direct broadcast satellite service and pay-per-view, video-on-demand, and other event-based charges for direct broadcast satellite service; provided, however, that gross revenues shall not include:

(1) revenue not actually received, regardless of whether it is billed, including, but

not limited to, bad debts;

(2) revenue received by an affiliate or other person in exchange for supplying goods and services used by a provider;

(3) refunds, rebates, or discounts made to subscribers or customers, to advertisers, or to other persons;

(4) revenue from any service that is subject to tax under the Service Occupation Tax Act, Retailers' Occupation Tax Act, Service Use Tax Act, or Use Tax Act;

(5) the fee imposed by this Act or any tax of general applicability imposed on a provider or a purchaser of direct broadcast satellite service, by a federal, State, or local governmental entity and required to be collected by a person and remitted to the taxing entity;

(6) charges, other than those charges specifically described in this Act, that are aggregated or bundled with such specifically-described charges on a subscriber or customer's bill, if the provider can reasonably identify the charges in its books and records kept in the regular course of business;

(7) revenue from advertising services; or

(8) charges that may not be taxed pursuant to the Internet Tax Freedom Act.

"Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian, or other representative appointed by order of any court, the federal government and State governments, including State universities created by statute or any city, town, county, or other political subdivision of this State.

"Provider" means a person who transmits, broadcasts, sells, or distributes direct broadcast satellite service to subscribers or customers in the State.

"Subscriber" or "customer" means a member of the general public who receives direct broadcast satellite service from a provider and does not further distribute such service in the ordinary course of business.

"Video programming" means programming provided by, or programming comparable to programming provided by, a television broadcast station or multichannel video service provider, including, but not limited to, video programming provided by local networks, national broadcast networks, and all forms of pay-per-view video entertainment.

Section 10. Imposition of a service provider fee.

(a) A fee is imposed upon the act or privilege of providing direct broadcast satellite service to a subscriber or customer in this State by any provider at the rate of 5% of the provider's gross revenues derived from or attributable to that customer or subscriber.

(b) The fee imposed by subsection (a) may be passed through to, and collected from, the provider's customers in Illinois. To the extent allowed under federal or State law, a provider may identify as a separate line item on each regular bill issued to a subscriber or customer the amount of the total bill assessed as a fee under this Act.

Section 15. Remittances.

(a) On or before the twentieth day of each calendar month, every provider of direct broadcast satellite service to a subscriber or customer in this State during the preceding calendar month shall file a return with the Department, in a form prescribed by the Department, stating:

(1) the name of the provider;

(2) the address of the provider's principal place of business;

(3) total amount of gross revenues received by the provider during the preceding calendar month, quarter, or year, as the case may be, from the provision of direct broadcast satellite service during that preceding calendar month, quarter, or year and upon the basis of which the fee is imposed;

(4) the amount of fee due;

(5) the signature of the provider; and

(6) such other reasonable information as the Department may require.

(b) If a provider fails to sign a return within 30 days after the proper notice and demand for signature by the Department is received by the provider, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

(c) If the provider is otherwise required to file a monthly return, and if the provider's average monthly fee liability to the Department under this Act does not exceed $200, the Department may authorize the provider's returns to be filed on a quarter annual basis, with the return for January, February, and March of a given year being due by April 20 of that year; with the return for April, May, and June of a given

year being due by July 20 of that year; with the return for July, August, and September of a given year being due by October 20 of that year; and with the return for October, November, and December of a given year being due by January 20 of the following year.

(d) If the provider is otherwise required to file a monthly or quarterly return, and if the provider's average monthly fee liability with the Department under this Act does not exceed $50, the Department may authorize the provider's returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

(e) Those quarterly and annual returns shall be subject to the same requirements as to form and substance as monthly returns.

(f) A provider who has a fee liability that exceeds the amount set forth in subsection (b) of Section 2505-210 of the Department of Revenue Law for tax liabilities shall make all payments required by rules of the Department by electronic funds transfer.

(g) Any provider not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

(h) All providers required to make payment by electronic funds transfer and any providers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

Section 20. Records.

(a) A provider on whom a fee is imposed by this Act shall maintain the necessary records, and any other information required by the Department, to determine the amount of the fee that the provider is required to remit and any credit that the provider is entitled to claim under this Act.

(b) The records shall be open at all times to inspection by the Department.

Section 25. Distribution of proceeds. The proceeds of the fee collected shall be deposited into the Education Assistance Fund in the State treasury.

Section 30. Department's authority to adopt rules. The Department is authorized to make, promulgate, and enforce such reasonable rules, and to prescribe such forms relating to the administration and enforcement of this Act, as it may deem appropriate.

Section 35. Applicability. This Act becomes operative on July 1, 2012, and applies to the provision of direct broadcast satellite service on or after that date.

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 Cullerton, **House Bill No. 5440** 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 30; NAYS 27.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Frerichs | Lightford | Raoul |
| Bomke | Garrett | Link | Schoenberg |
| Clayborne | Harmon | Maloney | Silverstein |
| Collins, A. | Holmes | Martinez | Steans |
| Collins, J. | Hunter | Meeks | Trotter |
| Crotty | Hutchinson | Millner | Mr. President |

| | | |
|---|---|---|
| Delgado | Jones, E. | Muñoz |
| Dillard | Koehler | Noland |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Bivins | Johnson, C. | McCarter | Righter |
| Brady | Johnson, T. | McGuire | Sandack |
| Cultra | Jones, J. | Mulroe | Sandoval |
| Duffy | Kotowski | Murphy | Schmidt |
| Forby | LaHood | Pankau | Sullivan |
| Haine | Landek | Radogno | Syverson |
| Jacobs | Lauzen | 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 and ask their concurrence in the Senate Amendment adopted thereto.

## CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILL ON SECRETARY'S DESK

On motion of Senator Althoff, **Senate Bill No. 2958**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Althoff 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 | 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. | McGuire | 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 | Mr. President |
| Frerichs | Landek | Pankau | |
| Garrett | Lauzen | Radogno | |

Pending roll call, on motion of Senator Althoff, further consideration of **Senate Bill 2958**, with House Amendments numbered 1 and 2 was postponed.

## MESSAGES FROM THE HOUSE

A message from the House by

Mr. Mapes, 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. 3766

A bill for AN ACT concerning public utilities.

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. 3766

Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 3766**

AMENDMENT NO. 1. Amend Senate Bill 3766 by replacing everything after the enacting clause with the following:

"Section 5. The Public Utilities Act is amended by changing Section 9-220 as follows:

(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 September 30, 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 facility by July 1, 2012 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 to be used in the gasification process shall be coal with a 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 supply contract for the purchase of SNG does not exceed 15% of the annual system supply requirements of the utility as of 2008; 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.

Any gas utility that is providing service to more than 150,000 customers on August 2, 2011 (the effective date of Public Act 97-239) 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

August 2, 2011 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 August 2, 2011, 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 August 2, 2011 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% for each corresponding year, that there will be no cumulative estimated increase for residential customers; and

(5) allocate the nameplate capacity of the clean coal SNG by total therms 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 August 2, 2011.

The Illinois Power Agency shall complete all of its responsibilities under this subsection (h) within 60 days after August 2, 2011. 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-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 July 13, 2011 (the effective date of Public Act 97-096) 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 43,500,000,000 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 that no utility shall be required to purchase more than 42% of the projected annual output of the clean coal SNG brownfield facility (the projected annual output of which is 47,799,714 MMBtu), 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.

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 July 13, 2011 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. If more than 2 gas utilities elect to file biennial rate proceedings before the Commission by July 13, 2011, then the requirement that the other utilities enter into a sourcing agreement with the clean coal SNG brownfield facility shall be waived.

Within 15 days after July 13, 2011, 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 July 13, 2011 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 verbal or written 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 verbal or written 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 July 13, 2011.

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 July 13, 2011. 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, which unit price shall be set on a per-mmbtu basis so as to fully recover the costs enumerated in subsection (h-3) when multiplied by the allocations determined in this subsection (h-1). 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, but the sourcing agreement may require that the utility mutually agree with the clean coal SNG brownfield facility upon a receiving pipeline. 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; provided, however, that the designated amount on any given day may be zero.

(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, as determined by the Illinois Power Agency in the October 11, 2011 final draft sourcing agreement.

(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 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 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 July 13, 2011 (the effective date of Public Act 97-096). 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. <u>The filing of such notice shall not provide the Commission with authorization to make modifications to the sourcing agreement at the time of debt financing.</u>

(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 facility 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 July 13, 2011.

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 prudency 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 July 13, 2011.

(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 July 13, 2011.

(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 (i) the capital costs, rate of return, and operations and maintenance costs established pursuant to subsection (h-3) and (ii) all other terms and conditions, rights, provisions, exceptions, and limitations contained in the final draft sourcing agreement; provided, however, the Commission shall correct typographical and scrivener's errors and modify the contract only as necessary to provide that the gas utility does not have the right to terminate the sourcing agreement due to any future events that may occur other than the clean coal SNG brownfield facility's failure to timely meet milestones, uncured default, extended force majeure, or abandonment. 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-4.5) Notwithstanding any other provisions of this Act, any sourcing agreement approved by the Commission prior to the effective date of this amendatory Act of the 97th General Assembly is void and shall not be further considered by the Commission, except in accordance with this subsection (h-4.5). The Commission shall issue an Order within 30 days after the effective date of this amendatory Act of the 97th General Assembly to approve a revised version of any such sourcing agreement, incorporating only the following modifications to the sourcing agreement endorsed in the Proposed Order on Rehearing, as reflected in the form of sourcing agreement attached to the brief on exceptions of the clean

coal SNG brownfield facility:

(1) Fill in the following blanks in Schedule 5.2A:

(A) Row (C), the word "Actual" shall be replaced with "Fixed" in each instance, and the value shall be set to 70%.

(B) Row (M), the value shall be set to 95.452838% if the sourcing agreement is signed by the utility within 30 days after the ICC Order to approve it, otherwise the value shall be set to 100%.

(C) Rows (D), (G), (I), (N), and (P) shall be calculated and filled in according to the formulas shown in Schedule 5.2A.

(2) Fill in the following blanks on Schedule 5.2B:

(A) Row (E), the value shall be set to 95.452838% if the sourcing agreement is signed by the utility within 30 days after the ICC Order to approve it, otherwise the value shall be set to 100%.

(B) Rows (F) and (G) shall be calculated and filled in according to the formula in Schedule 5.2B, and the same value from Row (G) shall replace the "$[X.XX]" in Section 5.2, component "B".

(3) Correct the following scrivener's and typographical errors:

(A) In Sections 2.1(b), 2.2(b), 2.2(c), 2.2(e), and 5.1 and in the definition of "Monthly Delivered Quantity", the term "MCQ" shall be replaced with "Applicable MCQ".

(B) In the last sentence of Section 2.2(c), "Maximum DCQ" shall be replaced with "Buyer's Allocated Percentage of the Maximum DCQ".

(C) In Section 4.2, the last "at" shall be replaced with "or is not delivered to".

(D) In Section 4.8, the word "designated" shall be inserted before the phrase "point of interconnection".

(E) In Section 5.1, the phrase "accepted at" shall be replaced with "delivered to".

(F) In the definitions of "Title Transfer Point" and "Transportation and Marketing Component", the phrase "is defined" shall be replaced with "has the meaning specified".

The Commission shall make no other modifications to the sourcing agreement endorsed in the Proposed Order on Rehearing, as reflected in the form of sourcing agreement attached to the brief on exceptions of the clean coal SNG brownfield facility, other than those listed in this subsection (h-4.5), and shall impose no additional terms and conditions on the clean coal SNG brownfield facility. A gas utility subject to the obligation set forth in subsection (h-1) to enter into a sourcing agreement shall satisfy this obligation only by entering into the sourcing agreement approved under the provisions of this subsection (h-4.5) within 45 days after the date of the Commission's approval of such sourcing agreement.

(h-5) Sequestration enforcement.

(A) All contracts entered into under subsection (h) of this Section and all sourcing agreements under subsection (h-1) of this Section, regardless of duration, shall require the owner of any facility supplying SNG under the contract or sourcing agreement to provide certified 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.

(B) 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 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 Section 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 Section 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 dioxide 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 to enforce 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 dioxide 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 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 whether the facility has contracted with another party to capture, transport, or sequester carbon dioxide.

(C) 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).

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.

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) 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 and (ii) costs of transportation and storage services of SNG purchased from interstate pipelines under federally approved tariffs. The Illinois gas utility shall initiate a clean coal SNG facility rider mechanism that (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) 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, and in these cases, the Commission is directed not to consider, and has no authority to consider, any attempted challenges.

(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 baseload 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 baseload 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 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.

(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), but only to the extent that the reconciliation account has a positive balance.

(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 though 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 savings 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.

(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.

Administrative costs incurred by the Illinois Finance Authority in performance of this subsection (h-20) shall be subject to reimbursement by the clean coal SNG facility on terms as the Illinois Finance Authority and the clean coal SNG facility may agree. The utility and its customers shall have no obligation to reimburse the clean coal SNG facility or the Illinois Finance Authority 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. 96-1364, eff. 7-28-10; 97-96, eff. 7-13-11; 97-239, eff. 8-2-11; 97-630, eff. 12-8-11.)

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

Under the rules, the foregoing **Senate Bill No. 3766**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, 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 1907

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1907

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 3826

A bill for AN ACT concerning service dogs.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 3826
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 4521

A bill for AN ACT concerning residential mortgages.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 4521
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 4753

A bill for AN ACT concerning local government.
Which amendments are as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 4753
Senate Amendment No. 4 to HOUSE BILL NO. 4753
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 4819

A bill for AN ACT concerning wildlife.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 4819
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**LEGISLATIVE MEASURES FILED**

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

Senate Floor Amendment No. 1 to Senate Bill 184

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

Senate Floor Amendment No. 2 to House Bill 5342

**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 179
Motion to Concur in House Amendments 1 and 2 to Senate Bill 1900
Motion to Concur in House Amendment 1 to Senate Bill 3766

At the hour of 4:14 o'clock p.m., the Chair announced that the Senate stand at ease.

**AT EASE**

At the hour of 4:21 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, 2012 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Criminal Law: **SENATE BILL 306**.

Executive: **Senate Floor Amendment No. 1 to Senate Bill 184; Senate Floor Amendment No. 4 to House Bill 5495**.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committee of the Senate:

Executive: **Motion to Concur in House Amendment 5 to Senate Bill 38**
**Motion to Concur in House Amendments 1 and 2 to Senate Bill 179**
**Motion to Concur in House Amendments 1 and 2 to Senate Bill 1900**
**Motion to Concur in House Amendments 1 and 2 to Senate Bill 3428**
**Motion to Concur in House Amendment 1 to Senate Bill 3766**
**Motion to Concur in House Amendments 1 and 6 to Senate Bill 3802**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported that the Committee recommends that **Senate Resolutions numbered 752 and 773** be re-referred from the Committee on Executive to the Committee on Assignments.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported that the Committee recommends that **House Joint Resolution No. 79** be re-referred from the Committee on Executive to the Committee on Assignments.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported that the following Legislative Measure has been approved for consideration:

**Senate Floor Amendment No. 2 to House Bill 5342**

The foregoing floor amendment was placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported that the following Legislative Measures have been approved for consideration:

**Senate Resolutions numbered 637, 788 and 811; House Joint Resolution No. 93**

The foregoing resolutions were placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported that the following Legislative Measures have been approved for consideration:

**Senate Resolutions numbered 752 and 773; House Joint Resolution No. 79**

The foregoing resolution was placed on the Secretary's Desk.

## COMMITTEE MEETING ANNOUNCEMENT

The Chair announced the following committee to meet at 5:25 o'clock p.m.:

Executive in Room 212

## LEGISLATIVE MEASURE FILED

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

Senate Floor Amendment No. 2 to House Bill 4568

At the hour of 4:27 o'clock p.m., the Chair announced that the Senate stand at ease.

## AT EASE

At the hour of 4:33 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, 2012 meeting, reported that the following Legislative Measure has been approved for consideration:

**Senate Floor Amendment No. 2 to House Bill 4568**

The foregoing floor amendment was placed on the Secretary's Desk.

## HOUSE BILL RECALLED

On motion of Senator Cullerton, **House Bill No. 4568** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 1 was withdrawn by the sponsor.

Senator Trotter offered the following amendment and moved its adoption:

**AMENDMENT NO. 2 TO HOUSE BILL 4568**

AMENDMENT NO. 2. Amend House Bill 4568 by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by changing Section 6z-78 as follows:

(30 ILCS 105/6z-78)

Sec. 6z-78. Capital Projects Fund; bonded indebtedness; transfers. Money in the Capital Projects Fund shall, if and when the State of Illinois incurs any bonded indebtedness using the bond authorizations enacted in Public Act 96-36, ~~and~~ Public Act 96-1554 ~~this amendatory Act of the 96th General Assembly~~, and this amendatory Act of the 97th General Assembly, 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.

In addition to other transfers to the General Obligation Bond Retirement and Interest Fund made pursuant to Section 15 of the General Obligation Bond Act, upon each delivery of general obligation bonds using bond authorizations enacted in Public Act 96-36, ~~and~~ Public Act 96-1554 ~~this amendatory Act of the 96th General Assembly~~ , and this amendatory Act of the 97th General Assembly the State Comptroller shall compute and certify to the State Treasurer the total amount of principal of, interest on, and premium, if any, on such bonds during the then current and each succeeding fiscal year. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for the period.

(a) Except as provided for in subsection (b), on or before the last day of each month, the State Treasurer and State Comptroller shall transfer from the Capital Projects Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the bonds payable on their next payment date, divided by the number of monthly transfers occurring between the last previous payment date (or the delivery date if no payment date has yet occurred) and the next succeeding payment date. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for that period. Interest for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection.

(b) On or before the last day of each month, the State Treasurer and State Comptroller shall transfer from the Capital Projects Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the bonds issued prior to January 1, 2012 pursuant to Section 4(d) of the General Obligation Bond Act payable on their next payment date, divided by the number of monthly transfers occurring between the last previous payment date (or the delivery date if no payment date has yet occurred) and the next succeeding payment date. If the available balance in the Capital Projects Fund is not sufficient for the transfer required in this subsection, the State Treasurer and State Comptroller shall transfer the difference from the Road Fund to the General Obligation Bond Retirement and Interest Fund; except that such Road Fund transfers shall constitute a debt of the Capital Projects Fund which shall be repaid according to subsection (c). Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for that period. Interest for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection.

(c) On the first day of any month when the Capital Projects Fund is carrying a debt to the Road Fund due to the provisions of subsection (b), the State Treasurer and State Comptroller shall transfer from the Capital Projects Fund to the Road Fund an amount sufficient to discharge that debt. These transfers to the Road Fund shall continue until the Capital Projects Fund has repaid to the Road Fund all transfers made from the Road Fund pursuant to subsection (b). Notwithstanding any other law to the contrary,

transfers to the Road Fund from the Capital Projects Fund shall be made prior to any other expenditures or transfers out of the Capital Projects Fund.
(Source: P.A. 96-36, eff. 7-13-09; 96-820, eff. 11-18-09; 96-1554, eff. 3-18-11.)

Section 10. The General Obligation Bond Act is amended by changing Sections 2 and 4 as follows:

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

Sec. 2. Authorization for Bonds. The State of Illinois is authorized to issue, sell and provide for the retirement of General Obligation Bonds of the State of Illinois for the categories and specific purposes expressed in Sections 2 through 8 of this Act, in the total amount of $47,092,925,743 ~~$41,314,125,743 $41,379,777,443~~.

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

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

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

Of the total amount of Bonds authorized in this Act, the additional $10,000,000,000 authorized by Public Act 93-2, the $3,466,000,000 authorized by Public Act 96-43, and the $4,096,348,300 authorized by Public Act 96-1497 ~~this amendatory Act of the 96th General Assembly~~ shall be used solely as provided in Section 7.2.

The issuance and sale of Bonds pursuant to the General Obligation Bond Act is an economical and efficient method of financing the long-term capital needs of the State. This Act will permit the issuance of a multi-purpose General Obligation Bond with uniform terms and features. This will not only lower the cost of registration but also reduce the overall cost of issuing debt by improving the marketability of Illinois General Obligation Bonds.
(Source: P.A. 95-1026, eff. 1-12-09; 96-5, eff. 4-3-09; 96-36, eff. 7-13-09; 96-43, eff. 7-15-09; 96-885, eff. 3-11-10; 96-1000, eff. 7-2-10; 96-1497, eff. 1-14-11; 96-1554, eff. 3-18-11; 97-333, eff. 8-12-11; revised 10-31-11.)

(30 ILCS 330/4) (from Ch. 127, par. 654)

Sec. 4. Transportation. The amount of $14,060,599,000 ~~$12,443,799,000~~ is authorized for use by the Department of Transportation for the specific purpose of promoting and assuring rapid, efficient, and safe highway, air and mass transportation for the inhabitants of the State by providing monies, including the making of grants and loans, for the acquisition, construction, reconstruction, extension and improvement of the following transportation facilities and equipment, and for the acquisition of real property and interests in real property required or expected to be required in connection therewith as follows:

(a) $5,432,129,000 for State highways, arterial highways, freeways, roads, bridges, structures separating highways and railroads and roads, and bridges on roads maintained by counties, municipalities, townships or road districts for the following specific purposes:

(1) $3,330,000,000 for use statewide,

(2) $3,677,000 for use outside the Chicago urbanized area,

(3) $7,543,000 for use within the Chicago urbanized area,

(4) $13,060,600 for use within the City of Chicago,

(5) $58,987,500 for use within the counties of Cook, DuPage, Kane, Lake, McHenry and Will,

(6) $18,860,900 for use outside the counties of Cook, DuPage, Kane, Lake, McHenry and Will, and

(7) $2,000,000,000 for use on projects included in either (i) the FY09-14 Proposed Highway Improvement Program as published by the Illinois Department of Transportation in May 2008 or (ii) the FY10-15 Proposed Highway Improvement Program to be published by the Illinois Department of Transportation in the spring of 2009; except that all projects must be maintenance projects for the existing State system with the goal of reaching 90% acceptable condition in the system statewide and further except that all projects must reflect the generally accepted historical distribution of projects throughout the State.

(b) $5,079,570,000 ~~$4,280,070,000~~ for rail facilities and for mass transit facilities, as defined in Section 2705-305 of the Department of Transportation Law (20 ILCS 2705/2705-305), including rapid transit, rail, bus and other equipment used in connection therewith by the State or any unit of local government, special transportation district, municipal corporation or other corporation or public

authority authorized to provide and promote public transportation within the State or two or more of the foregoing jointly, for the following specific purposes:

(1) $3,983,770,000 ~~$3,184,270,000~~ statewide,

(2) $83,350,000 for use within the counties of Cook, DuPage, Kane, Lake, McHenry and Will,

(3) $12,450,000 for use outside the counties of Cook, DuPage, Kane, Lake, McHenry and Will, and

(4) $1,000,000,000 for use on projects that shall reflect the generally accepted historical distribution of projects throughout the State.

(c) $482,600,000 for airport or aviation facilities and any equipment used in connection therewith, including engineering and land acquisition costs, by the State or any unit of local government, special transportation district, municipal corporation or other corporation or public authority authorized to provide public transportation within the State, or two or more of the foregoing acting jointly, and for the making of deposits into the Airport Land Loan Revolving Fund for loans to public airport owners pursuant to the Illinois Aeronautics Act.

(d) $3,066,300,000 ~~$2,249,000,000~~ for use statewide for State or local highways, arterial highways, freeways, roads, bridges, and structures separating highways and railroads and roads, and for grants to counties, municipalities, townships, or road districts for planning, engineering, acquisition, construction, reconstruction, development, improvement, extension, and all construction-related expenses of the public infrastructure and other transportation improvement projects which are related to economic development in the State of Illinois.

(Source: P.A. 96-5, eff. 4-3-09; 96-36, eff. 7-13-09; 96-37, eff. 7-13-09; 96-1554, eff. 3-18-11.)

Section 99. Effective date. This Act takes effect July 1, 2012.".

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 Cullerton, **House Bill No. 4568** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, “Shall this bill pass?” it was decided in the affirmative by the following vote:

YEAS 56; NAY 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Harmon | Link | Rezin |
| Bomke | Holmes | Luechtefeld | Righter |
| Brady | Hunter | Maloney | Sandoval |
| Clayborne | Hutchinson | Martinez | Schmidt |
| Collins, A. | Jacobs | McCann | Schoenberg |
| Collins, J. | Johnson, C. | McGuire | Silverstein |
| Crotty | Johnson, T. | Meeks | Steans |
| Cultra | Jones, E. | Millner | Sullivan |
| Delgado | Jones, J. | Mulroe | Syverson |
| Dillard | Koehler | Muñoz | Trotter |
| Duffy | Kotowski | Murphy | Mr. President |
| Forby | LaHood | Noland | |
| Frerichs | Landek | Pankau | |
| Garrett | Lauzen | Radogno | |
| Haine | Lightford | Raoul | |

The following voted in the negative:

McCarter

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

On motion of Senator Cullerton, **House Bill No. 4513** 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 50; NAYS 2; Present 2.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Harmon | Lightford | Rezin |
| Brady | Holmes | Link | Sandack |
| Clayborne | Hutchinson | Maloney | Sandoval |
| Collins, A. | Jacobs | Martinez | Schmidt |
| Crotty | Johnson, C. | McGuire | Schoenberg |
| Cultra | Johnson, T. | Meeks | Silverstein |
| Delgado | Jones, E. | Millner | Steans |
| Dillard | Jones, J. | Mulroe | Sullivan |
| Duffy | Koehler | Muñoz | Syverson |
| Forby | Kotowski | Murphy | Trotter |
| Frerichs | LaHood | Noland | Mr. President |
| Garrett | Landek | Pankau | |
| Haine | Lauzen | Radogno | |

The following voted in the negative:

Bomke
McCarter

The following voted present:

Collins, J.
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.

**CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK**

On motion of Senator Holmes, **Senate Bill No. 3794**, with House Amendments numbered 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Holmes 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 | Radogno |
| Bivins | Harmon | Link | Raoul |
| Bomke | Holmes | Luechtefeld | Rezin |
| Brady | Hunter | Maloney | Righter |
| Clayborne | Hutchinson | Martinez | Sandack |
| Collins, A. | Jacobs | McCann | Sandoval |
| Collins, J. | Johnson, C. | McCarter | Schmidt |
| Crotty | Johnson, T. | McGuire | Schoenberg |
| Cultra | Jones, E. | Meeks | Silverstein |
| Delgado | Jones, J. | Millner | Steans |
| Dillard | Koehler | Mulroe | Sullivan |
| Duffy | Kotowski | Muñoz | Syverson |
| Forby | LaHood | Murphy | Trotter |
| Frerichs | Landek | Noland | Mr. President |
| Garrett | Lauzen | Pankau | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 3 to **Senate Bill No. 3794**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Harmon, **Senate Bill No. 3727**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 34; NAYS 23.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Harmon | Maloney | Sandoval |
| Collins, A. | Holmes | Martinez | Schoenberg |
| Collins, J. | Hunter | McGuire | Silverstein |
| Crotty | Hutchinson | Meeks | Steans |
| Delgado | Jones, E. | Mulroe | Sullivan |
| Dillard | Koehler | Muñoz | Trotter |
| Frerichs | Kotowski | Noland | Mr. President |
| Garrett | Lightford | Radogno | |
| Haine | Link | Raoul | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Bivins | Johnson, C. | Luechtefeld | Rezin |
| Bomke | Johnson, T. | McCann | Righter |
| Brady | Jones, J. | McCarter | Sandack |
| Cultra | LaHood | Millner | Schmidt |
| Duffy | Landek | Murphy | Syverson |
| Jacobs | Lauzen | Pankau | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3727**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator J. Collins, **Senate Bill No. 1034**, with House Amendments numbered 2 and 4 on the Secretary's Desk, was taken up for immediate consideration.

Senator J. Collins 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 | Radogno |
| Bivins | Harmon | Link | Raoul |
| Bomke | Holmes | Luechtefeld | Rezin |
| Brady | Hunter | Maloney | Righter |
| Clayborne | Hutchinson | Martinez | Sandack |
| Collins, A. | Jacobs | McCann | Sandoval |
| Collins, J. | Johnson, C. | McCarter | Schmidt |
| Crotty | Johnson, T. | McGuire | Schoenberg |
| Cultra | Jones, E. | Meeks | Silverstein |
| Delgado | Jones, J. | Millner | Steans |
| Dillard | Koehler | Mulroe | Sullivan |
| Duffy | Kotowski | Muñoz | Syverson |
| Forby | LaHood | Murphy | Trotter |
| Frerichs | Landek | Noland | Mr. President |
| Garrett | Lauzen | Pankau | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 4 to **Senate Bill No. 1034**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 5:15 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

**AFTER RECESS**

At the hour of 7:05 o'clock p.m., the Senate resumed consideration of business.

Senator Sullivan, presiding.

**MESSAGES FROM THE HOUSE**

A message from the House by

Mr. Mapes, 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. 2537

A bill for AN ACT concerning criminal law, which may be referred to as Caylee's law.

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

House Amendment No. 1 to SENATE BILL NO. 2537

House Amendment No. 2 to SENATE BILL NO. 2537

House Amendment No. 3 to SENATE BILL NO. 2537

House Amendment No. 5 to SENATE BILL NO. 2537

Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 2537**

AMENDMENT NO. 1. Amend Senate Bill 2537 by replacing everything after the enacting clause

with the following:

"Section 5. The Criminal Code of 1961 is amended by changing Section 31-4 and adding Section 10-10 as follows:

(720 ILCS 5/10-10 new)

Sec. 10-10. Failure to report the death or disappearance of a child under 13 years of age.

(a) A parent, legal guardian, or caretaker of a child under 13 years of age commits failure to report the death or disappearance of a child under 13 years of age when he or she knows or should know and fails to report the child as missing or deceased to a law enforcement agency within 24 hours if the parent, legal guardian, or caretaker reasonably believes that the child is missing or deceased. In the case of a child under the age of 2 years, the reporting requirement is reduced to no more than one hour.

(b) A parent, legal guardian, or caretaker of a child under 13 years of age must report the death of the child to the law enforcement agency of the county where the child's corpse was found if the parent, legal guardian, or caretaker reasonably believes that the death of the child was caused by a homicide, accident, or other suspicious circumstance.

(c) A parent, legal guardian, or caretaker does not commit the offense of failure to report the death or disappearance of a child under 13 years of age when:

(1) the failure to report is due to an act of God, act of war, or inability of a law enforcement agency to receive a report of the disappearance of a child;

(2) the parent, legal guardian, or caretaker calls 911 to report the disappearance of the child;

(3) the parent, legal guardian, or caretaker knows that the child is under the care of another parent, family member, relative, friend, or baby sitter; or

(4) the parent, legal guardian, or caretaker is hospitalized, in a coma, or is otherwise seriously physically or mentally impaired as to prevent the person from reporting the death or disappearance.

(d) Sentence. A violation of this Section is a Class 4 felony.

(720 ILCS 5/31-4) (from Ch. 38, par. 31-4)

Sec. 31-4. Obstructing justice.

(a) A person obstructs justice when, with intent to prevent the apprehension or obstruct the prosecution or defense of any person, he or she knowingly commits any of the following acts:

(1) ~~(a)~~ Destroys, alters, conceals or disguises physical evidence, plants false evidence, furnishes false information; or

(2) ~~(b)~~ Induces a witness having knowledge material to the subject at issue to leave the State or conceal himself or herself; or

(3) ~~(c)~~ Possessing knowledge material to the subject at issue, he or she leaves the State or conceals himself; or

(4) If a parent, legal guardian, or caretaker of a child under 13 years of age reports materially false information to a law enforcement agency, medical examiner, coroner, State's Attorney, or other governmental agency during an investigation of the disappearance or death of a child under circumstances described in subsection (a) or (b) of Section 10-10 of this Code.

(b) ~~(d)~~ Sentence.

(1) Obstructing justice is a Class 4 felony, except as provided in paragraph (2) of this subsection (b) ~~(d)~~.

(2) Obstructing justice in furtherance of streetgang related or gang-related activity, as defined in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act, is a Class 3 felony.

(Source: P.A. 90-363, eff. 1-1-98.)".

**AMENDMENT NO. 2 TO SENATE BILL 2537**

AMENDMENT NO. 2. Amend Senate Bill 2537 on page 2, by inserting immediately below line 11 the following:

"(c) The Department of Children and Family Services Guardianship Administrator shall not personally be subject to the reporting requirements in subsection (a) or (b) of this Section.".

**AMENDMENT NO. 3 TO SENATE BILL 2537**

AMENDMENT NO. 3. Amend Senate Bill 2537, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Criminal Code of 1961 is amended by changing Section 31-4 and adding Section 10-10 as follows:

(720 ILCS 5/10-10 new)

Sec. 10-10. Failure to report the death or disappearance of a child under 13 years of age.

(a) A parent, legal guardian, or caretaker of a child under 13 years of age commits failure to report the death or disappearance of a child under 13 years of age when he or she knows or should know and fails to report the child as missing or deceased to a law enforcement agency within 24 hours if the parent, legal guardian, or caretaker reasonably believes that the child is missing or deceased. In the case of a child under the age of 2 years, the reporting requirement is reduced to no more than one hour.

(b) A parent, legal guardian, or caretaker of a child under 13 years of age must report the death of the child to the law enforcement agency of the county where the child's corpse was found if the parent, legal guardian, or caretaker reasonably believes that the death of the child was caused by a homicide, accident, or other suspicious circumstance.

(c) The Department of Children and Family Services Guardianship Administrator shall not personally be subject to the reporting requirements in subsection (a) or (b) of this Section.

(d) A parent, legal guardian, or caretaker does not commit the offense of failure to report the death or disappearance of a child under 13 years of age when:

(1) the failure to report is due to an act of God, act of war, or inability of a law enforcement agency to receive a report of the disappearance of a child;

(2) the parent, legal guardian, or caretaker calls 911 to report the disappearance of the child;

(3) the parent, legal guardian, or caretaker knows that the child is under the care of another parent, family member, relative, friend, or baby sitter; or

(4) the parent, legal guardian, or caretaker is hospitalized, in a coma, or is otherwise seriously physically or mentally impaired as to prevent the person from reporting the death or disappearance.

(e) Sentence. A violation of this Section is a Class 4 felony.

(720 ILCS 5/31-4) (from Ch. 38, par. 31-4)

Sec. 31-4. Obstructing justice.

(a) A person obstructs justice when, with intent to prevent the apprehension or obstruct the prosecution or defense of any person, he or she knowingly commits any of the following acts:

(1) ~~(a)~~ Destroys, alters, conceals or disguises physical evidence, plants false evidence, furnishes false information; or

(2) ~~(b)~~ Induces a witness having knowledge material to the subject at issue to leave the State or conceal himself or herself; or

(3) ~~(c)~~ Possessing knowledge material to the subject at issue, he or she leaves the State or conceals himself; or

(4) If a parent, legal guardian, or caretaker of a child under 13 years of age reports materially false information to a law enforcement agency, medical examiner, coroner, State's Attorney, or other governmental agency during an investigation of the disappearance or death of a child under circumstances described in subsection (a) or (b) of Section 10-10 of this Code.

(b) ~~(d)~~ Sentence.

(1) Obstructing justice is a Class 4 felony, except as provided in paragraph (2) of this subsection (b) ~~(d)~~.

(2) Obstructing justice in furtherance of streetgang related or gang-related activity, as defined in Section 10 of the Illinois Streetgang Terrorism Omnibus Prevention Act, is a Class 3 felony.

(Source: P.A. 90-363, eff. 1-1-98.)".

**AMENDMENT NO. 5 TO SENATE BILL 2537**

AMENDMENT NO. 5. Amend Senate Bill 2537, AS AMENDED, with reference to page and line numbers of House Amendment No. 3, on page 1, line 6, by replacing "Section 31-4" with "Sections 12-9 and 31-4"; and

on page 3, by inserting immediately below line 3 the following:

"(720 ILCS 5/12-9) (from Ch. 38, par. 12-9)

Sec. 12-9. Threatening public officials.

(a) A person commits threatening a public official when:

(1) that person knowingly delivers or conveys, directly or indirectly, to a public official by any means a communication:

(i) containing a threat that would place the public official or a member of his or her immediate family in reasonable apprehension of immediate or future bodily harm, sexual assault, confinement, or restraint; or

(ii) containing a threat that would place the public official or a member of his or her immediate family in reasonable apprehension that damage will occur to property in the custody, care, or control of the public official or his or her immediate family; and

(2) the threat was conveyed because of the performance or nonperformance of some public duty, because of hostility of the person making the threat toward the status or position of the public official, or because of any other factor related to the official's public existence.

(a-5) For purposes of a threat to a sworn law enforcement officer, the threat must contain specific facts indicative of a unique threat to the person, family or property of the officer and not a generalized threat of harm.

(a-6) For purposes of a threat to a social worker, caseworker, or investigator, the threat must contain specific facts indicative of a unique threat to the person, family or property of the individual and not a generalized threat of harm.

(b) For purposes of this Section:

(1) "Public official" means a person who is elected to office in accordance with a statute or who is appointed to an office which is established, and the qualifications and duties of which are prescribed, by statute, to discharge a public duty for the State or any of its political subdivisions or in the case of an elective office any person who has filed the required documents for nomination or election to such office. "Public official" includes a duly appointed assistant State's Attorney, assistant Attorney General, or Appellate Prosecutor; ~~, and~~ a sworn law enforcement or peace officer ; a social worker, caseworker, or investigator employed by the Department of Healthcare and Family Services, the Department of Human Services, or the Department of Children and Family Services.

(2) "Immediate family" means a public official's spouse or child or children.

(c) Threatening a public official is a Class 3 felony for a first offense and a Class 2 felony for a second or subsequent offense.

(Source: P.A. 95-466, eff. 6-1-08; 96-1551, eff. 7-1-11.)".

Under the rules, the foregoing **Senate Bill No. 2537**, with House Amendments numbered 1, 2, 3 and 5, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, 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. 3522

A bill for AN ACT concerning business.

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. 3522

House Amendment No. 2 to SENATE BILL NO. 3522

Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 3522**

AMENDMENT NO. 1. Amend Senate Bill 3522 by replacing everything after the enacting clause with the following:

"Section 5. The Conveyances Act is amended by changing Section 11 as follows:

(765 ILCS 5/11) (from Ch. 30, par. 10)

Sec. 11. (a) Mortgages of lands may be substantially in the following form:

The Mortgagor (here insert name or names), mortgages and warrants to (here insert name or names of mortgagee or mortgagees), to secure the payment of (here recite the nature and amount of indebtedness, showing when due and the rate of interest, and whether secured by note or otherwise), the following described real estate (here insert description thereof), situated in the County of ...., in the State of Illinois.

Dated (insert date).

(signature of mortgagor or mortgagors)

The names of the parties shall be typed or printed below the signatures. Such form shall have a blank space of 3 1/2 inches by 3 1/2 inches for use by the recorder. However, the failure to comply with the requirement that the names of the parties be typed or printed below the signatures and that the form have

a blank space of 3 1/2 inches by 3 1/2 inches for use by the recorder shall not affect the validity and effect of such form.

Such mortgage, when otherwise properly executed, shall be deemed and held a good and sufficient mortgage in fee to secure the payment of the moneys therein specified; and if the same contains the words "and warrants," the same shall be construed the same as if full covenants of ownership, good right to convey against incumbrances of quiet enjoyment and general warranty, as expressed in Section 9 of this Act were fully written therein; but if the words "and warrants" are omitted, no such covenants shall be implied. When the grantor or grantors in such deed or mortgage for the conveyance of any real estate desires to release or waive his, her or their homestead rights therein, they or either of them may release or waive the same by inserting in the form of deed or mortgage (as the case may be), provided in Sections 9, 10 and 11, after the words "State of Illinois," in substance the following words, "hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of this State."

Mortgages securing "reverse mortgage" loans shall be subject to this Section except where requirements concerning the definiteness of the term and amount of indebtedness provisions of a mortgage would be inconsistent with the Acts authorizing "reverse mortgage" loans, or rules and regulations promulgated under those Acts.

Mortgages securing "revolving credit" loans shall be subject to this Section.

(b) The provisions of subsection (a) regarding the form of a mortgage are, and have always been, permissive and not mandatory. Accordingly, the failure of an otherwise lawfully executed and recorded mortgage to be in the form described in subsection (a) in one or more respects, including the failure to state the interest rate or the maturity date, or both, shall not affect the validity or priority of the mortgage, nor shall its recordation be ineffective for notice purposes regardless of when the mortgage was recorded.

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

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

**AMENDMENT NO. 2 TO SENATE BILL 3522**

AMENDMENT NO. 2. Amend Senate Bill 3522, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Housing Development Act is amended by changing Sections 7.30 and 7.31 as follows:

(20 ILCS 3805/7.30)

Sec. 7.30. Foreclosure Prevention Program.

(a) The Authority shall establish and administer a Foreclosure Prevention Program. The Authority shall use moneys in the Foreclosure Prevention Program Fund, and any other funds appropriated for this purpose, to make grants to (i) approved counseling agencies for approved housing counseling and (ii) approved community-based organizations for approved foreclosure prevention outreach programs. The Authority shall promulgate rules to implement this Program and may adopt emergency rules as soon as practicable to begin implementation of the Program.

(b) Subject to appropriation, and except as specified in Section 15-1504.1 of the Code of Civil Procedure, the Authority shall make grants from the Foreclosure Prevention Program Fund as follows:

(1) 25% of the moneys in the Fund shall be used to make grants to approved counseling agencies that provide services in Illinois outside of the City of Chicago. Grants shall be based upon the number of foreclosures filed in an approved counseling agency's service area, the capacity of the agency to provide foreclosure counseling services, and any other factors that the Authority deems appropriate.

(2) 25% of the moneys in the Fund shall be distributed to the City of Chicago to make grants to approved counseling agencies located within the City of Chicago for approved housing counseling or to support foreclosure prevention counseling programs administered by the City of Chicago.

(3) 25% of the moneys in the Fund shall be used to make grants to approved community-based organizations located outside of the City of Chicago for approved foreclosure prevention outreach programs.

(4) 25% of the moneys in the Fund shall be used to make grants to approved community-based organizations located within the City of Chicago for approved foreclosure prevention outreach programs, with priority given to programs that provide door-to-door outreach.

As used in this Section:

"Approved community-based organization" means a not-for-profit entity that provides educational and financial information to residents of a community through in-person contact. "Approved community-based organization" does not include a not-for-profit corporation or other entity or person that provides legal representation or advice in a civil proceeding or court-sponsored mediation services, or a governmental agency.

"Approved foreclosure prevention outreach program" means a program developed by an approved community-based organization that includes in-person contact with residents to provide (i) pre-purchase and post-purchase home ownership counseling, (ii) education about the foreclosure process and the options of a mortgagor in a foreclosure proceeding, and (iii) programs developed by an approved community-based organization in conjunction with a State or federally chartered financial institution.

"Approved counseling agency" means a housing counseling agency approved by the U.S. Department of Housing and Urban Development.

"Approved housing counseling" means in-person counseling provided by a counselor employed by an approved counseling agency to all borrowers, or documented telephone counseling where a hardship would be imposed on one or more borrowers. A hardship shall exist in instances in which the borrower is confined to his or her home due to a medical condition, as verified in writing by a physician, or the borrower resides 50 miles or more from the nearest approved counseling agency. In instances of telephone counseling, the borrower must supply all necessary documents to the counselor at least 72 hours prior to the scheduled telephone counseling session.

(c) (Blank). ~~As used in this Section, "approved counseling agencies" and "approved housing counseling" have the meanings ascribed to those terms in Section 15-1502.5 of the Code of Civil Procedure.~~

(Source: P.A. 96-1419, eff. 10-1-10.)

(20 ILCS 3805/7.31)

Sec. 7.31. Abandoned Residential Property Municipality Relief Program.

(a) The Authority shall establish and administer an Abandoned Residential Property Municipality Relief Program. The Authority shall use moneys in the Abandoned Residential Property Municipality Relief Fund, and any other funds appropriated for this purpose, to make grants to municipalities and to counties to assist with ~~removal costs and securing or enclosing~~ costs incurred by the municipality or county for: cutting of neglected weeds or grass, trimming of trees or bushes, and removal of nuisance bushes or trees; extermination of pests or prevention of the ingress of pests; removal of garbage, debris, and graffiti; boarding up, closing off, or locking windows or entrances or otherwise making the interior of a building inaccessible to the general public; surrounding part or all of a vacant property with a fence or wall or otherwise making part or all of the property's underlying parcel inaccessible to the general public; demolition of vacant property; and repair or rehabilitation of vacant property ~~pursuant to Section 11-20-15.1 of the Illinois Municipal Code~~, as approved by the Authority under the Program. For purposes of this subsection (a), "pests" has the meaning ascribed to that term in subsection (c) of Section 11-20-8 of the Illinois Municipal Code. The Authority shall promulgate rules for the administration, operation, and maintenance of the Program and may adopt emergency rules as soon as practicable to begin implementation of the Program.

(b) Subject to appropriation, the Authority shall make grants from the Abandoned Residential Property Municipality Relief Fund as follows:

(1) 75% of the moneys in the Fund shall be used to make grants to ~~distributed to~~ municipalities, other than the City of

Chicago, and to counties ~~to assist with removal costs and securing or enclosing costs incurred by the municipality pursuant to Section 11-20-15.1 of the Illinois Municipal Code~~.

(2) 25% of the moneys in the Fund shall be used ~~distributed~~ to make grants to the City of Chicago ~~to assist with removal costs and securing or enclosing costs incurred by the municipality pursuant to Section 11-20-15.1 of the Illinois Municipal Code~~.

(Source: P.A. 96-1419, eff. 10-1-10.)

Section 10. The Criminal Code of 1961 is amended by changing Section 21-3 as follows:

(720 ILCS 5/21-3) (from Ch. 38, par. 21-3)

Sec. 21-3. Criminal trespass to real property.

(a) Except as provided in subsection (a-5), whoever:

(1) knowingly and without lawful authority enters or remains within or on a building; or

(2) enters upon the land of another, after receiving, prior to such entry, notice from the owner or occupant that such entry is forbidden; or

(3) remains upon the land of another, after receiving notice from the owner or occupant

to depart; or

(3.5) presents false documents or falsely represents his or her identity orally to the owner or occupant of a building or land in order to obtain permission from the owner or occupant to enter or remain in the building or on the land; or

(4) intentionally removes a notice posted on residential real estate as required by subsection (l) of Section 15-1505.8 of Article XV of the Code of Civil Procedure before the date and time set forth in the notice;

commits a Class B misdemeanor.

For purposes of item (1) of this subsection, this Section shall not apply to being in a building which is open to the public while the building is open to the public during its normal hours of operation; nor shall this Section apply to a person who enters a public building under the reasonable belief that the building is still open to the public.

(a-5) Except as otherwise provided in this subsection, whoever enters upon any of the following areas in or on a motor vehicle (including an off-road vehicle, motorcycle, moped, or any other powered two-wheel vehicle) after receiving, prior to that entry, notice from the owner or occupant that the entry is forbidden or remains upon or in the area after receiving notice from the owner or occupant to depart commits a Class A misdemeanor:

(1) A field that is used for growing crops or that is capable of being used for growing crops.

(2) An enclosed area containing livestock.

(3) An orchard.

(4) A barn or other agricultural building containing livestock.

(b) A person has received notice from the owner or occupant within the meaning of Subsection (a) if he has been notified personally, either orally or in writing including a valid court order as defined by subsection (7) of Section 112A-3 of the Code of Criminal Procedure of 1963 granting remedy (2) of subsection (b) of Section 112A-14 of that Code, or if a printed or written notice forbidding such entry has been conspicuously posted or exhibited at the main entrance to such land or the forbidden part thereof.

(b-5) Subject to the provisions of subsection (b-10), as an alternative to the posting of real property as set forth in subsection (b), the owner or lessee of any real property may post the property by placing identifying purple marks on trees or posts around the area to be posted. Each purple mark shall be:

(1) A vertical line of at least 8 inches in length and the bottom of the mark shall be no less than 3 feet nor more than 5 feet high. Such marks shall be placed no more than 100 feet apart and shall be readily visible to any person approaching the property; or

(2) A post capped or otherwise marked on at least its top 2 inches. The bottom of the cap or mark shall be not less than 3 feet but not more than 5 feet 6 inches high. Posts so marked shall be placed not more than 36 feet apart and shall be readily visible to any person approaching the property. Prior to applying a cap or mark which is visible from both sides of a fence shared by different property owners or lessees, all such owners or lessees shall concur in the decision to post their own property.

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.

(b-10) Any owner or lessee who marks his or her real property using the method described in subsection (b-5) must also provide notice as described in subsection (b) of this Section. The public of this State shall be informed of the provisions of subsection (b-5) of this Section by the Illinois Department of Agriculture and the Illinois Department of Natural Resources. These Departments shall conduct an information campaign for the general public concerning the interpretation and implementation of subsection (b-5). The information shall inform the public about the marking requirements and the applicability of subsection (b-5) including information regarding the size requirements of the markings as well as the manner in which the markings shall be displayed. The Departments shall also include information regarding the requirement that, until the date this subsection becomes inoperative, any owner or lessee who chooses to mark his or her property using paint, must also comply with one of the notice requirements listed in subsection (b). The Departments may prepare a brochure or may disseminate the information through agency websites. Non-governmental organizations including, but not limited to, the Illinois Forestry Association, Illinois Tree Farm and the Walnut Council may help to disseminate the information regarding the requirements and applicability of subsection (b-5) based on materials provided by the Departments. This subsection (b-10) is inoperative on and after

January 1, 2013.

(b-15) Subsections (b-5) and (b-10) do not apply to real property located in a municipality of over 2,000,000 inhabitants.

(c) This Section does not apply to any person, whether a migrant worker or otherwise, living on the land with permission of the owner or of his agent having apparent authority to hire workers on such land and assign them living quarters or a place of accommodations for living thereon, nor to anyone living on such land at the request of, or by occupancy, leasing or other agreement or arrangement with the owner or his agent, nor to anyone invited by such migrant worker or other person so living on such land to visit him at the place he is so living upon the land.

(d) A person shall be exempt from prosecution under this Section if he beautifies unoccupied and abandoned residential and industrial properties located within any municipality. For the purpose of this subsection, "unoccupied and abandoned residential and industrial property" means any real estate (1) in which the taxes have not been paid for a period of at least 2 years; and (2) which has been left unoccupied and abandoned for a period of at least one year; and "beautifies" means to landscape, clean up litter, or to repair dilapidated conditions on or to board up windows and doors.

(e) No person shall be liable in any civil action for money damages to the owner of unoccupied and abandoned residential and industrial property which that person beautifies pursuant to subsection (d) of this Section.

(e-5)(i) A mortgagee or agent of the mortgagee shall be exempt from prosecution for criminal trespass for entering, securing, or maintaining an abandoned residential property.

(ii) No mortgagee or agent of the mortgagee shall be liable to the mortgagor or other owner of an abandoned residential property in any civil action for negligence or civil trespass in connection with entering, securing, or maintaining the abandoned residential property.

(iii) For the purpose of this subsection (e-5) only, "abandoned residential property" means mortgaged real estate that the mortgagee or agent of the mortgagee determines in good faith meets the definition of abandoned residential property set forth in Section 15-1200.5 of Article XV of the Code of Civil Procedure.

(f) This Section does not prohibit a person from entering a building or upon the land of another for emergency purposes. For purposes of this subsection (f), "emergency" means a condition or circumstance in which an individual is or is reasonably believed by the person to be in imminent danger of serious bodily harm or in which property is or is reasonably believed to be in imminent danger of damage or destruction.

(g) Paragraph (3.5) of subsection (a) does not apply to a peace officer or other official of a unit of government who enters a building or land in the performance of his or her official duties.

(h) A person may be liable in any civil action for money damages to the owner of the land he or she entered upon with a motor vehicle as prohibited under subsection (a-5) of this Section. A person may also be liable to the owner for court costs and reasonable attorney's fees. The measure of damages shall be: (i) the actual damages, but not less than $250, if the vehicle is operated in a nature preserve or registered area as defined in Sections 3.11 and 3.14 of the Illinois Natural Areas Preservation Act; (ii) twice the actual damages if the owner has previously notified the person to cease trespassing; or (iii) in any other case, the actual damages, but not less than $50. If the person operating the vehicle is under the age of 16, the owner of the vehicle and the parent or legal guardian of the minor are jointly and severally liable. For the purposes of this subsection (h):

"Land" includes, but is not limited to, land used for crop land, fallow land, orchard, pasture, feed lot, timber land, prairie land, mine spoil nature preserves and registered areas. "Land" does not include driveways or private roadways upon which the owner allows the public to drive.

"Owner" means the person who has the right to possession of the land, including the owner, operator or tenant.

"Vehicle" has the same meaning as provided under Section 1-217 of the Illinois Vehicle Code.

(i) This Section does not apply to the following persons while serving process:

(1) a person authorized to serve process under Section 2-202 of the Code of Civil Procedure; or

(2) a special process server appointed by the circuit court.

(Source: P.A. 97-184, eff. 7-22-11; 97-477, eff. 8-22-11; revised 9-14-11.)

Section 15. The Code of Civil Procedure is amended by changing Sections 15-1219, 15-1503, 15-1504, 15-1504.1, 15-1507.1, and 15-1508 and by adding Sections 15-1200.5, 15-1200.7, and 15-1505.8 as follows:

(735 ILCS 5/15-1200.5 new)

Sec. 15-1200.5. Abandoned residential property. "Abandoned residential property" means residential real estate that:

(a) either:

(1) is not occupied by any mortgagor or lawful occupant as a principal residence; or

(2) contains an incomplete structure if the real estate is zoned for residential development, where the structure is empty or otherwise uninhabited and is in need of maintenance, repair, or securing; and

(b) with respect to which either:

(1) two or more of the following conditions are shown to exist:

(A) construction was initiated on the property and was discontinued prior to completion, leaving a building unsuitable for occupancy, and no construction has taken place for at least 6 months;

(B) multiple windows on the property are boarded up or closed off or are smashed through, broken off, or unhinged, or multiple window panes are broken and unrepaired;

(C) doors on the property are smashed through, broken off, unhinged, or continuously unlocked;

(D) the property has been stripped of copper or other materials, or interior fixtures to the property have been removed;

(E) gas, electrical, or water services to the entire property have been terminated;

(F) there exist one or more written statements of the mortgagor or the mortgagor's personal representative or assigns, including documents of conveyance, which indicate a clear intent to abandon the property;

(G) law enforcement officials have received at least one report of trespassing or vandalism or other illegal acts being committed at the property in the last 6 months;

(H) the property has been declared unfit for occupancy and ordered to remain vacant and unoccupied under an order issued by a municipal or county authority or a court of competent jurisdiction;

(I) the local police, fire, or code enforcement authority has requested the owner or other interested or authorized party to secure or winterize the property due to the local authority declaring the property to be an imminent danger to the health, safety, and welfare of the public;

(J) the property is open and unprotected and in reasonable danger of significant damage due to exposure to the elements, vandalism, or freezing; or

(K) there exists other evidence indicating a clear intent to abandon the property; or

(2) the real estate is zoned for residential development and is a vacant lot that is in need of maintenance, repair, or securing.

(735 ILCS 5/15-1200.7 new)

Sec. 15-1200.7. Abandoned residential property; exceptions. A property shall not be considered abandoned residential property if: (i) there is an unoccupied building which is undergoing construction, renovation, or rehabilitation that is proceeding diligently to completion, and the building is in substantial compliance with all applicable ordinances, codes, regulations, and laws; (ii) there is a building occupied on a seasonal basis, but otherwise secure; (iii) there is a secure building on which there are bona fide rental or sale signs; (iv) there is a building that is secure, but is the subject of a probate action, action to quiet title, or other ownership dispute; or (v) there is a building that is otherwise secure and in substantial compliance with all applicable ordinances, codes, regulations, and laws.

(735 ILCS 5/15-1219) (from Ch. 110, par. 15-1219)

Sec. 15-1219. Residential Real Estate. "Residential real estate" means any real estate, except a single tract of agricultural real estate consisting of more than 40 acres, which is improved with a single family residence or residential condominium units or a multiple dwelling structure containing single family dwelling units for six or fewer families living independently of each other, which residence, or at least one of which condominium or dwelling units, is occupied as a principal residence either (i) if a mortgagor is an individual, by that mortgagor, that mortgagor's spouse or that mortgagor's descendants, or (ii) if a mortgagor is a trustee of a trust or an executor or administrator of an estate, by a beneficiary of that trust or estate or by such beneficiary's spouse or descendants or (iii) if a mortgagor is a corporation, by persons owning collectively at least 50 percent of the shares of voting stock of such corporation or by a spouse or descendants of such persons. The use of a portion of residential real estate for non-residential purposes shall not affect the characterization of such real estate as residential real estate. For purposes of the definition of the term "abandoned residential property" in Section 15-1200.5 of this Article, "abandoned residential property" shall not include the requirement that the real estate be occupied, or if zoned for residential development, improved with a dwelling structure.

(Source: P.A. 85-907.)

(735 ILCS 5/15-1503) (from Ch. 110, par. 15-1503)

Sec. 15-1503. Notice of Foreclosure.

(a) A notice of foreclosure, whether the foreclosure is initiated by complaint or counterclaim, made in accordance with this Section and recorded in the county in which the mortgaged real estate is located shall be constructive notice of the pendency of the foreclosure to every person claiming an interest in or lien on the mortgaged real estate, whose interest or lien has not been recorded prior to the recording of such notice of foreclosure. Such notice of foreclosure must be executed by any party or any party's attorney and shall include (i) the names of all plaintiffs and the case number, (ii) the court in which the action was brought, (iii) the names of title holders of record, (iv) a legal description of the real estate sufficient to identify it with reasonable certainty, (v) a common address or description of the location of the real estate and (vi) identification of the mortgage sought to be foreclosed. An incorrect common address or description of the location, or an immaterial error in the identification of a plaintiff or title holder of record, shall not invalidate the lis pendens effect of the notice under this Section. A notice which complies with this Section shall be deemed to comply with Section 2-1901 of the Code of Civil Procedure and shall have the same effect as a notice filed pursuant to that Section; however, a notice which complies with Section 2-1901 shall not be constructive notice unless it also complies with the requirements of this Section.

(b) With respect to residential real estate, a copy of the notice of foreclosure described in subsection (a) of Section 15-1503 shall be sent by first class mail, postage prepaid, to the municipality within the boundary of which the mortgaged real estate is located, or to the county within the boundary of which the mortgaged real estate is located if the mortgaged real estate is located in an unincorporated territory. A municipality or county must clearly publish on its website a single address to which such notice shall be sent. If a municipality or county does not maintain a website, then the municipality or county must publicly post in its main office a single address to which such notice shall be sent. In the event that a municipality or county has not complied with the publication requirement in this subsection (b), then the copy of the ~~such~~ notice to the municipality or county shall be sent by first class mail, postage prepaid, to the chairperson of the county board or county clerk in the case of a county, to the mayor or city clerk in the case of a city, to the president of the board of trustees or village clerk in the case of a village, or to the president or town clerk in the case of a town ~~provided pursuant to Section 2-211 of the Code of Civil Procedure~~. Additionally, if the real estate is located in a city with a population of more than 2,000,000, regardless of whether that city has complied with the publication requirement in this subsection (b), the party must, within 10 days after filing the complaint or counterclaim: (i) send by first class mail, postage prepaid, a copy of the notice of foreclosure to the alderman for the ward in which the real estate is located and (ii) file an affidavit with the court attesting to the fact that the notice was sent to the alderman for the ward in which the real estate is located. The failure to send a copy of the notice to the alderman or to file an affidavit as required results in the dismissal without prejudice of the complaint or counterclaim on a motion of a party or the court. If, after the complaint or counterclaim has been dismissed without prejudice, the party refiles the complaint or counterclaim, then the party must again comply with the requirements that the party send by first class mail, postage prepaid, the notice to the alderman for the ward in which the real estate is located and file an affidavit attesting to the fact that the notice was sent.

(Source: P.A. 96-856, eff. 3-1-10.)

(735 ILCS 5/15-1504) (from Ch. 110, par. 15-1504)

Sec. 15-1504. Pleadings and service.

(a) Form of Complaint. A foreclosure complaint may be in substantially the following form:

(1) Plaintiff files this complaint to foreclose the mortgage (or other conveyance in the nature of a mortgage) (hereinafter called "mortgage") hereinafter described and joins the following person as defendants: (here insert names of all defendants).

(2) Attached as Exhibit "A" is a copy of the mortgage and as Exhibit "B" is a copy of the note secured thereby.

(3) Information concerning mortgage:

(A) Nature of instrument: (here insert whether a mortgage, trust deed or other instrument in the nature of a mortgage, etc.)

(B) Date of mortgage:

(C) Name of mortgagor:

(D) Name of mortgagee:

(E) Date and place of recording:

(F) Identification of recording: (here insert book and page number or document number)

(G) Interest subject to the mortgage: (here insert whether fee simple, estate for

years, undivided interest, etc.)

(H) Amount of original indebtedness, including subsequent advances made under the mortgage:

(I) Both the legal description of the mortgaged real estate and the common address or other information sufficient to identify it with reasonable certainty:

(J) Statement as to defaults, including, but not necessarily limited to, date of default, current unpaid principal balance, per diem interest accruing, and any further information concerning the default:

(K) Name of present owner of the real estate:

(L) Names of other persons who are joined as defendants and whose interest in or lien on the mortgaged real estate is sought to be terminated:

(M) Names of defendants claimed to be personally liable for deficiency, if any:

(N) Capacity in which plaintiff brings this foreclosure (here indicate whether plaintiff is the legal holder of the indebtedness, a pledgee, an agent, the trustee under a trust deed or otherwise, as appropriate):

(O) Facts in support of redemption period shorter than the longer of (i) 7 months from the date the mortgagor or, if more than one, all the mortgagors (I) have been served with summons or by publication or (II) have otherwise submitted to the jurisdiction of the court, or (ii) 3 months from the entry of the judgment of foreclosure, if sought (here indicate whether based upon the real estate not being residential~~, abandonment,~~ or real estate value less than 90% of amount owed, etc.):

(P) Statement that the right of redemption has been waived by all owners of redemption, if applicable:

(Q) Facts in support of request for attorneys' fees and of costs and expenses, if applicable:

(R) Facts in support of a request for appointment of mortgagee in possession or for appointment of receiver, and identity of such receiver, if sought:

(S) Offer to mortgagor in accordance with Section 15-1402 to accept title to the real estate in satisfaction of all indebtedness and obligations secured by the mortgage without judicial sale, if sought:

(T) Name or names of defendants whose right to possess the mortgaged real estate, after the confirmation of a foreclosure sale, is sought to be terminated and, if not elsewhere stated, the facts in support thereof:

REQUEST FOR RELIEF

Plaintiff requests:

(i) A judgment of foreclosure and sale.

(ii) An order granting a shortened redemption period, if sought.

(iii) A personal judgment for a deficiency, if sought.

(iv) An order granting possession, if sought.

(v) An order placing the mortgagee in possession or appointing a receiver, if sought.

(vi) A judgment for attorneys' fees, costs and expenses, if sought.

(b) Required Information. A foreclosure complaint need contain only such statements and requests called for by the form set forth in subsection (a) of Section 15-1504 as may be appropriate for the relief sought. Such complaint may be filed as a counterclaim, may be joined with other counts or may include in the same count additional matters or a request for any additional relief permitted by Article II of the Code of Civil Procedure.

(c) Allegations. The statements contained in a complaint in the form set forth in subsection (a) of Section 15-1504 are deemed and construed to include allegations as follows:

(1) on the date indicated the obligor of the indebtedness or other obligations secured by the mortgage was justly indebted in the amount of the indicated original indebtedness to the original mortgagee or payee of the mortgage note;

(2) that the exhibits attached are true and correct copies of the mortgage and note and are incorporated and made a part of the complaint by express reference;

(3) that the mortgagor was at the date indicated an owner of the interest in the real estate described in the complaint and that as of that date made, executed and delivered the mortgage as security for the note or other obligations;

(4) that the mortgage was recorded in the county in which the mortgaged real estate is

located, on the date indicated, in the book and page or as the document number indicated;

(5) that defaults occurred as indicated;

(6) that at the time of the filing of the complaint the persons named as present owners are the owners of the indicated interests in and to the real estate described;

(7) that the mortgage constitutes a valid, prior and paramount lien upon the indicated interest in the mortgaged real estate, which lien is prior and superior to the right, title, interest, claim or lien of all parties and nonrecord claimants whose interests in the mortgaged real estate are sought to be terminated;

(8) that by reason of the defaults alleged, if the indebtedness has not matured by its terms, the same has become due by the exercise, by the plaintiff or other persons having such power, of a right or power to declare immediately due and payable the whole of all indebtedness secured by the mortgage;

(9) that any and all notices of default or election to declare the indebtedness due and payable or other notices required to be given have been duly and properly given;

(10) that any and all periods of grace or other period of time allowed for the performance of the covenants or conditions claimed to be breached or for the curing of any breaches have expired;

(11) that the amounts indicated in the statement in the complaint are correctly stated and if such statement indicates any advances made or to be made by the plaintiff or owner of the mortgage indebtedness, that such advances were, in fact, made or will be required to be made, and under and by virtue of the mortgage the same constitute additional indebtedness secured by the mortgage; and

(12) that, upon confirmation of the sale, the holder of the certificate of sale or deed issued pursuant to that certificate or, if no certificate or deed was issued, the purchaser at the sale will be entitled to full possession of the mortgaged real estate against the parties named in clause (T) of paragraph (3) of subsection (a) of Section 15-1504 or elsewhere to the same effect; the omission of any party indicates that plaintiff will not seek a possessory order in the order confirming sale unless the request is subsequently made under subsection (h) of Section 15-1701 or by separate action under Article 9 of this Code.

(d) Request for Fees and Costs. A statement in the complaint that plaintiff seeks the inclusion of attorneys' fees and of costs and expenses shall be deemed and construed to include allegations that:

(1) plaintiff has been compelled to employ and retain attorneys to prepare and file the complaint and to represent and advise the plaintiff in the foreclosure of the mortgage and the plaintiff will thereby become liable for the usual, reasonable and customary fees of the attorneys in that behalf;

(2) that the plaintiff has been compelled to advance or will be compelled to advance, various sums of money in payment of costs, fees, expenses and disbursements incurred in connection with the foreclosure, including, without limiting the generality of the foregoing, filing fees, stenographer's fees, witness fees, costs of publication, costs of procuring and preparing documentary evidence and costs of procuring abstracts of title, Torrens certificates, foreclosure minutes and a title insurance policy;

(3) that under the terms of the mortgage, all such advances, costs, attorneys' fees and other fees, expenses and disbursements are made a lien upon the mortgaged real estate and the plaintiff is entitled to recover all such advances, costs, attorneys' fees, expenses and disbursements, together with interest on all advances at the rate provided in the mortgage, or, if no rate is provided therein, at the statutory judgment rate, from the date on which such advances are made;

(4) that in order to protect the lien of the mortgage, it may become necessary for plaintiff to pay taxes and assessments which have been or may be levied upon the mortgaged real estate;

(5) that in order to protect and preserve the mortgaged real estate, it may also become necessary for the plaintiff to pay liability (protecting mortgagor and mortgagee), fire and other hazard insurance premiums on the mortgaged real estate, make such repairs to the mortgaged real estate as may reasonably be deemed necessary for the proper preservation thereof, advance for costs to inspect the mortgaged real estate or to appraise it, or both, and advance for premiums for pre-existing private or governmental mortgage insurance to the extent required after a foreclosure is commenced in order to keep such insurance in force; and

(6) that under the terms of the mortgage, any money so paid or expended will become an additional indebtedness secured by the mortgage and will bear interest from the date such monies are advanced at the rate provided in the mortgage, or, if no rate is provided, at the statutory judgment rate.

(e) Request for Foreclosure. The request for foreclosure is deemed and construed to mean that the

plaintiff requests that:

(1) an accounting may be taken under the direction of the court of the amounts due and owing to the plaintiff;

(2) that the defendants be ordered to pay to the plaintiff before expiration of any redemption period (or, if no redemption period, before a short date fixed by the court) whatever sums may appear to be due upon the taking of such account, together with attorneys' fees and costs of the proceedings (to the extent provided in the mortgage or by law);

(3) that in default of such payment in accordance with the judgment, the mortgaged real estate be sold as directed by the court, to satisfy the amount due to the plaintiff as set forth in the judgment, together with the interest thereon at the statutory judgment rate from the date of the judgment;

(4) that in the event the plaintiff is a purchaser of the mortgaged real estate at such sale, the plaintiff may offset against the purchase price of such real estate the amounts due under the judgment of foreclosure and order confirming the sale;

(5) that in the event of such sale and the failure of any person entitled thereto to redeem prior to such sale pursuant to this Article, the defendants made parties to the foreclosure in accordance with this Article, and all nonrecord claimants given notice of the foreclosure in accordance with this Article, and all persons claiming by, through or under them, and each and any and all of them, may be forever barred and foreclosed of any right, title, interest, claim, lien, or right to redeem in and to the mortgaged real estate; and

(6) that if no redemption is made prior to such sale, a deed may be issued to the purchaser thereat according to law and such purchaser be let into possession of the mortgaged real estate in accordance with Part 17 of this Article.

(f) Request for Deficiency Judgment. A request for a personal judgment for a deficiency in a foreclosure complaint if the sale of the mortgaged real estate fails to produce a sufficient amount to pay the amount found due, the plaintiff may have a personal judgment against any party in the foreclosure indicated as being personally liable therefor and the enforcement thereof be had as provided by law.

(g) Request for Possession or Receiver. A request for possession or appointment of a receiver has the meaning as stated in subsection (b) of Section 15-1706.

(h) Answers by Parties. Any party may assert its interest by counterclaim and such counterclaim may at the option of that party stand in lieu of answer to the complaint for foreclosure and all counter complaints previously or thereafter filed in the foreclosure. Any such counterclaim shall be deemed to constitute a statement that the counter claimant does not have sufficient knowledge to form a belief as to the truth or falsity of the allegations of the complaint and all other counterclaims, except to the extent that the counterclaim admits or specifically denies such allegations.

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

(735 ILCS 5/15-1504.1)

Sec. 15-1504.1. Filing fee for Foreclosure Prevention Program Fund.

(a) With respect to residential real estate, at the time of the filing of a foreclosure complaint, the plaintiff shall pay to the clerk of the court in which the foreclosure complaint is filed a fee of $50 for deposit into the Foreclosure Prevention Program Fund, a special fund created in the State treasury. The clerk shall remit the fee to the State Treasurer as provided in this Section to be expended for the purposes set forth in Section 7.30 of the Illinois Housing Development Act. All fees paid by plaintiffs to the clerk of the court as provided in this Section shall be disbursed within 60 days after receipt by the clerk of the court as follows: (i) 98% to the State Treasurer for deposit into the Foreclosure Prevention Program Fund, and (ii) 2% to the clerk of the court for administrative expenses related to implementation of this Section. Notwithstanding any other law to the contrary, the Foreclosure Prevention Program Fund is not subject to sweeps, administrative charge-backs, or any other fiscal maneuver that would in any way transfer any amounts from the Foreclosure Prevention Program Fund into any other fund of the State.

(a-5) With respect to residential real estate, at the time of the filing of a foreclosure complaint, a plaintiff that, together with its affiliates, has total assets greater than $10,000,000,000, or is filing on behalf of an entity that, together with its affiliates, has total assets greater than $10,000,000,000 shall pay to the clerk of the court in which the foreclosure complaint is filed an additional fee of $500. In no instance shall this fee be assessed to any "bank" as defined in paragraph (8) of subsection (a) of Section 9-102 of the Uniform Commercial Code that, together with its affiliates, has total assets of $10,000,000,000 or less. In no instance shall this fee be assessed for any foreclosure complaint filed before the effective date of this amendatory Act of the 97th General Assembly. The clerk shall remit the fee to the State Treasurer as provided in this Section to be expended for the purposes set forth below. All

fees paid by plaintiffs to the clerk of the court as provided in this Section shall be disbursed within 60 days after receipt by the clerk of the court as follows:

(1) 49% to the State Treasurer for deposit into the Foreclosure Prevention Program Fund to make grants to approved counseling agencies for approved housing counseling. The Illinois Housing Development Authority shall distribute the portion of this fee that is designated for the Foreclosure Prevention Program Fund as follows:

(A) 30% shall be used to make grants for approved housing counseling in Cook County outside of the City of Chicago;

(B) 25% shall be used to make grants for approved housing counseling in the City of Chicago;

(C) 30% shall be used to make grants for approved housing counseling in DuPage, Kane, Lake, McHenry, and Will Counties; and

(D) 15% shall be used to make grants for approved housing counseling outside Cook, DuPage, Kane, Lake, McHenry, and Will Counties;

(2) 49% to the State Treasurer for deposit into the Abandoned Residential Property Municipality Relief Fund; and

(3) 2% to the clerk of the court for administrative expenses related to implementation of this Section.

(b) Not later than March 1 of each year, the clerk of the court shall submit to the Illinois Housing Development Authority a report of the funds collected and remitted pursuant to this Section during the preceding year.

(c) As used in this Section:

"Affiliate" means any company that controls, is controlled by, or is under common control with another company.

"Approved counseling agency" and "approved housing counseling" have the meanings ascribed to those terms in Section 7.30 of the Illinois Housing Development Act.

(Source: P.A. 96-1419, eff. 10-1-10; 97-333, eff. 8-12-11.)

(735 ILCS 5/15-1505.8 new)

Sec. 15-1505.8. Expedited judgment and sale procedure for abandoned residential property.

(a) Upon motion and notice, the mortgagee may elect to utilize the expedited judgment and sale procedure for abandoned residential property stated in this Section to obtain a judgment of foreclosure pursuant to Section 15-1506. The motion to expedite the judgment and sale may be combined with or made part of the motion requesting a judgment of foreclosure. The notice of the motion to expedite the judgment and sale shall be sent by first-class mail to the last known address of the mortgagor, and the notice required by paragraph (1) of subsection (l) of this Section shall be posted at the property address.

(b) The motion requesting an expedited judgment of foreclosure and sale may be filed by the mortgagee at the time the foreclosure complaint is filed or any time thereafter, and shall set forth the facts demonstrating that the mortgaged real estate is abandoned residential real estate under Section 15-1200.5 and shall be supported by affidavit.

(c) If a motion for an expedited judgment and sale is filed at the time the foreclosure complaint is filed or before the period to answer the foreclosure complaint has expired, the motion shall be heard by the court no earlier than before the period to answer the foreclosure complaint has expired and no later than 15 days after the period to answer the foreclosure complaint has expired.

(d) If a motion for an expedited judgment and sale is filed after the period to answer the foreclosure complaint has expired, the motion shall be heard no later than 15 days after the motion is filed.

(e) The hearing shall be given priority by the court and shall be scheduled to be heard within the applicable time period set forth in subsection (c) or (d) of this Section.

(f) Subject to subsection (g), at the hearing on the motion requesting an expedited judgment and sale, if the court finds that the mortgaged real estate is abandoned residential property, the court shall grant the motion and immediately proceed to a trial of the foreclosure. A judgment of foreclosure under this Section shall include the matters identified in Section 15-1506.

(g) The court may not grant the motion requesting an expedited judgment and sale if the mortgagor, an unknown owner, or a lawful occupant appears in the action in any manner before or at the hearing and objects to a finding of abandonment.

(h) The court shall vacate an order issued pursuant to subsection (f) of this Section if the mortgagor or a lawful occupant appears in the action at any time prior to the court issuing an order confirming the sale pursuant to subsection (b-3) of Section 15-1508 and presents evidence establishing to the satisfaction of the court that the mortgagor or lawful occupant has not abandoned the mortgaged real estate.

(i) The reinstatement period and redemption period for the abandoned residential property shall end in accordance with paragraph (4) of subsection (b) of Section 15-1603, and the abandoned residential

property shall be sold at the earliest practicable time at a sale as provided in this Article.

(j) The mortgagee or its agent may enter, secure, and maintain abandoned residential property subject to subsection (e-5) of Section 21-3 of the Criminal Code of 1961.

(k) Personal property.

(1) Upon confirmation of the sale held pursuant to Section 15-1507, any personal property remaining in or upon the abandoned residential property shall be deemed to have been abandoned by the owner of such personal property and may be disposed of or donated by the holder of the certificate of sale (or, if none, by the purchaser at the sale). In the event of donation of any such personal property, the holder of the certificate of sale (or, if none, the purchaser at the sale) may transfer such donated property with a bill of sale. No mortgagee or its successors or assigns, holder of a certificate of sale, or purchaser at the sale shall be liable for any such disposal or donation of personal property.

(2) Notwithstanding paragraph (1) of this subsection (k), in the event a lawful occupant is in possession of the mortgaged real estate who has not been made a party to the foreclosure and had his or her interests terminated therein, any personal property of the lawful occupant shall not be deemed to have been abandoned, nor shall the rights of the lawful occupant to any personal property be affected.

(l) Notices to be posted at property address.

(1) The notice set out in this paragraph (1) of this subsection (l) shall be conspicuously posted at the property address at least 14 days before the hearing on the motion requesting an expedited judgment and sale and shall be in boldface, in at least 12 font type, and in substantially the following form:

"NOTICE TO ANY TENANT OR OTHER LAWFUL
OCCUPANT OF THIS PROPERTY

A lawsuit has been filed to foreclose on this property, and the party asking to foreclose on this property has asked a judge to find that THIS PROPERTY IS ABANDONED.

The judge will be holding a hearing to decide whether this property is ABANDONED.

IF YOU LAWFULLY OCCUPY ANY PART OF THIS PROPERTY, YOU MAY CHOOSE TO GO TO THIS HEARING and explain to the judge how you are a lawful occupant of this property.

If the judge is satisfied that you are a LAWFUL OCCUPANT of this property, the court will find that this property is NOT ABANDONED.

This hearing will be held in the courthouse at the following address, date, and time:

Court name:.....
Court address:.....
Court room number where hearing will be held:.....
(There should be a person in this room called a CLERK who can help you. Make sure you know THIS PROPERTY'S ADDRESS.)
Date of hearing:.....
Time of hearing:.....

MORE INFORMATION

Name of lawsuit:.....
Number of lawsuit:.....
Address of this property:.....

IMPORTANT

This is NOT a notice to vacate the premises. You may wish to contact a lawyer or your local legal aid or housing counseling agency to discuss any rights that you may have.

WARNING

INTENTIONAL REMOVAL OF THIS NOTICE BEFORE THE DATE AND TIME STATED IN THIS NOTICE IS A CLASS B MISDEMEANOR, PUNISHABLE BY UP TO 180 DAYS IN JAIL AND A FINE OF UP TO $1500, UNDER ILLINOIS LAW. 720 ILCS 5/21-3(a).

NO TRESPASSING

KNOWINGLY ENTERING THIS PROPERTY WITHOUT LAWFUL AUTHORITY IS A CLASS B

MISDEMEANOR, PUNISHABLE BY UP TO 180 DAYS IN JAIL AND A FINE OF UP TO $1500, UNDER ILLINOIS LAW. 720 ILCS 5/21-3(a).".

(2) The notice set out in this paragraph (2) of this subsection (l) shall be conspicuously posted at the property address at least 14 days before the hearing to confirm the sale of the abandoned residential property and shall be in boldface, in at least 12 font type, and in substantially the following form:

"NOTICE TO ANY TENANT OR OTHER LAWFUL OCCUPANT OF THIS PROPERTY

A lawsuit has been filed to foreclose on this property, and the judge has found that THIS PROPERTY IS ABANDONED. As a result, THIS PROPERTY HAS BEEN OR WILL BE SOLD.

HOWEVER, there still must be a hearing for the judge to approve the sale. The judge will NOT APPROVE this sale if the judge finds that any person lawfully occupies any part of this property.

IF YOU LAWFULLY OCCUPY ANY PART OF THIS PROPERTY, YOU MAY CHOOSE TO GO TO THIS HEARING and explain to the judge how you are a lawful occupant of this property. You also may appear BEFORE this hearing and explain to the judge how you are a lawful occupant of this property.

If the judge is satisfied that you are a LAWFUL OCCUPANT of this property, the court will find that this property is NOT ABANDONED, and there will be no sale of the property at this time.

This hearing will be held in the courthouse at the following address, date, and time:

Court name:.....
Court address:.....
Court room number where hearing will be held:.....
(There should be a person in this room called a CLERK who can help you. Make sure you know THIS PROPERTY'S ADDRESS.)
Date of hearing:.....
Time of hearing:.....

MORE INFORMATION

Name of lawsuit:.....
Number of lawsuit:.....
Address of this property:.....

IMPORTANT

This is NOT a notice to vacate the premises. You may wish to contact a lawyer or your local legal aid or housing counseling agency to discuss any rights that you may have.

WARNING

INTENTIONAL REMOVAL OF THIS NOTICE BEFORE THE DATE AND TIME STATED IN THIS NOTICE IS A CLASS B MISDEMEANOR, PUNISHABLE BY UP TO 180 DAYS IN JAIL AND A FINE OF UP TO $1500, UNDER ILLINOIS LAW. 720 ILCS 5/21-3(a).

NO TRESPASSING

KNOWINGLY ENTERING THIS PROPERTY WITHOUT LAWFUL AUTHORITY IS A CLASS B MISDEMEANOR, PUNISHABLE BY UP TO 180 DAYS IN JAIL AND A FINE OF UP TO $1500, UNDER ILLINOIS LAW. 720 ILCS 5/21-3(a)."

(m) Reports. Beginning on February 1, 2013 and then every 6 months thereafter, any mortgagee that has filed a motion to expedite the judgment and sale shall complete and submit to the Illinois Department of Financial and Professional Regulation a report that indicates: (i) the number of motions to expedite the judgment and sale that were filed by the mortgagee during the reporting period and the number of properties that were the subject of such motions filed by the mortgagee, aggregated by zip code; (ii) the number of motions to expedite the judgment and sale that were granted to the mortgagee during the reporting period and the number of properties for which the mortgagee was granted an expedited motion and sale, aggregated by zip code; and (iii) the number of judicial sales to the mortgagee for properties that were the subject of expedited judgment and sale procedures during the

reporting period and the number of properties acquired by the mortgagee during the reporting period, aggregated by zip code. Reports covering the period of January 1 through June 30 shall be completed and submitted no later than August 1 of the year that is the subject of the report. Reports covering the period of July 1 through December 31 shall be completed and submitted no later than February 1 of the year following the year that is the subject of the report. Within 30 days after receiving such a report, the Illinois Department of Financial and Professional Regulation shall forward a copy of the report to the City of Chicago Department of Housing and Economic Development.

(735 ILCS 5/15-1507.1)

(Section scheduled to be repealed on March 2, 2016)

Sec. 15-1507.1. Judicial sale fee for Abandoned Residential Property Municipality Relief Fund.

(a) Upon and at the sale of residential real estate under Section 15-1507, the purchaser shall pay to the person conducting the sale pursuant to Section 15-1507 a fee of $750 for deposit into the Abandoned Residential Property Municipality Relief Fund, a special fund created in the State treasury, if the purchaser is a ~~. The fee shall be calculated at the rate of $1 for each $1,000 or fraction thereof of the amount paid by the purchaser to the person conducting the sale, as reflected in the receipt of sale issued to the purchaser, provided that in no event shall the fee exceed $300. No fee shall be paid by the~~ mortgagee acquiring the residential real estate pursuant to its credit bid at the sale or ~~by~~ any mortgagee, judgment creditor, or other lienor acquiring the residential real estate whose rights in and to the residential real estate arose prior to the sale , and if the mortgagee, judgment creditor, or other lienor, together with its affiliates, has total assets greater than $10,000,000,000, or if the mortgagee, judgment creditor, or other lienor is acting at the sale on behalf of an entity that, together with its affiliates, has total assets greater than $10,000,000,000. In no instance shall this fee be assessed to any "bank" as defined in paragraph (8) of subsection (a) of Section 9-102 of the Uniform Commercial Code that, together with its affiliates, has total assets of $10,000,000,000 or less. In no instance shall this fee be assessed for any judicial sale completed before the effective date of this amendatory Act of the 97th General Assembly. Notwithstanding any other law to the contrary, the Abandoned Residential Property Municipality Fund is not subject to sweeps, administrative charge-backs, or any other fiscal maneuver that would in any way transfer any amounts from the Abandoned Residential Property Municipality Fund into any other fund of the State. Upon confirmation of the sale under Section 15-1508, the person conducting the sale shall remit the fee to the clerk of the court in which the foreclosure case is pending. The clerk shall remit the fee to the State Treasurer as provided in this Section, to be expended for the purposes set forth in Section 7.31 of the Illinois Housing Development Act.

(b) All fees paid by purchasers as provided in this Section shall be disbursed within 60 days after receipt by the clerk of the court as follows: (i) 98% to the State Treasurer for deposit into the Abandoned Residential Property Municipality Relief Fund, and (ii) 2% to the clerk of the court for administrative expenses related to implementation of this Section.

(c) Not later than March 1 of each year, the clerk of the court shall submit to the Illinois Housing Development Authority a report of the funds collected and remitted during the preceding year pursuant to this Section.

(d) Subsections (a) and (b) of this Section shall become inoperative on January 1, 2018 ~~2016~~. This Section is repealed on March 2, 2018 ~~2016~~.

(e) As used in this Section, "affiliate" means any company that controls, is controlled by, or is under common control with another company.

(Source: P.A. 96-1419, eff. 10-1-10.)

(735 ILCS 5/15-1508) (from Ch. 110, par. 15-1508)

Sec. 15-1508. Report of Sale and Confirmation of Sale.

(a) Report. The person conducting the sale shall promptly make a report to the court, which report shall include a copy of all receipts and, if any, certificate of sale.

(b) Hearing. Upon motion and notice in accordance with court rules applicable to motions generally, which motion shall not be made prior to sale, the court shall conduct a hearing to confirm the sale. Unless the court finds that (i) a notice required in accordance with subsection (c) of Section 15-1507 was not given, (ii) the terms of sale were unconscionable, (iii) the sale was conducted fraudulently, or (iv) justice was otherwise not done, the court shall then enter an order confirming the sale. The confirmation order shall include a name, address, and telephone number of the holder of the certificate of sale or deed issued pursuant to that certificate or, if no certificate or deed was issued, the purchaser, whom a municipality or county may contact with concerns about the real estate. The confirmation order may also:

(1) approve the mortgagee's fees and costs arising between the entry of the judgment of foreclosure and the confirmation hearing, those costs and fees to be allowable to the same extent as

provided in the note and mortgage and in Section 15-1504;

(2) provide for a personal judgment against any party for a deficiency; and

(3) determine the priority of the judgments of parties who deferred proving the priority pursuant to subsection (h) of Section 15-1506, but the court shall not defer confirming the sale pending the determination of such priority.

(b-3) Hearing to confirm sale of abandoned residential property. Upon motion and notice by first-class mail to the last known address of the mortgagor, which motion shall be made prior to the sale and heard by the court at the earliest practicable time after conclusion of the sale, and upon the posting at the property address of the notice required by paragraph (2) of subsection (l) of Section 15-1505.8, the court shall enter an order confirming the sale of the abandoned residential property, unless the court finds that a reason set forth in items (i) through (iv) of subsection (b) of this Section exists for not approving the sale, or an order is entered pursuant to subsection (h) of Section 15-1505.8. The confirmation order also may address the matters identified in items (1) through (3) of subsection (b) of this Section. The notice required under subsection (b-5) of this Section shall not be required.

(b-5) Notice with respect to residential real estate. With respect to residential real estate, the notice required under subsection (b) of this Section shall be sent to the mortgagor even if the mortgagor has previously been held in default. In the event the mortgagor has filed an appearance, the notice shall be sent to the address indicated on the appearance. In all other cases, the notice shall be sent to the mortgagor at the common address of the foreclosed property. The notice shall be sent by first class mail. Unless the right to possession has been previously terminated by the court, the notice shall include the following language in 12-point boldface capitalized type:

IF YOU ARE THE MORTGAGOR (HOMEOWNER), YOU HAVE THE RIGHT TO REMAIN IN POSSESSION FOR 30 DAYS AFTER ENTRY OF AN ORDER OF POSSESSION, IN ACCORDANCE WITH SECTION 15-1701(c) OF THE ILLINOIS MORTGAGE FORECLOSURE LAW.

(b-10) Notice of confirmation order sent to municipality or county. A copy of the confirmation order required under subsection (b) shall be sent to the municipality in which the foreclosed property is located, or to the county within the boundary of which the foreclosed property is located if the foreclosed property is located in an unincorporated territory. A municipality or county must clearly publish on its website a single address to which a copy of the order ~~such notice~~ shall be sent. If a municipality or county does not maintain a website, then the municipality or county must publicly post in its main office a single address to which a copy of the order ~~such notice~~ shall be sent. In the event that a municipality or county has not complied with the publication requirement in this subsection (b-10), then a copy of the order ~~such notice to the municipality or county~~ shall be sent by first class mail, postage prepaid, to the chairperson of the county board or county clerk in the case of a county, to the mayor or city clerk in the case of a city, to the president of the board of trustees or village clerk in the case of a village, or to the president or town clerk in the case of a town ~~provided pursuant to Section 2-211 of the Code of Civil Procedure~~.

(b-15) Notice of confirmation order sent to known insurers. With respect to residential real estate, the party filing the complaint shall send a copy of the confirmation order required under subsection (b) by first class mail, postage prepaid, to the last-known property insurer of the foreclosed property. Failure to send or receive a copy of the order shall not impair or abrogate in any way the rights of the mortgagee or purchaser or affect the status of the foreclosure proceedings.

(c) Failure to Give Notice. If any sale is held without compliance with subsection (c) of Section 15-1507 of this Article, any party entitled to the notice provided for in paragraph (3) of that subsection (c) who was not so notified may, by motion supported by affidavit made prior to confirmation of such sale, ask the court which entered the judgment to set aside the sale. Any such party shall guarantee or secure by bond a bid equal to the successful bid at the prior sale, unless the party seeking to set aside the sale is the mortgagor, the real estate sold at the sale is residential real estate, and the mortgagor occupies the residential real estate at the time the motion is filed. In that event, no guarantee or bond shall be required of the mortgagor. Any subsequent sale is subject to the same notice requirement as the original sale.

(d) Validity of Sale. Except as provided in subsection (c) of Section 15-1508, no sale under this Article shall be held invalid or be set aside because of any defect in the notice thereof or in the publication of the same, or in the proceedings of the officer conducting the sale, except upon good cause shown in a hearing pursuant to subsection (b) of Section 15-1508. At any time after a sale has occurred, any party entitled to notice under paragraph (3) of subsection (c) of Section 15-1507 may recover from the mortgagee any damages caused by the mortgagee's failure to comply with such paragraph (3). Any party who recovers damages in a judicial proceeding brought under this subsection may also recover from the mortgagee the reasonable expenses of litigation, including reasonable attorney's fees.

(d-5) Making Home Affordable Program. The court that entered the judgment shall set aside a sale held pursuant to Section 15-1507, upon motion of the mortgagor at any time prior to the confirmation of the sale, if the mortgagor proves by a preponderance of the evidence that (i) the mortgagor has applied for assistance under the Making Home Affordable Program established by the United States Department of the Treasury pursuant to the Emergency Economic Stabilization Act of 2008, as amended by the American Recovery and Reinvestment Act of 2009, and (ii) the mortgaged real estate was sold in material violation of the program's requirements for proceeding to a judicial sale. The provisions of this subsection (d-5), except for this sentence, shall become inoperative on January 1, 2013 for all actions filed under this Article after December 31, 2012, in which the mortgagor did not apply for assistance under the Making Home Affordable Program on or before December 31, 2012.

(e) Deficiency Judgment. In any order confirming a sale pursuant to the judgment of foreclosure, the court shall also enter a personal judgment for deficiency against any party (i) if otherwise authorized and (ii) to the extent requested in the complaint and proven upon presentation of the report of sale in accordance with Section 15-1508. Except as otherwise provided in this Article, a judgment may be entered for any balance of money that may be found due to the plaintiff, over and above the proceeds of the sale or sales, and enforcement may be had for the collection of such balance, the same as when the judgment is solely for the payment of money. Such judgment may be entered, or enforcement had, only in cases where personal service has been had upon the persons personally liable for the mortgage indebtedness, unless they have entered their appearance in the foreclosure action.

(f) Satisfaction. Upon confirmation of the sale, the judgment stands satisfied to the extent of the sale price less expenses and costs. If the order confirming the sale includes a deficiency judgment, the judgment shall become a lien in the manner of any other judgment for the payment of money.

(g) The order confirming the sale shall include, notwithstanding any previous orders awarding possession during the pendency of the foreclosure, an award to the purchaser of possession of the mortgaged real estate, as of the date 30 days after the entry of the order, against the parties to the foreclosure whose interests have been terminated.

An order of possession authorizing the removal of a person from possession of the mortgaged real estate shall be entered and enforced only against those persons personally named as individuals in the complaint or the petition under subsection (h) of Section 15-1701 and in the order of possession and shall not be entered and enforced against any person who is only generically described as an unknown owner or nonrecord claimant or by another generic designation in the complaint.

Notwithstanding the preceding paragraph, the failure to personally name, include, or seek an award of possession of the mortgaged real estate against a person in the confirmation order shall not abrogate any right that the purchaser may have to possession of the mortgaged real estate and to maintain a proceeding against that person for possession under Article 9 of this Code or subsection (h) of Section 15-1701; and possession against a person who (1) has not been personally named as a party to the foreclosure and (2) has not been provided an opportunity to be heard in the foreclosure proceeding may be sought only by maintaining a proceeding under Article 9 of this Code or subsection (h) of Section 15-1701.

(h) With respect to mortgaged real estate containing 5 or more dwelling units, the order confirming the sale shall also provide that (i) the mortgagor shall transfer to the purchaser the security deposits, if any, that the mortgagor received to secure payment of rent or to compensate for damage to the mortgaged real estate from any current occupant of a dwelling unit of the mortgaged real estate, as well as any statutory interest that has not been paid to the occupant, and (ii) the mortgagor shall provide an accounting of the security deposits that are transferred, including the name and address of each occupant for whom the mortgagor holds the deposit and the amount of the deposit and any statutory interest.

(Source: P.A. 96-265, eff. 8-11-09; 96-856, eff. 3-1-10; 96-1245, eff. 7-23-10; 97-333, eff. 8-12-11; 97-575, eff. 8-26-11.)

Section 20. The Conveyances Act is amended by changing Section 11 as follows:

(765 ILCS 5/11) (from Ch. 30, par. 10)

Sec. 11. (a) Mortgages of lands may be substantially in the following form:

The Mortgagor (here insert name or names), mortgages and warrants to (here insert name or names of mortgagee or mortgagees), to secure the payment of (here recite the nature and amount of indebtedness, showing when due and the rate of interest, and whether secured by note or otherwise), the following described real estate (here insert description thereof), situated in the County of ...., in the State of Illinois.

Dated (insert date).

(signature of mortgagor or mortgagors)

The names of the parties shall be typed or printed below the signatures. Such form shall have a blank

space of 3 1/2 inches by 3 1/2 inches for use by the recorder. However, the failure to comply with the requirement that the names of the parties be typed or printed below the signatures and that the form have a blank space of 3 1/2 inches by 3 1/2 inches for use by the recorder shall not affect the validity and effect of such form.

Such mortgage, when otherwise properly executed, shall be deemed and held a good and sufficient mortgage in fee to secure the payment of the moneys therein specified; and if the same contains the words "and warrants," the same shall be construed the same as if full covenants of ownership, good right to convey against incumbrances of quiet enjoyment and general warranty, as expressed in Section 9 of this Act were fully written therein; but if the words "and warrants" are omitted, no such covenants shall be implied. When the grantor or grantors in such deed or mortgage for the conveyance of any real estate desires to release or waive his, her or their homestead rights therein, they or either of them may release or waive the same by inserting in the form of deed or mortgage (as the case may be), provided in Sections 9, 10 and 11, after the words "State of Illinois," in substance the following words, "hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of this State."

Mortgages securing "reverse mortgage" loans shall be subject to this Section except where requirements concerning the definiteness of the term and amount of indebtedness provisions of a mortgage would be inconsistent with the Acts authorizing "reverse mortgage" loans, or rules and regulations promulgated under those Acts.

Mortgages securing "revolving credit" loans shall be subject to this Section.

(b) The provisions of subsection (a) regarding the form of a mortgage are, and have always been, permissive and not mandatory. Accordingly, the failure of an otherwise lawfully executed and recorded mortgage to be in the form described in subsection (a) in one or more respects, including the failure to state the interest rate or the maturity date, or both, shall not affect the validity or priority of the mortgage, nor shall its recordation be ineffective for notice purposes regardless of when the mortgage was recorded.

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

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

Under the rules, the foregoing **Senate Bill No. 3522**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, 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. 3592

A bill for AN ACT concerning civil law.

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

House Amendment No. 1 to SENATE BILL NO. 3592

House Amendment No. 2 to SENATE BILL NO. 3592

House Amendment No. 3 to SENATE BILL NO. 3592

Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 3592**

AMENDMENT NO. 1. Amend Senate Bill 3592 by replacing everything after the enacting clause with the following:

"Section 5. The Guardianship and Advocacy Act is amended by changing Section 31 as follows:

(20 ILCS 3955/31) (from Ch. 91 1/2, par. 731)

Sec. 31. Appointment; availability of State Guardian; available private guardian. The State Guardian shall not be appointed if another suitable person is available and willing to accept the guardianship appointment. In all cases where a court appoints the State Guardian, the court shall indicate in the order appointing the guardian as a finding of fact that no other suitable and willing person could be found to accept the guardianship appointment. On and after the effective date of this amendatory Act of the 97th General Assembly, the court shall also indicate in the order, as a finding of fact, the reasons that the

State Guardian appointment, rather than the appointment of another interested party, is required. This requirement shall be waived where the Office of State Guardian petitions for its own appointment as guardian.
(Source: P.A. 89-396, eff. 8-20-95.)

Section 10. The Clerks of Courts Act is amended by adding Section 27.3f as follows:
(705 ILCS 105/27.3f new)
Sec. 27.3f. Guardianship and advocacy operations fee.
(a) As used in this Section, "guardianship and advocacy" means the guardianship and advocacy services provided by the Guardianship and Advocacy Commission and defined in the Guardianship and Advocacy Act. Viable public guardianship and advocacy programs, including the public guardianship programs created and supervised in probate proceedings in the Illinois courts, are essential to the administration of justice and ensure that incapacitated persons and their estates are protected. To defray the expense of maintaining and operating the divisions and programs of the Guardianship and Advocacy Commission and to support viable guardianship and advocacy programs throughout Illinois, each circuit court clerk shall charge and collect a fee on all matters filed in probate cases in accordance with this Section, but no fees shall be assessed against the State Guardian, any State agency under the jurisdiction of the Governor, any public guardian, or any State's Attorney.
(b) No fees specified in this Section shall be imposed in any minor guardianship established under Article XI of the Probate Act of 1975, or against an indigent person. An indigent person shall include any person who meets one or more of the following criteria:
(1) He or she is receiving assistance under one or more of the following public benefits programs: Supplemental Security Income (SSI), Aid to the Aged, Blind, and Disabled (AABD), Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP) (formerly Food Stamps), General Assistance, State Transitional Assistance, or State Children and Family Assistance.
(2) His or her available income is 125% or less of the current poverty level as established by the United States Department of Health and Human Services, unless the applicant's assets that are not exempt under Part 9 or 10 of Article XII of the Code of Civil Procedure are of a nature and value that the court determines that the applicant is able to pay the fees, costs, and charges.
(3) He or she is, in the discretion of the court, unable to proceed in an action without payment of fees, costs, and charges and whose payment of those fees, costs, and charges would result in substantial hardship to the person or his or her family.
(4) He or she is an indigent person pursuant to Section 5-105.5 of the Code of Civil Procedure, providing that an "indigent person" means a person whose income is 125% or less of the current official federal poverty guidelines or who is otherwise eligible to receive civil legal services under the Legal Services Corporation Act of 1974.
(c) The clerk is entitled to receive the fees specified in this Section, which shall be paid in advance, and managed by the clerk as set out in paragraph (4), except that, for good cause shown, the court may suspend, reduce, or release the costs payable under this Section:
(1) For administration of the estate of a decedent (whether testate or intestate) or of a missing person, a fee of $50, plus the fees specified in paragraph (3), except:
(A) When the value of the real and personal property of a decedent (whether testate or intestate) does not exceed $15,000, no fee shall be assessed.
(B) When (i) proof of heirship alone is made, (ii) a domestic or foreign will is admitted to probate without administration (including proof of heirship), or (iii) letters of office are issued for a particular purpose without administration of the estate, the fee shall be $40.
(2) For administration of the estate of a ward that results in the appointment of the Office of State Guardian, the fee shall be $250, plus the fees specified in paragraph (3).
(3) In addition to the fees payable under paragraph (1) or (2) of this subsection (c), the following fees are payable:
(A) For each account (other than one final account) filed in the estate of a decedent, or ward, the fee shall be $25.
(B) For filing a claim in an estate when the amount claimed is $150 or more but less than $500, the fee shall be $100; when the amount claimed is $500 or more but less than $10,000, the fee shall be $115; when the amount claimed is $10,000 or more, the fee shall be $135; provided that the court in allowing a claim may add to the amount allowed the filing fee paid by the claimant.
(C) For filing in an estate a claim, petition, or supplemental proceeding based upon an action seeking equitable relief including the construction or contest of a will, enforcement of a contract to make

a will, and proceedings involving a testamentary trust or the appointment of a testamentary trustee, the fee shall be $60.

(D) For filing in an estate (i) the appearance of any person for the purpose of consent or (ii) the appearance of an executor, administrator, administrator to collect, guardian, guardian ad litem, or special administrator, no fee.

(E) Except as provided in subparagraph (D) of this paragraph (3), for filing the appearance of any person or persons, the fee shall be $30.

(F) For each jury demand, the fee shall be $180.

(G) For disposition of the collection of a judgment or settlement of an action or claim for wrongful death of a decedent or of any cause of action of a ward, when there is no other administration of the estate, the fee shall be $50, less any amount paid under subparagraph (B) of paragraph (1) or subparagraph (B) of this paragraph (3), except that if the amount involved does not exceed $5,000, the fee, including any amount paid under subparagraph (B) of paragraph (1) or subparagraph (B) of this paragraph (3), shall be $20.

(4) The guardianship and advocacy operations fees, as outlined in this Section, shall be in addition to all other fees and charges and assessable as costs and shall not be subject to disbursement under Section 27.5 or 27.6 of this Act. Twenty percent of the fee shall be retained by the clerk to defray costs of collection and 80% of the fee shall be disbursed within 60 days after receipt by the circuit clerk to the State Treasurer for deposit by the State Treasurer into the Guardianship and Advocacy Fund.

Section 15. The Probate Act of 1975 is amended by changing Sections 11a-12 and 11a-20 as follows:

(755 ILCS 5/11a-12) (from Ch. 110 1/2, par. 11a-12)

Sec. 11a-12. Order of appointment.)

(a) If basis for the appointment of a guardian as specified in Section 11a-3 is not found, the court shall dismiss the petition.

(b) If the respondent is adjudged to be disabled and to lack some but not all of the ~~be totally without~~ capacity as specified in Section 11a-3, and if the court finds that ~~limited~~ guardianship is necessary for the protection of ~~will not provide sufficient protection for~~ the disabled person, his or her estate, or both, the court shall appoint a limited ~~plenary~~ guardian for the respondent's person or estate or both. The court shall enter a written order stating the factual basis for its findings and specifying the duties and powers of the guardian and the legal disabilities to which the respondent is subject.

(c) If the respondent is adjudged to be disabled and to be totally without ~~lack some but not all of the~~ capacity as specified in Section 11a-3, and if the court finds that limited guardianship will not provide sufficient ~~is necessary for the~~ protection for ~~of~~ the disabled person, his or her estate, or both, the court shall appoint a plenary guardian for ~~limited guardian of~~ the respondent's person or estate or both. The court shall enter a written order stating the factual basis for its findings ~~and specifying the duties and powers of the guardian and the legal disabilities to which the respondent is subject~~.

(d) The selection of the guardian shall be in the discretion of the court, which shall give due consideration to the preference of the disabled person as to a guardian, as well as the qualifications of the proposed guardian, in making its appointment.

(Source: P.A. 89-396, eff. 8-20-95.)

(755 ILCS 5/11a-20) (from Ch. 110 1/2, par. 11a-20)

Sec. 11a-20. Termination of adjudication of disability - Revocation of letters - modification.) (a) Except as provided in subsection (b-5), upon ~~Upon~~ the filing of a petition by or on behalf of a disabled person or on its own motion, the court may terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian if the ward's capacity to perform the tasks necessary for the care of his person or the management of his estate has been demonstrated by clear and convincing evidence. A report or testimony by a licensed physician is not a prerequisite for termination, revocation or modification of a guardianship order under this subsection (a).

(b) Except as provided in subsection (b-5), a ~~A~~ request by the ward or any other person on the ward's behalf, under this Section may be communicated to the court or judge by any means, including but not limited to informal letter, telephone call or visit. Upon receipt of a request from the ward or another person, the court may appoint a guardian ad litem to investigate and report to the court concerning the allegations made in conjunction with said request, and if the ward wishes to terminate, revoke, or modify the guardianship order, to prepare the ward's petition and to render such other services as the court directs.

(b-5) Upon the filing of a verified petition by the guardian of the disabled person or the disabled person, the court may terminate the adjudication of disability of the ward, revoke the letters of

guardianship of the estate or person, or both, or modify the duties of the guardian if: (i) a report completed in accordance with subsection (a) of Section 11a-9 states that the disabled person is no longer in need of guardianship or that the type and scope of guardianship should be modified; (ii) the disabled person no longer wishes to be under guardianship or desires that the type and scope of guardianship be modified; and (iii) the guardian of the disabled person states that it is in the best interest of the disabled person to terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian, and provides the basis thereof. In a proceeding brought pursuant to this subsection (b-5), the court may terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian, unless it has been demonstrated by clear and convincing evidence that the ward is incapable of performing the tasks necessary for the care of his or her person or the management of his or her estate.

(c) Notice of the hearing on a petition under this Section, together with a copy of the petition, shall be given to the ward, unless he is the petitioner, and to each and every guardian to whom letters of guardianship have been issued and not revoked, not less than 14 days before the hearing.
(Source: P.A. 86-605.)".

**AMENDMENT NO. 2 TO SENATE BILL 3592**

AMENDMENT NO. 2. Amend Senate Bill 3592, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Guardianship and Advocacy Act is amended by changing Section 31 as follows:
(20 ILCS 3955/31) (from Ch. 91 1/2, par. 731)

Sec. 31. Appointment; availability of State Guardian; available private guardian. The State Guardian shall not be appointed if another suitable person is available and willing to accept the guardianship appointment. In all cases where a court appoints the State Guardian, the court shall indicate in the order appointing the guardian as a finding of fact that no other suitable and willing person could be found to accept the guardianship appointment. On and after the effective date of this amendatory Act of the 97th General Assembly, the court shall also indicate in the order, as a finding of fact, the reasons that the State Guardian appointment, rather than the appointment of another interested party, is required. This requirement shall be waived where the Office of State Guardian petitions for its own appointment as guardian.
(Source: P.A. 89-396, eff. 8-20-95.)

Section 10. The Clerks of Courts Act is amended by adding Section 27.3f as follows:
(705 ILCS 105/27.3f new)

Sec. 27.3f. Guardianship and advocacy operations fee.

(a) As used in this Section, "guardianship and advocacy" means the guardianship and advocacy services provided by the Guardianship and Advocacy Commission and defined in the Guardianship and Advocacy Act. Viable public guardianship and advocacy programs, including the public guardianship programs created and supervised in probate proceedings in the Illinois courts, are essential to the administration of justice and ensure that incapacitated persons and their estates are protected. To defray the expense of maintaining and operating the divisions and programs of the Guardianship and Advocacy Commission and to support viable guardianship and advocacy programs throughout Illinois, each circuit court clerk shall charge and collect a fee on all matters filed in probate cases in accordance with this Section, but no fees shall be assessed against the State Guardian, any State agency under the jurisdiction of the Governor, any public guardian, or any State's Attorney.

(b) No fees specified in this Section shall be imposed in any minor guardianship established under Article XI of the Probate Act of 1975, or against an indigent person. An indigent person shall include any person who meets one or more of the following criteria:

(1) He or she is receiving assistance under one or more of the following public benefits programs: Supplemental Security Income (SSI), Aid to the Aged, Blind, and Disabled (AABD), Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP) (formerly Food Stamps), General Assistance, State Transitional Assistance, or State Children and Family Assistance.

(2) His or her available income is 125% or less of the current poverty level as established by the United States Department of Health and Human Services, unless the applicant's assets that are not exempt under Part 9 or 10 of Article XII of the Code of Civil Procedure are of a nature and value that the court determines that the applicant is able to pay the fees, costs, and charges.

(3) He or she is, in the discretion of the court, unable to proceed in an action without payment of fees, costs, and charges and whose payment of those fees, costs, and charges would result in substantial hardship to the person or his or her family.

(4) He or she is an indigent person pursuant to Section 5-105.5 of the Code of Civil Procedure, providing that an "indigent person" means a person whose income is 125% or less of the current official federal poverty guidelines or who is otherwise eligible to receive civil legal services under the Legal Services Corporation Act of 1974.

(c) The clerk is entitled to receive the fees specified in this Section, which shall be paid in advance, and managed by the clerk as set out in paragraph (4), except that, for good cause shown, the court may suspend, reduce, or release the costs payable under this Section:

(1) For administration of the estate of a decedent (whether testate or intestate) or of a missing person, a fee of $50, plus the fees specified in paragraph (3), except:

(A) When the value of the real and personal property of a decedent (whether testate or intestate) does not exceed $15,000, no fee shall be assessed.

(B) When (i) proof of heirship alone is made, (ii) a domestic or foreign will is admitted to probate without administration (including proof of heirship), or (iii) letters of office are issued for a particular purpose without administration of the estate, the fee shall be $40.

(2) For administration of the estate of a ward that results in the appointment of the Office of State Guardian, the fee shall be $250, plus the fees specified in paragraph (3).

(3) In addition to the fees payable under paragraph (1) or (2) of this subsection (c), the following fees are payable:

(A) For each account (other than one final account) filed in the estate of a decedent, or ward, the fee shall be $25.

(B) For filing a claim in an estate when the amount claimed is $150 or more but less than $500, the fee shall be $50; when the amount claimed is $500 or more but less than $10,000, the fee shall be $100; when the amount claimed is $10,000 or more, the fee shall be $150; provided that the court in allowing a claim may add to the amount allowed the filing fee paid by the claimant.

(C) For filing in an estate a claim, petition, or supplemental proceeding based upon an action seeking equitable relief including the construction or contest of a will, enforcement of a contract to make a will, and proceedings involving a testamentary trust or the appointment of a testamentary trustee, the fee shall be $60.

(D) For filing in an estate (i) the appearance of any person for the purpose of consent or (ii) the appearance of an executor, administrator, administrator to collect, guardian, guardian ad litem, or special administrator, no fee.

(E) Except as provided in subparagraph (D) of this paragraph (3), for filing the appearance of any person or persons, the fee shall be $30.

(F) For each jury demand, the fee shall be $90.

(G) For disposition of the collection of a judgment or settlement of an action or claim for wrongful death of a decedent or of any cause of action of a ward, when there is no other administration of the estate, the fee shall be $50, less any amount paid under subparagraph (B) of paragraph (1) or subparagraph (B) of this paragraph (3), except that if the amount involved does not exceed $5,000, the fee, including any amount paid under subparagraph (B) of paragraph (1) or subparagraph (B) of this paragraph (3), shall be $20.

(4) The guardianship and advocacy operations fees, as outlined in this Section, shall be in addition to all other fees and charges and assessable as costs. Twenty percent of the fee shall be retained by the clerk for deposit into the Circuit Court Clerk Operation and Administrative Fund to defray costs of collection and 80% of the fee shall be disbursed within 60 days after receipt by the circuit clerk to the State Treasurer for deposit by the State Treasurer into the Guardianship and Advocacy Fund.

Section 15. The Probate Act of 1975 is amended by changing Sections 11a-12 and 11a-20 as follows:

(755 ILCS 5/11a-12) (from Ch. 110 1/2, par. 11a-12)

Sec. 11a-12. Order of appointment.)

(a) If basis for the appointment of a guardian as specified in Section 11a-3 is not found, the court shall dismiss the petition.

(b) If the respondent is adjudged to be disabled and to lack some but not all of the ~~be totally without~~ capacity as specified in Section 11a-3, and if the court finds that ~~limited~~ guardianship is necessary for the protection of ~~will not provide sufficient protection for~~ the disabled person, his or her estate, or both, the court shall appoint a limited ~~plenary~~ guardian for the respondent's person or estate or both. The court shall enter a written order stating the factual basis for its findings and specifying the duties and powers

of the guardian and the legal disabilities to which the respondent is subject.

(c) If the respondent is adjudged to be disabled and to be totally without ~~lack some but not all of the~~ capacity as specified in Section 11a-3, and if the court finds that limited guardianship will not provide sufficient ~~is necessary for the~~ protection for ~~of~~ the disabled person, his or her estate, or both, the court shall appoint a plenary guardian for ~~limited guardian of~~ the respondent's person or estate or both. The court shall enter a written order stating the factual basis for its findings ~~and specifying the duties and powers of the guardian and the legal disabilities to which the respondent is subject~~.

(d) The selection of the guardian shall be in the discretion of the court, which shall give due consideration to the preference of the disabled person as to a guardian, as well as the qualifications of the proposed guardian, in making its appointment.

(Source: P.A. 89-396, eff. 8-20-95.)

(755 ILCS 5/11a-20) (from Ch. 110 1/2, par. 11a-20)

Sec. 11a-20. Termination of adjudication of disability - Revocation of letters - modification.) (a) Except as provided in subsection (b-5), upon ~~Upon~~ the filing of a petition by or on behalf of a disabled person or on its own motion, the court may terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian if the ward's capacity to perform the tasks necessary for the care of his person or the management of his estate has been demonstrated by clear and convincing evidence. A report or testimony by a licensed physician is not a prerequisite for termination, revocation or modification of a guardianship order under this subsection (a).

(b) Except as provided in subsection (b-5), a ~~A~~ request by the ward or any other person on the ward's behalf, under this Section may be communicated to the court or judge by any means, including but not limited to informal letter, telephone call or visit. Upon receipt of a request from the ward or another person, the court may appoint a guardian ad litem to investigate and report to the court concerning the allegations made in conjunction with said request, and if the ward wishes to terminate, revoke, or modify the guardianship order, to prepare the ward's petition and to render such other services as the court directs.

(b-5) Upon the filing of a verified petition by the guardian of the disabled person or the disabled person, the court may terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian if: (i) a report completed in accordance with subsection (a) of Section 11a-9 states that the disabled person is no longer in need of guardianship or that the type and scope of guardianship should be modified; (ii) the disabled person no longer wishes to be under guardianship or desires that the type and scope of guardianship be modified; and (iii) the guardian of the disabled person states that it is in the best interest of the disabled person to terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian, and provides the basis thereof. In a proceeding brought pursuant to this subsection (b-5), the court may terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian, unless it has been demonstrated by clear and convincing evidence that the ward is incapable of performing the tasks necessary for the care of his or her person or the management of his or her estate.

(c) Notice of the hearing on a petition under this Section, together with a copy of the petition, shall be given to the ward, unless he is the petitioner, and to each and every guardian to whom letters of guardianship have been issued and not revoked, not less than 14 days before the hearing.

(Source: P.A. 86-605.)".

**AMENDMENT NO. 3 TO SENATE BILL 3592**

AMENDMENT NO. 3. Amend Senate Bill 3592, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Guardianship and Advocacy Act is amended by changing Section 31 as follows:

(20 ILCS 3955/31) (from Ch. 91 1/2, par. 731)

Sec. 31. Appointment; availability of State Guardian; available private guardian. The State Guardian shall not be appointed if another suitable person is available and willing to accept the guardianship appointment. In all cases where a court appoints the State Guardian, the court shall indicate in the order appointing the guardian as a finding of fact that no other suitable and willing person could be found to accept the guardianship appointment. On and after the effective date of this amendatory Act of the 97th General Assembly, the court shall also indicate in the order, as a finding of fact, the reasons that the State Guardian appointment, rather than the appointment of another interested party, is required. This

requirement shall be waived where the Office of State Guardian petitions for its own appointment as guardian.
(Source: P.A. 89-396, eff. 8-20-95.)

Section 10. The Clerks of Courts Act is amended by adding Section 27.3f as follows:
(705 ILCS 105/27.3f new)
Sec. 27.3f. Guardianship and advocacy operations fee.
(a) As used in this Section, "guardianship and advocacy" means the guardianship and advocacy services provided by the Guardianship and Advocacy Commission and defined in the Guardianship and Advocacy Act. Viable public guardianship and advocacy programs, including the public guardianship programs created and supervised in probate proceedings in the Illinois courts, are essential to the administration of justice and ensure that incapacitated persons and their estates are protected. To defray the expense of maintaining and operating the divisions and programs of the Guardianship and Advocacy Commission and to support viable guardianship and advocacy programs throughout Illinois, each circuit court clerk shall charge and collect a fee on all matters filed in probate cases in accordance with this Section, but no fees shall be assessed against the State Guardian, any State agency under the jurisdiction of the Governor, any public guardian, or any State's Attorney.
(b) No fee specified in this Section shall be imposed in any minor guardianship established under Article XI of the Probate Act of 1975, or against an indigent person. An indigent person shall include any person who meets one or more of the following criteria:
(1) He or she is receiving assistance under one or more of the following public benefits programs: Supplemental Security Income (SSI), Aid to the Aged, Blind, and Disabled (AABD), Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP) (formerly Food Stamps), General Assistance, State Transitional Assistance, or State Children and Family Assistance.
(2) His or her available income is 125% or less of the current poverty level as established by the United States Department of Health and Human Services, unless the applicant's assets that are not exempt under Part 9 or 10 of Article XII of the Code of Civil Procedure are of a nature and value that the court determines that the applicant is able to pay the fees, costs, and charges.
(3) He or she is, in the discretion of the court, unable to proceed in an action without payment of fees, costs, and charges and whose payment of those fees, costs, and charges would result in substantial hardship to the person or his or her family.
(4) He or she is an indigent person pursuant to Section 5-105.5 of the Code of Civil Procedure, providing that an "indigent person" means a person whose income is 125% or less of the current official federal poverty guidelines or who is otherwise eligible to receive civil legal services under the Legal Services Corporation Act of 1974.
(c) The clerk is entitled to receive the fee specified in this Section, which shall be paid in advance, and managed by the clerk as set out in paragraph (2), except that, for good cause shown, the court may suspend, reduce, or release the costs payable under this Section:
(1) For administration of the estate of a decedent (whether testate or intestate) or of a missing person, a fee of $100.
(2) The guardianship and advocacy operations fee, as outlined in this Section, shall be in addition to all other fees and charges and assessable as costs. Five percent of the fee shall be retained by the clerk for deposit into the Circuit Court Clerk Operation and Administrative Fund to defray costs of collection and 95% of the fee shall be disbursed within 60 days after receipt by the circuit clerk to the State Treasurer for deposit by the State Treasurer into the Guardianship and Advocacy Fund.

Section 15. The Probate Act of 1975 is amended by changing Sections 11a-12 and 11a-20 as follows:
(755 ILCS 5/11a-12) (from Ch. 110 1/2, par. 11a-12)
Sec. 11a-12. Order of appointment.)
(a) If basis for the appointment of a guardian as specified in Section 11a-3 is not found, the court shall dismiss the petition.
(b) If the respondent is adjudged to be disabled and to lack some but not all of the ~~be totally without~~ capacity as specified in Section 11a-3, and if the court finds that ~~limited~~ guardianship is necessary for the protection of ~~will not provide sufficient protection for~~ the disabled person, his or her estate, or both, the court shall appoint a limited ~~plenary~~ guardian for the respondent's person or estate or both. The court shall enter a written order stating the factual basis for its findings and specifying the duties and powers of the guardian and the legal disabilities to which the respondent is subject.
(c) If the respondent is adjudged to be disabled and to be totally without ~~lack some but not all of the~~

capacity as specified in Section 11a-3, and if the court finds that limited guardianship will not provide sufficient ~~is necessary for the~~ protection for ~~of~~ the disabled person, his or her estate, or both, the court shall appoint a plenary guardian for ~~limited guardian of~~ the respondent's person or estate or both. The court shall enter a written order stating the factual basis for its findings ~~and specifying the duties and powers of the guardian and the legal disabilities to which the respondent is subject~~.

(d) The selection of the guardian shall be in the discretion of the court, which shall give due consideration to the preference of the disabled person as to a guardian, as well as the qualifications of the proposed guardian, in making its appointment.

(Source: P.A. 89-396, eff. 8-20-95.)

(755 ILCS 5/11a-20) (from Ch. 110 1/2, par. 11a-20)

Sec. 11a-20. Termination of adjudication of disability - Revocation of letters - modification.) (a) Except as provided in subsection (b-5), upon ~~Upon~~ the filing of a petition by or on behalf of a disabled person or on its own motion, the court may terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian if the ward's capacity to perform the tasks necessary for the care of his person or the management of his estate has been demonstrated by clear and convincing evidence. A report or testimony by a licensed physician is not a prerequisite for termination, revocation or modification of a guardianship order under this subsection (a).

(b) Except as provided in subsection (b-5), a ~~A~~ request by the ward or any other person on the ward's behalf, under this Section may be communicated to the court or judge by any means, including but not limited to informal letter, telephone call or visit. Upon receipt of a request from the ward or another person, the court may appoint a guardian ad litem to investigate and report to the court concerning the allegations made in conjunction with said request, and if the ward wishes to terminate, revoke, or modify the guardianship order, to prepare the ward's petition and to render such other services as the court directs.

(b-5) Upon the filing of a verified petition by the guardian of the disabled person or the disabled person, the court may terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian if: (i) a report completed in accordance with subsection (a) of Section 11a-9 states that the disabled person is no longer in need of guardianship or that the type and scope of guardianship should be modified; (ii) the disabled person no longer wishes to be under guardianship or desires that the type and scope of guardianship be modified; and (iii) the guardian of the disabled person states that it is in the best interest of the disabled person to terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian, and provides the basis thereof. In a proceeding brought pursuant to this subsection (b-5), the court may terminate the adjudication of disability of the ward, revoke the letters of guardianship of the estate or person, or both, or modify the duties of the guardian, unless it has been demonstrated by clear and convincing evidence that the ward is incapable of performing the tasks necessary for the care of his or her person or the management of his or her estate.

(c) Notice of the hearing on a petition under this Section, together with a copy of the petition, shall be given to the ward, unless he is the petitioner, and to each and every guardian to whom letters of guardianship have been issued and not revoked, not less than 14 days before the hearing.

(Source: P.A. 86-605.)".

Under the rules, the foregoing **Senate Bill No. 3592**, with House Amendments numbered 1, 2 and 3, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, 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. 3616

A bill for AN ACT concerning revenue.

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

House Amendment No. 1 to SENATE BILL NO. 3616

Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 3616**

AMENDMENT NO. 1. Amend Senate Bill 3616 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Enterprise Zone Act is amended by changing Sections 3, 4, 5.2, 5.3, 5.5, and 6 and by adding Sections 4.1, 5.2.1, 8.1, and 8.2 as follows:

(20 ILCS 655/3) (from Ch. 67 1/2, par. 603)

Sec. 3. Definition. As used in this Act, the following words shall have the meanings ascribed to them, unless the context otherwise requires:

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

(b) "Enterprise Zone" means an area of the State certified by the Department as an Enterprise Zone pursuant to this Act.

(c) "Depressed Area" means an area in which pervasive poverty, unemployment and economic distress exist.

(d) "Designated Zone Organization" means an association or entity: (1) the members of which are substantially all residents of the Enterprise Zone; (2) the board of directors of which is elected by the members of the organization; (3) which satisfies the criteria set forth in Section 501(c) (3) or 501(c) (4) of the Internal Revenue Code; and (4) which exists primarily for the purpose of performing within such area or zone for the benefit of the residents and businesses thereof any of the functions set forth in Section 8 of this Act.

(e) "Agency" means each officer, board, commission and agency created by the Constitution, in the executive branch of State government, other than the State Board of Elections; each officer, department, board, commission, agency, institution, authority, university, body politic and corporate of the State; and each administrative unit or corporate outgrowth of the State government which is created by or pursuant to statute, other than units of local government and their officers, school districts and boards of election commissioners; each administrative unit or corporate outgrowth of the above and as may be created by executive order of the Governor. No entity shall be considered an "agency" for the purposes of this Act unless authorized by law to make rules or regulations.

(f) "Rule" means each agency statement of general applicability that implements, applies, interprets or prescribes law or policy, but does not include (i) statements concerning only the internal management of an agency and not affecting private rights or procedures available to persons or entities outside the agency, (ii) intra-agency memoranda, or (iii) the prescription of standardized forms.

(g) "Board" means the Enterprise Zone Board created in Section 5.2.1.

(h) "Local labor market area" means an economically integrated area within which individuals can reside and find employment within a reasonable distance or can readily change jobs without changing their place of residence.

(i) "Full-time equivalent job" means a job in which the new employee works for the recipient or for a corporation under contract to the recipient at a rate of at least 35 hours per week. A recipient who employs labor or services at a specific site or facility under contract with another may declare one full-time, permanent job for every 1,820 man hours worked per year under that contract. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours.

(j) "Full-time retained job" means any employee defined as having a full-time or full-time equivalent job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat, which shall be specified in the application for development assistance. A recipient who employs labor or services at a specific site or facility under contract with another may declare one retained employee per year for every 1,750 man hours worked per year under that contract, even if different individuals perform on-site labor or services.

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

(20 ILCS 655/4) (from Ch. 67 1/2, par. 604)

Sec. 4. Qualifications for Enterprise Zones. (1) An area is qualified to become an enterprise zone which:

(a) is a contiguous area, provided that a zone area may exclude wholly surrounded territory within its boundaries;

(b) comprises a minimum of one-half square mile and not more than 12 square miles, or 15 square miles if the zone is located within the jurisdiction of 4 or more counties or municipalities, in total area, exclusive of lakes and waterways; however, in such cases where the enterprise zone is a joint effort of three or more units of government, or two or more units of government if situated in a township which is

divided by a municipality of 1,000,000 or more inhabitants, and where the certification has been in effect at least one year, the total area shall comprise a minimum of one-half square mile and not more than thirteen square miles in total area exclusive of lakes and waterways;

(c) (blank) ~~is a depressed area~~;

(d) (blank) ~~satisfies any additional criteria established by regulation of the Department consistent with the purposes of this Act; and~~

(e) is (1) entirely within a municipality or (2) entirely within the unincorporated areas of a county, except where reasonable need is established for such zone to cover portions of more than one municipality or county or (3) both comprises (i) all or part of a municipality and (ii) an unincorporated area of a county; and ~~.~~

(f) meets 3 or more of the following criteria:

(1) all or part of the local labor market area has had an annual average unemployment rate of at least 120% of the State's annual average unemployment rate for the most recent calendar year or the most recent fiscal year as reported by the Department of Employment Security;

(2) designation will result in the development of substantial employment opportunities by creating or retaining a minimum aggregate of 1,000 full-time equivalent jobs due to an aggregate investment of $100,000,000 or more, and will help alleviate the effects of poverty and unemployment within the local labor market area;

(3) all or part of the local labor market area has a poverty rate of at least 20% according to the latest federal decennial census, 50% or more of children in the local labor market area participate in the federal free lunch program according to reported statistics from the State Board of Education, or 20% or more households in the local labor market area receive food stamps according to the latest federal decennial census;

(4) an abandoned coal mine or a brownfield (as defined in Section 58.2 of the Environmental Protection Act) is located in the proposed zone area, or all or a portion of the proposed zone was declared a federal disaster area in the 3 years preceding the date of application;

(5) the local labor market area contains a presence of large employers that have downsized over the years, the labor market area has experienced plant closures in the 5 years prior to the date of application affecting more than 50 workers, or the local labor market area has experienced State or federal facility closures in the 5 years prior to the date of application affecting more than 50 workers;

(6) based on data from Multiple Listing Service information or other suitable sources, the local labor market area contains a high floor vacancy rate of industrial or commercial properties, vacant or demolished commercial and industrial structures are prevalent in the local labor market area, or industrial structures in the local labor market area are not used because of age, deterioration, relocation of the former occupants, or cessation of operation;

(7) the applicant demonstrates a substantial plan for using the designation to improve the State and local government tax base, including income, sales, and property taxes;

(8) significant public infrastructure is present in the local labor market area in addition to a plan for infrastructure development and improvement;

(9) high schools or community colleges located within the local labor market area are engaged in ACT Work Keys, Manufacturing Skills Standard Certification, or other industry-based credentials that prepare students for careers; or

(10) the change in equalized assessed valuation of industrial and/or commercial properties in the 5 years prior to the date of application is equal to or less than 50% of the State average change in equalized assessed valuation for industrial and/or commercial properties, as applicable, for the same period of time.

As provided in Section 10-5.3 of the River Edge Redevelopment Zone Act, upon the expiration of the term of each River Edge Redevelopment Zone in existence on the effective date of this amendatory Act of the 97th General Assembly, that River Edge Redevelopment Zone will become available for its previous designee or a new applicant to compete for designation as an enterprise zone. No preference for designation will be given to the previous designee of the zone.

(2) Any criteria established by the Department or by law which utilize the rate of unemployment for a particular area shall provide that all persons who are not presently employed and have exhausted all unemployment benefits shall be considered unemployed, whether or not such persons are actively seeking employment.

(Source: P.A. 86-803.)

(20 ILCS 655/4.1 new)

Sec. 4.1. Department recommendations.

(a) For all applications that qualify under Section 4 of this Act, the Department shall issue

recommendations by assigning a score to each applicant. The scores will be determined by the Department, based on the extent to which an applicant meets the criteria points under subsection (f) of Section 4 of this Act. Scores will be determined using the following scoring system:

(1) Up to 50 points for the extent to which the applicant meets the criteria in item (1) of subsection (f) of Section 4 of this Act.

(2) Up to 50 points for the extent to which the applicant meets the criteria in item (2) of subsection (f) of Section 4 of this Act.

(3) Up to 40 points for the extent to which the applicant meets the criteria in item (3) of subsection (f) of Section 4 of this Act.

(4) Up to 30 points for the extent to which the applicant meets the criteria in item (4) of subsection (f) of Section 4 of this Act.

(5) Up to 50 points for the extent to which the applicant meets the criteria in item (5) of subsection (f) of Section 4 of this Act.

(6) Up to 40 points for the extent to which the applicant meets the criteria in item (6) of subsection (f) of Section 4 of this Act.

(7) Up to 30 points for the extent to which the applicant meets the criteria in item (7) of subsection (f) of Section 4 of this Act.

(8) Up to 50 points for the extent to which the applicant meets the criteria in item (8) of subsection (f) of Section 4 of this Act.

(9) Up to 40 points for the extent to which the applicant meets the criteria in item (9) of subsection (f) of Section 4 of this Act.

(10) Up to 40 points for the extent to which the applicant meets the criteria in item (10) of subsection (f) of Section 4 of this Act.

(b) After assigning a score for each of the individual criteria using the point system as described in subsection (a), the Department shall then take the sum of the scores for each applicant and assign a final score. The Department shall then submit this information to the Board, as required in subsection (c) of Section 5.2, as its recommendation.

(20 ILCS 655/5.2) (from Ch. 67 1/2, par. 607)

Sec. 5.2. Department Review of Enterprise Zone Applications.

(a) All applications which are to be considered and acted upon by the Department during a calendar year must be received by the Department no later than December 31 of the preceding calendar year.

Any application received ~~on or~~ after December 31 ~~January 1~~ of any calendar year shall be held by the Department for consideration and action during the following calendar year.

Each enterprise zone application shall include a specific definition of the applicant's local labor market area.

(a-5) The Department shall, no later than March 31, 2013, develop an application process for an enterprise zone application. The Department has emergency rulemaking authority for the purpose of application development only until 9 months after the effective date of this amendatory Act of the 97th General Assembly.

(b) Upon receipt of an application from a county or municipality the Department shall review the application to determine whether the designated area qualifies as an enterprise zone under Section 4 of this Act.

(c) No later than June 30 ~~May 1~~, the Department shall notify all applicant municipalities and counties of the Department's determination of the qualification of their respective designated enterprise zone areas , and shall send qualifying applications, including the applicant's scores for items (1) through (10) of subsection (a) of Section 4.1 and the applicant's final score under that Section, to the Board.

(d) If any such designated area is found to be qualified to be an enterprise zone by the Department under subsection (c) of this Section, the Department shall, no later than July 15 ~~May 15~~, send a letter of notification to each member of the General Assembly whose legislative district or representative district contains all or part of the designated area and publish a notice in at least one newspaper of general circulation within the proposed zone area to notify the general public of the application and their opportunity to comment. Such notice shall include a description of the area and a brief summary of the application and shall indicate locations where the applicant has provided copies of the application for public inspection. The notice shall also indicate appropriate procedures for the filing of written comments from zone residents, business, civic and other organizations and property owners to the Department.

(e) (Blank). ~~By July 1 of each calendar year, the Department shall either approve or deny all applications filed by December 31 of the preceding calendar year. If approval of an application filed by December 31 of any calendar year is not received by July 1 of the following calendar year, the~~

~~application shall be considered denied. If an application is denied, the Department shall inform the county or municipality of the specific reasons for the denial.~~

(f) (Blank). ~~Preference in Designation. In determining which designated areas shall be approved and certified as Enterprise Zones, the Department shall give preference to:~~

~~(1) Areas with high levels of poverty, unemployment, job and population loss, and general distress; and~~

~~(2) Areas which have evidenced with widest support from the county or municipality seeking to have such areas designated as Enterprise Zones, community residents, local business, labor and neighborhood organizations and where there are plans for the disposal of publicly owned real property as described in Section 10; and~~

~~(3) Areas for which a specific plan has been submitted to effect economic growth and expansion and neighborhood revitalization for the benefit of Zone residents and existing business through efforts which may include but need not be limited to a reduction of tax rates or fees, an increase in the level and efficiency of local services, and a simplification or streamlining of governmental requirements applicable to employers or employees, taking into account the resources available to the county or municipality seeking to have an area designated as an Enterprise Zone to make such efforts; and~~

~~(4) Areas for which there is evidence of prior consultation between the county or municipality seeking designation of an area as an Enterprise Zone and business, labor and neighborhood organizations within the proposed Zone;~~

~~(5) Areas for which a specific plan has been submitted which will or may be expected to benefit zone residents and workers by increasing their ownership opportunities and participation in enterprise zone development;~~

~~(6) Areas in which specific governmental functions are to be performed by designated neighborhood organizations in partnership with the county or municipality seeking designation of an area as an Enterprise Zone.~~

(g) (Blank). ~~At least 2/5 of all new enterprise zones approved and certified by the Department during any calendar year shall be located wholly or partially within counties with unemployment rates of or above 8% for at least one month during the 12 month calendar year preceding the calendar year in which the applications are to be considered and acted upon by the Department.~~

(h) (Blank). ~~The Department's determination of whether to certify an enterprise zone shall be based on the purposes of this Act, the criteria set forth in Section 4 and subsections (f) and (g) of Section 5.2, and any additional criteria adopted by regulation of the Department under paragraph (d) of Section 4.~~

(Source: P.A. 85-870.)

(20 ILCS 655/5.2.1 new)

Sec. 5.2.1. Enterprise Zone Board.

(a) An Enterprise Zone Board is hereby created within the Department.

(b) The Board shall consist of the following 5 members:

(1) the Director of Commerce and Economic Opportunity, or his or her designee, who shall serve as chairperson;

(2) the Director of Revenue, or his or her designee; and

(3) three members appointed by the Governor, with the advice and consent of the Senate.

Board members shall serve without compensation but may be reimbursed for necessary expenses incurred in the performance of their duties.

(c) Each member appointed under item (3) of subsection (b) shall have at least 5 years of experience in business, economic development, or site location. Of the members appointed under item (3) of subsection (b): one member shall reside in Cook County; one member shall reside in DuPage, Kane, Lake, McHenry, or Will County; and one member shall reside in a county other than Cook, DuPage, Kane, Lake, McHenry, or Will.

(d) Of the initial members appointed under item (3) of subsection (b): one member shall serve for a term of 2 years; one member shall serve for a term of 3 years; and one member shall serve for a term of 4 years. Thereafter, all members appointed under item (3) of subsection (b) shall serve for terms of 4 years. Members appointed under item (3) of subsection (b) may be reappointed. The Governor may remove a member appointed under item (3) of subsection (b) for incompetence, neglect of duty, or malfeasance in office.

(e) By September 30, 2014, and September 30 of each year thereafter, all applications filed by December 31 of the preceding calendar year and deemed qualified by the Department shall be approved or denied by the Board. If such application is not approved by September 30, the application shall be considered denied. If an application is denied, the Board shall inform the applicant of the specific reasons for the denial.

(f) A majority of the Board will determine whether an application is approved or denied. The Board is not, at any time, required to designate an enterprise zone.

(g) In determining which designated areas shall be approved and certified as enterprise zones, the Board shall give preference to the extent to which the area meets the criteria set forth in Section 4.

(20 ILCS 655/5.3) (from Ch. 67 1/2, par. 608)

Sec. 5.3. Certification of Enterprise Zones; Effective date.

(a) Certification of Board-approved ~~Approval of~~ designated Enterprise Zones shall be made by the Department by certification of the designating ordinance. The Department shall promptly issue a certificate for each Enterprise Zone upon ~~its~~ approval by the Board. 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 Enterprise Zone Certificate, or a duplicate original thereof, shall be recorded in the office of recorder of deeds of the county in which the Enterprise Zone lies.

(b) An Enterprise Zone shall be effective on January 1 of the first calendar year after Department ~~upon its~~ certification. The Department shall transmit a copy of the certification to the Department of Revenue, and to the designating municipality or county.

Upon certification of an Enterprise 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 5.4.

(c) With the exception of Enterprise Zones scheduled to expire before December 31, 2018, an ~~An~~ Enterprise Zone designated before the effective date of this amendatory Act of the 97th General Assembly shall be in effect for 30 calendar years, or for a lesser number of years specified in the certified designating ordinance. Each Enterprise Zone in existence on the effective date of this amendatory Act of the 97th General Assembly that is scheduled to expire before July 1, 2016 will have its termination date extended until July 1, 2016. An Enterprise Zone designated on or after the effective date of this amendatory act of the 97th General Assembly shall be in effect for a term of 15 calendar years, or for a lesser number of years specified in the certified designating ordinance. An enterprise zone designated on or after the effective date of this amendatory Act of the 97th General Assembly shall be subject to review by the Board after 13 years for an additional 10-year designation. Enterprise Zones shall terminate at midnight of December 31 of the final calendar year of the certified term, except as provided in Section 5.4.

(d) No more than 12 Enterprise Zones may be certified by the Department in calendar year 1984, no more than 12 Enterprise Zones may be certified by the Department in calendar year 1985, no more than 13 Enterprise Zones may be certified by the Department in calendar year 1986, no more than 15 Enterprise Zones may be certified by the Department in calendar year 1987, and no more than 20 Enterprise Zones may be certified by the Department in calendar year 1990. In other calendar years, no more than 13 Enterprise Zones may be certified by the Department. The Department may also designate up to 8 additional Enterprise Zones outside the regular application cycle if warranted by the extreme economic circumstances as determined by the Department. The Department may also designate one additional Enterprise Zone outside the regular application cycle if an aircraft manufacturer agrees to locate an aircraft manufacturing facility in the proposed Enterprise Zone. Notwithstanding any other provision of this Act, no more than 89 Enterprise Zones may be certified by the Department for the 10 calendar years commencing with 1983. The 7 additional Enterprise Zones authorized by Public Act 86-15 shall not lie within municipalities or unincorporated areas of counties that abut or are contiguous to Enterprise Zones certified pursuant to this Section prior to June 30, 1989. The 7 additional Enterprise Zones (excluding the additional Enterprise Zone which may be designated outside the regular application cycle) authorized by Public Act 86-1030 shall not lie within municipalities or unincorporated areas of counties that abut or are contiguous to Enterprise Zones certified pursuant to this Section prior to February 28, 1990. Beginning in calendar year 2004 and until December 31, 2008, one additional enterprise zone may be certified by the Department. In any calendar year, the Department may not certify more than 3 Zones located within the same municipality. The Department may certify Enterprise Zones in each of the 10 calendar years commencing with 1983. The Department may not certify more than a total of 18 Enterprise Zones located within the same county (whether within municipalities or within unincorporated territory) for the 10 calendar years commencing with 1983. Thereafter, the Department may not certify any additional Enterprise Zones, but may amend and rescind certifications of existing Enterprise Zones in accordance with Section 5.4.

(e) Notwithstanding any other provision of law, if (i) the county board of any county in which a current military base is located, in part or in whole, or in which a military base that has been closed within 20 years of the effective date of this amendatory Act of 1998 is located, in part or in whole, adopts a designating ordinance in accordance with Section 5 of this Act to designate the military base in

that county as an enterprise zone and (ii) the property otherwise meets the qualifications for an enterprise zone as prescribed in Section 4 of this Act, then the Department may certify the designating ordinance or ordinances, as the case may be.

(f) Applications for Enterprise Zones that are scheduled to expire in 2016, 2017, or 2018, including Enterprise Zones that have been extended until 2016 by this amendatory Act of the 97th General Assembly, shall be submitted to the Department no later than the date established by the Department by rule pursuant to Section 5.2. At that time, the Zone becomes available for either the previously designated area or a different area to compete for designation. No preference for designation as a Zone will be given to the previously designated area.

For Enterprise Zones that are scheduled to expire on or after January 1, 2019, an application process shall begin 2 years prior to the year in which the Zone expires. At that time, the Zone becomes available for either the previously designated area or a different area to compete for designation. No preference for designation as a Zone will be given to the previously designated area.

Each Enterprise Zone that reapplies for certification but does not receive a new certification shall expire on its scheduled termination date.

(Source: P.A. 92-16, eff. 6-28-01; 92-777, eff. 1-1-03; 93-436, eff. 1-1-04.)

(20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

Sec. 5.5. High Impact Business.

(a) In order to respond to unique opportunities to assist in the encouragement, development, growth and expansion of the private sector through large scale investment and development projects, the Department is authorized to receive and approve applications for the designation of "High Impact Businesses" in Illinois subject to the following conditions:

(1) such applications may be submitted at any time during the year;

(2) such business is not located, at the time of designation, in an enterprise zone designated pursuant to this Act;

(3) the business intends to do one or more of the following:

(A) the business intends to make a minimum investment of $12,000,000 which will be placed in service in qualified property and intends to create 500 full-time equivalent jobs at a designated location in Illinois or intends to make a minimum investment of $30,000,000 which will be placed in service in qualified property and intends to retain 1,500 full-time retained jobs at a designated location in Illinois. The business must certify in writing that the investments would not be placed in service in qualified property and the job creation or job retention would not occur without the tax credits and exemptions set forth in subsection (b) of this Section. The terms "placed in service" and "qualified property" have the same meanings as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(B) the business intends to establish a new electric generating facility at a designated location in Illinois. "New electric generating facility", for purposes of this Section, means a newly-constructed electric generation plant or a newly-constructed generation capacity expansion at an existing electric generation plant, including the transmission lines and associated equipment that transfers electricity from points of supply to points of delivery, and for which such new foundation construction commenced not sooner than July 1, 2001. Such facility shall be designed to provide baseload electric generation and shall operate on a continuous basis throughout the year; and (i) shall have an aggregate rated generating capacity of at least 1,000 megawatts for all new units at one site if it uses natural gas as its primary fuel and foundation construction of the facility is commenced on or before December 31, 2004, or shall have an aggregate rated generating capacity of at least 400 megawatts for all new units at one site if it uses coal or gases derived from coal as its primary fuel and shall support the creation of at least 150 new Illinois coal mining jobs, or (ii) shall be funded through a federal Department of Energy grant before December 31, 2010 and shall support the creation of Illinois coal-mining jobs, or (iii) shall use coal gasification or integrated gasification-combined cycle units that generate electricity or chemicals, or both, and shall support the creation of Illinois coal-mining jobs. The business must certify in writing that the investments necessary to establish a new electric generating facility would not be placed in service and the job creation in the case of a coal-fueled plant would not occur without the tax credits and exemptions set forth in subsection (b-5) of this Section. The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(B-5) the business intends to establish a new gasification facility at a designated location in Illinois. As used in this Section, "new gasification facility" means a newly constructed coal gasification facility that generates chemical feedstocks or transportation fuels derived from coal (which may include, but are not limited to, methane, methanol, and nitrogen fertilizer), that

supports the creation or retention of Illinois coal-mining jobs, and that qualifies for financial assistance from the Department before December 31, 2010. A new gasification facility does not include a pilot project located within Jefferson County or within a county adjacent to Jefferson County for synthetic natural gas from coal; or

(C) the business intends to establish production operations at a new coal mine, re-establish production operations at a closed coal mine, or expand production at an existing coal mine at a designated location in Illinois not sooner than July 1, 2001; provided that the production operations result in the creation of 150 new Illinois coal mining jobs as described in subdivision (a)(3)(B) of this Section, and further provided that the coal extracted from such mine is utilized as the predominant source for a new electric generating facility. The business must certify in writing that the investments necessary to establish a new, expanded, or reopened coal mine would not be placed in service and the job creation would not occur without the tax credits and exemptions set forth in subsection (b-5) of this Section. The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(D) the business intends to construct new transmission facilities or upgrade existing transmission facilities at designated locations in Illinois, for which construction commenced not sooner than July 1, 2001. For the purposes of this Section, "transmission facilities" means transmission lines with a voltage rating of 115 kilovolts or above, including associated equipment, that transfer electricity from points of supply to points of delivery and that transmit a majority of the electricity generated by a new electric generating facility designated as a High Impact Business in accordance with this Section. The business must certify in writing that the investments necessary to construct new transmission facilities or upgrade existing transmission facilities would not be placed in service without the tax credits and exemptions set forth in subsection (b-5) of this Section. The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(E) the business intends to establish a new wind power facility at a designated location in Illinois. For purposes of this Section, "new wind power facility" means a newly constructed electric generation facility, or a newly constructed expansion of an existing electric generation facility, placed in service on or after July 1, 2009, that generates electricity using wind energy devices, and such facility shall be deemed to include all associated transmission lines, substations, and other equipment related to the generation of electricity from wind energy devices. For purposes of this Section, "wind energy device" means any device, with a nameplate capacity of at least 0.5 megawatts, that is used in the process of converting kinetic energy from the wind to generate electricity; and

(4) no later than 90 days after an application is submitted, the Department shall notify the applicant of the Department's determination of the qualification of the proposed High Impact Business under this Section.

(b) Businesses designated as High Impact Businesses pursuant to subdivision (a)(3)(A) of this Section shall qualify for the credits and exemptions described in the following Acts: Section 9-222 and Section 9-222.1A of the Public Utilities Act, subsection (h) of Section 201 of the Illinois Income Tax Act, and Section 1d of the Retailers' Occupation Tax Act; provided that these credits and exemptions described in these Acts shall not be authorized until the minimum investments set forth in subdivision (a)(3)(A) of this Section have been placed in service in qualified properties and, in the case of the exemptions described in the Public Utilities Act and Section 1d of the Retailers' Occupation Tax Act, the minimum full-time equivalent jobs or full-time <u>retained</u> jobs set forth in subdivision (a)(3)(A) of this Section have been created or retained. Businesses designated as High Impact Businesses under this Section shall also qualify for the exemption described in Section 5l of the Retailers' Occupation Tax Act. The credit provided in subsection (h) of Section 201 of the Illinois Income Tax Act shall be applicable to investments in qualified property as set forth in subdivision (a)(3)(A) of this Section.

(b-5) Businesses designated as High Impact Businesses pursuant to subdivisions (a)(3)(B), (a)(3)(B-5), (a)(3)(C), and (a)(3)(D) of this Section shall qualify for the credits and exemptions described in the following Acts: Section 51 of the Retailers' Occupation Tax Act, Section 9-222 and Section 9-222.1A of the Public Utilities Act, and subsection (h) of Section 201 of the Illinois Income Tax Act; however, the credits and exemptions authorized under Section 9-222 and Section 9-222.1A of the Public Utilities Act, and subsection (h) of Section 201 of the Illinois Income Tax Act shall not be authorized until the new electric generating facility, the new gasification facility, the new transmission facility, or the new, expanded, or reopened coal mine is operational, except that a new electric generating facility whose primary fuel source is natural gas is eligible only for the exemption under Section 5l of the Retailers' Occupation Tax Act.

(b-6) Businesses designated as High Impact Businesses pursuant to subdivision (a)(3)(E) of this Section shall qualify for the exemptions described in Section 5l of the Retailers' Occupation Tax Act; any business so designated as a High Impact Business being, for purposes of this Section, a "Wind Energy Business".

(c) High Impact Businesses located in federally designated foreign trade zones or sub-zones are also eligible for additional credits, exemptions and deductions as described in the following Acts: Section 9-221 and Section 9-222.1 of the Public Utilities Act; and subsection (g) of Section 201, and Section 203 of the Illinois Income Tax Act.

(d) Except for businesses contemplated under subdivision (a)(3)(E) of this Section, existing Illinois businesses which apply for designation as a High Impact Business must provide the Department with the prospective plan for which 1,500 full-time retained jobs would be eliminated in the event that the business is not designated.

(e) Except for new wind power facilities contemplated under subdivision (a)(3)(E) of this Section, new proposed facilities which apply for designation as High Impact Business must provide the Department with proof of alternative non-Illinois sites which would receive the proposed investment and job creation in the event that the business is not designated as a High Impact Business.

(f) Except for businesses contemplated under subdivision (a)(3)(E) of this Section, in the event that a business is designated a High Impact Business and it is later determined after reasonable notice and an opportunity for a hearing as provided under the Illinois Administrative Procedure Act, that the business would have placed in service in qualified property the investments and created or retained the requisite number of jobs without the benefits of the High Impact Business designation, the Department shall be required to immediately revoke the designation and notify the Director of the Department of Revenue who shall begin proceedings to recover all wrongfully exempted State taxes with interest. The business shall also be ineligible for all State funded Department programs for a period of 10 years.

(g) The Department shall revoke a High Impact Business designation if the participating business fails to comply with the terms and conditions of the designation. However, the penalties for new wind power facilities or Wind Energy Businesses for failure to comply with any of the terms or conditions of the Illinois Prevailing Wage Act shall be only those penalties identified in the Illinois Prevailing Wage Act, and the Department shall not revoke a High Impact Business designation as a result of the failure to comply with any of the terms or conditions of the Illinois Prevailing Wage Act in relation to a new wind power facility or a Wind Energy Business.

(h) Prior to designating a business, the Department shall provide the members of the General Assembly and Commission on Government Forecasting and Accountability with a report setting forth the terms and conditions of the designation and guarantees that have been received by the Department in relation to the proposed business being designated.

(Source: P.A. 95-18, eff. 7-30-07; 96-28, eff. 7-1-09.)

(20 ILCS 655/6) (from Ch. 67 1/2, par. 610)

Sec. 6. Powers and Duties of Department.

(A) General Powers. The Department shall administer this Act and shall have the following powers and duties:

(1) To monitor the implementation of this Act and submit reports evaluating the effectiveness of the program and any suggestions for legislation to the Governor and General Assembly by October 1 of every year preceding a regular Session of the General Assembly and to annually report to the General Assembly initial and current population, employment, per capita income, number of business establishments, ~~and~~ dollar value of new construction and improvements , and the aggregate value of each tax incentive, based on information provided by the Department of Revenue, for each Enterprise Zone.

(2) To promulgate all necessary rules and regulations to carry out the purposes of this Act in accordance with The Illinois Administrative Procedure Act.

(3) To assist municipalities and counties in obtaining Federal status as an Enterprise Zone.

(B) Specific Duties:

(1) The Department shall provide information and appropriate assistance to persons desiring to locate and engage in business in an enterprise zone, to persons engaged in business in an enterprise zone and to designated zone organizations operating there.

(2) The Department shall, in cooperation with appropriate units of local government and State agencies, coordinate and streamline existing State business assistance programs and permit and license application procedures for Enterprise Zone businesses.

(3) The Department shall publicize existing tax incentives and economic development

programs within the Zone and upon request, offer technical assistance in abatement and alternative revenue source development to local units of government which have enterprise Zones within their jurisdiction.

(4) The Department shall work together with the responsible State and Federal agencies to promote the coordination of other relevant programs, including but not limited to housing, community and economic development, small business, banking, financial assistance, and employment training programs which are carried on in an Enterprise Zone.

(5) In order to stimulate employment opportunities for Zone residents, the Department, in cooperation with the Department of Human Services and the Department of Employment Security, is to initiate a test of the following 2 programs within the 12 month period following designation and approval by the Department of the first enterprise zones: (i) the use of aid to families with dependent children benefits payable under Article IV of the Illinois Public Aid Code, General Assistance benefits payable under Article VI of the Illinois Public Aid Code, the unemployment insurance benefits payable under the Unemployment Insurance Act as training or employment subsidies leading to unsubsidized employment; and (ii) a program for voucher reimbursement of the cost of training zone residents eligible under the Targeted Jobs Tax Credit provisions of the Internal Revenue Code for employment in private industry. These programs shall not be designed to subsidize businesses, but are intended to open up job and training opportunities not otherwise available. Nothing in this paragraph (5) shall be deemed to require zone businesses to utilize these programs. These programs should be designed (i) for those individuals whose opportunities for job-finding are minimal without program participation, (ii) to minimize the period of benefit collection by such individuals, and (iii) to accelerate the transition of those individuals to unsubsidized employment. The Department is to seek agreement with business, organized labor and the appropriate State Department and agencies on the design, operation and evaluation of the test programs.

A report with recommendations including representative comments of these groups shall be submitted by the Department to the county or municipality which designated the area as an Enterprise Zone, Governor and General Assembly not later than 12 months after such test programs have commenced, or not later than 3 months following the termination of such test programs, whichever first occurs.

(Source: P.A. 89-507, eff. 7-1-97.)

(20 ILCS 655/8.1 new)

Sec. 8.1. Accounting.

(a) Any business receiving tax incentives due to its location within an Enterprise Zone or its designation as a High Impact Business must report the total Enterprise Zone or High Impact Business tax benefits received by the business, broken down by incentive category and enterprise zone, if applicable, annually to the Department of Revenue. Reports will be due no later than March 30 of each year and shall cover the previous calendar year. The first report will be for the 2012 calendar year and will be due no later than March 30, 2013. Failure to report data shall result in ineligibility to receive incentives. For the first offense, a business shall be given 60 days to comply.

(b) Each person required to file a return under the Gas Revenue Tax Act, the Gas Use Tax Act, the Electricity Excise Tax Act, or the Telecommunications Excise Tax Act shall file, on or before March 30 of each year, a report with the Department of Revenue, in the manner and form required by the Department of Revenue, itemizing the amount of the deduction taken under each Act, respectively, due to the location of a business in an Enterprise Zone or its designation as a High Impact Business. The report shall be itemized by business and the business location address.

(c) Employers shall report their job creation, retention, and capital investment numbers within the zone annually to the administrator which will compile the information and report it to the Department of Revenue no later than March 30 of each calendar year. High Impact businesses shall report their job creation, retention, and capital investment numbers directly to the Department of Revenue no later than March 30 of each year.

(d) The Department of Revenue will aggregate and collect the tax, job, and capital investment data by Enterprise Zone and High Impact Business and report this information, formatted to exclude company-specific proprietary information, to the Department by May 1, 2013, and by May 1 of every calendar year thereafter. The Department will include this information in their required reports under Section 6 of this Act.

(e) The Department of Revenue, in its discretion, may require that the reports filed under this Section be submitted electronically.

(f) The Department of Revenue shall have the authority to adopt rules as are reasonable and necessary to implement the provisions of this Section.

(20 ILCS 655/8.2 new)

Sec. 8.2. Zone Administrator.

(a) Each Zone Administrator designated under Section 8 of this Act shall post a copy of the boundaries of the Enterprise Zone on its official Internet website and shall provide an electronic copy to the Department. The Department shall post each copy of the boundaries of an Enterprise Zone that it receives from a Zone Administrator on its official Internet website.

(b) The Zone Administrator shall collect and aggregate the following information:

(1) the estimated cost of each building project, broken down into labor and materials; and

(2) within 60 days after the end of the project, the estimated cost of each building project, broken down into labor and materials.

(c) By April 1 of each year, each Zone Administrator shall file a copy of its fee schedule with the Department, and the Department shall review and approve the fee schedule. Zone Administrators shall charge no more than 0.5% of the cost of building materials of the project associated with the specific Enterprise Zone, with a maximum fee of no more than $50,000.

Section 10. The Illinois Income Tax Act is amended by changing Sections 201 and 203 as follows:

(35 ILCS 5/201) (from Ch. 120, par. 2-201)

(Text of Section before amendment by P.A. 97-636)

Sec. 201. Tax Imposed.

(a) In general. A tax measured by net income is hereby imposed on every individual, corporation, trust and estate for each taxable year ending after July 31, 1969 on the privilege of earning or receiving income in or as a resident of this State. Such tax shall be in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(b) Rates. The tax imposed by subsection (a) of this Section shall be determined as follows, except as adjusted by subsection (d-1):

(1) In the case of an individual, trust or estate, for taxable years ending prior to July 1, 1989, an amount equal to 2 1/2% of the taxpayer's net income for the taxable year.

(2) In the case of an individual, trust or estate, for taxable years beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 2 1/2% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 3% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(3) In the case of an individual, trust or estate, for taxable years beginning after June 30, 1989, and ending prior to January 1, 2011, an amount equal to 3% of the taxpayer's net income for the taxable year.

(4) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 3% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 5% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(5) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 5% of the taxpayer's net income for the taxable year.

(5.1) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 5% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 3.75% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(5.2) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2015, and ending prior to January 1, 2025, an amount equal to 3.75% of the taxpayer's net income for the taxable year.

(5.3) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2025, and ending after December 31, 2024, an amount equal to the sum of (i) 3.75% of the taxpayer's net income for the period prior to January 1, 2025, as calculated under Section 202.5, and (ii) 3.25% of the taxpayer's net income for the period after December 31, 2024, as calculated under Section 202.5.

(5.4) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2025, an amount equal to 3.25% of the taxpayer's net income for the taxable year.

(6) In the case of a corporation, for taxable years ending prior to July 1, 1989, an amount equal to 4% of the taxpayer's net income for the taxable year.

(7) In the case of a corporation, for taxable years beginning prior to July 1, 1989 and

ending after June 30, 1989, an amount equal to the sum of (i) 4% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 4.8% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(8) In the case of a corporation, for taxable years beginning after June 30, 1989, and ending prior to January 1, 2011, an amount equal to 4.8% of the taxpayer's net income for the taxable year.

(9) In the case of a corporation, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 4.8% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(10) In the case of a corporation, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 7% of the taxpayer's net income for the taxable year.

(11) In the case of a corporation, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 7% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 5.25% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(12) In the case of a corporation, for taxable years beginning on or after January 1, 2015, and ending prior to January 1, 2025, an amount equal to 5.25% of the taxpayer's net income for the taxable year.

(13) In the case of a corporation, for taxable years beginning prior to January 1, 2025, and ending after December 31, 2024, an amount equal to the sum of (i) 5.25% of the taxpayer's net income for the period prior to January 1, 2025, as calculated under Section 202.5, and (ii) 4.8% of the taxpayer's net income for the period after December 31, 2024, as calculated under Section 202.5.

(14) In the case of a corporation, for taxable years beginning on or after January 1, 2025, an amount equal to 4.8% of the taxpayer's net income for the taxable year.

The rates under this subsection (b) are subject to the provisions of Section 201.5.

(c) Personal Property Tax Replacement Income Tax. Beginning on July 1, 1979 and thereafter, in addition to such income tax, there is also hereby imposed the Personal Property Tax Replacement Income Tax measured by net income on every corporation (including Subchapter S corporations), partnership and trust, for each taxable year ending after June 30, 1979. Such taxes are imposed on the privilege of earning or receiving income in or as a resident of this State. The Personal Property Tax Replacement Income Tax shall be in addition to the income tax imposed by subsections (a) and (b) of this Section and in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(d) Additional Personal Property Tax Replacement Income Tax Rates. The personal property tax replacement income tax imposed by this subsection and subsection (c) of this Section in the case of a corporation, other than a Subchapter S corporation and except as adjusted by subsection (d-1), shall be an additional amount equal to 2.85% of such taxpayer's net income for the taxable year, except that beginning on January 1, 1981, and thereafter, the rate of 2.85% specified in this subsection shall be reduced to 2.5%, and in the case of a partnership, trust or a Subchapter S corporation shall be an additional amount equal to 1.5% of such taxpayer's net income for the taxable year.

(d-1) Rate reduction for certain foreign insurers. In the case of a foreign insurer, as defined by Section 35A-5 of the Illinois Insurance Code, whose state or country of domicile imposes on insurers domiciled in Illinois a retaliatory tax (excluding any insurer whose premiums from reinsurance assumed are 50% or more of its total insurance premiums as determined under paragraph (2) of subsection (b) of Section 304, except that for purposes of this determination premiums from reinsurance do not include premiums from inter-affiliate reinsurance arrangements), beginning with taxable years ending on or after December 31, 1999, the sum of the rates of tax imposed by subsections (b) and (d) shall be reduced (but not increased) to the rate at which the total amount of tax imposed under this Act, net of all credits allowed under this Act, shall equal (i) the total amount of tax that would be imposed on the foreign insurer's net income allocable to Illinois for the taxable year by such foreign insurer's state or country of domicile if that net income were subject to all income taxes and taxes measured by net income imposed by such foreign insurer's state or country of domicile, net of all credits allowed or (ii) a rate of zero if no such tax is imposed on such income by the foreign insurer's state of domicile. For the purposes of this subsection (d-1), an inter-affiliate includes a mutual insurer under common management.

(1) For the purposes of subsection (d-1), in no event shall the sum of the rates of tax imposed by subsections (b) and (d) be reduced below the rate at which the sum of:

(A) the total amount of tax imposed on such foreign insurer under this Act for a

taxable year, net of all credits allowed under this Act, plus

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code,

equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

(2) Any reduction in the rates of tax imposed by this subsection shall be applied first against the rates imposed by subsection (b) and only after the tax imposed by subsection (a) net of all credits allowed under this Section other than the credit allowed under subsection (i) has been reduced to zero, against the rates imposed by subsection (d).

This subsection (d-1) is exempt from the provisions of Section 250.

(e) Investment credit. A taxpayer shall be allowed a credit against the Personal Property Tax Replacement Income Tax for investment in qualified property.

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all such certifications immediately. For tax years ending after December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

(2) The term "qualified property" means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings and signs that are real property, but not including land or improvements to real property that are not a structural component of a building such as landscaping, sewer lines, local access roads, fencing, parking lots, and other appurtenances;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (e);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in Illinois by a taxpayer who is primarily engaged in manufacturing, or

in mining coal or fluorite, or in retailing, or was placed in service on or after July 1, 2006 in a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act; and

(E) has not previously been used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (e) or subsection (f).

(3) For purposes of this subsection (e), "manufacturing" means the material staging and production of tangible personal property by procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes some existing material into new shapes, new qualities, or new combinations. For purposes of this subsection (e) the term "mining" shall have the same meaning as the term "mining" in Section 613(c) of the Internal Revenue Code. For purposes of this subsection (e), the term "retailing" means the sale of tangible personal property for use or consumption and not for resale, or services rendered in conjunction with the sale of tangible personal property for use or consumption and not for resale. For purposes of this subsection (e), "tangible personal property" has the same meaning as when that term is used in the Retailers' Occupation Tax Act, and, for taxable years ending after December 31, 2008, does not include the generation, transmission, or distribution of electricity.

(4) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(5) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(6) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(7) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the Personal Property Tax Replacement Income Tax for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation and, (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (7), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(8) Unless the investment credit is extended by law, the basis of qualified property shall not include costs incurred after December 31, 2013, except for costs incurred pursuant to a binding contract entered into on or before December 31, 2013.

(9) Each taxable year ending before December 31, 2000, a partnership may elect to pass through to its partners the credits to which the partnership is entitled under this subsection (e) for the taxable year. A partner may use the credit allocated to him or her under this paragraph only against the tax imposed in subsections (c) and (d) of this Section. If the partnership makes that election, those credits shall be allocated among the partners in the partnership in accordance with the rules set forth in Section 704(b) of the Internal Revenue Code, and the rules promulgated under that Section, and the allocated amount of the credits shall be allowed to the partners for that taxable year. The partnership shall make this election on its Personal Property Tax Replacement Income Tax return for that taxable year. The election to pass through the credits shall be irrevocable.

For taxable years ending on or after December 31, 2000, a partner that qualifies its partnership for a subtraction under subparagraph (I) of paragraph (2) of subsection (d) of Section 203 or a shareholder that qualifies a Subchapter S corporation for a subtraction under subparagraph (S) of paragraph (2) of subsection (b) of Section 203 shall be allowed a credit under this subsection (e) equal to its share of the credit earned under this subsection (e) during the taxable year by the partnership or Subchapter S corporation, determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. This paragraph is exempt from the provisions of Section 250.

(f) Investment credit; Enterprise Zone; River Edge Redevelopment Zone.

(1) A taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service in an Enterprise Zone created pursuant to the Illinois Enterprise Zone Act or, for property placed in service on or after July 1, 2006, a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal

and State income taxation, there shall be allowed a credit under this subsection (f) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. The credit shall be .5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service in the Enterprise Zone or River Edge Redevelopment Zone and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1985, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (f);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer; and

(E) has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (f) or subsection (e).

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside the Enterprise Zone or River Edge Redevelopment Zone within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) There shall be allowed an additional credit equal to 0.5% of the basis of qualified property placed in service during the taxable year in a River Edge Redevelopment Zone, provided such property is placed in service on or after July 1, 2006, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is 0.5% and the denominator of which is 1%, but shall not exceed 0.5%.

(g) Jobs Tax Credit; ~~Enterprise Zone,~~ River Edge Redevelopment Zone~~,~~ and Foreign Trade Zone or Sub-Zone.

(1) A taxpayer conducting a trade or business, ~~in an enterprise zone or a High Impact Business designated by the Department of Commerce and Economic Opportunity or~~ for taxable years ending on or after December 31, 2006, in a River Edge Redevelopment Zone or conducting a trade or business in a

federally designated Foreign Trade Zone or Sub-Zone shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section in the amount of $500 per eligible employee hired to work in the zone during the taxable year.

(2) To qualify for the credit:

(A) the taxpayer must hire 5 or more eligible employees to work in a ~~an enterprise zone,~~ River Edge Redevelopment Zone~~,~~ or federally designated Foreign Trade Zone or Sub-Zone during the taxable year;

(B) the taxpayer's total employment within the ~~enterprise zone,~~ River Edge Redevelopment Zone~~,~~ or federally designated Foreign Trade Zone or Sub-Zone must increase by 5 or more full-time employees beyond the total employed in that zone at the end of the previous tax year for which a jobs tax credit under this Section was taken, or beyond the total employed by the taxpayer as of December 31, 1985, whichever is later; and

(C) the eligible employees must be employed 180 consecutive days in order to be deemed hired for purposes of this subsection.

(3) An "eligible employee" means an employee who is:

(A) Certified by the Department of Commerce and Economic Opportunity as "eligible for services" pursuant to regulations promulgated in accordance with Title II of the Job Training Partnership Act, Training Services for the Disadvantaged or Title III of the Job Training Partnership Act, Employment and Training Assistance for Dislocated Workers Program.

(B) Hired after the ~~enterprise zone,~~ River Edge Redevelopment Zone~~,~~ or federally designated Foreign Trade Zone or Sub-Zone was designated or the trade or business was located in that zone, whichever is later.

(C) Employed in the ~~enterprise zone,~~ River Edge Redevelopment Zone~~,~~ or Foreign Trade Zone or Sub-Zone. An employee is employed in a ~~an enterprise zone or~~ federally designated Foreign Trade Zone or Sub-Zone if his services are rendered there or it is the base of operations for the services performed.

(D) A full-time employee working 30 or more hours per week.

(4) For tax years ending on or after December 31, 1985 and prior to December 31, 1988, the credit shall be allowed for the tax year in which the eligible employees are hired. For tax years ending on or after December 31, 1988, the credit shall be allowed for the tax year immediately following the tax year in which the eligible employees are hired. If the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

(5) The Department of Revenue shall promulgate such rules and regulations as may be deemed necessary to carry out the purposes of this subsection (g).

(6) The credit shall be available for eligible employees hired on or after January 1, 1986.

(h) Investment credit; High Impact Business.

(1) Subject to subsections (b) and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service by a Department of Commerce and Economic Opportunity designated High Impact Business. The credit shall be .5% of the basis for such property. The credit shall not be available (i) until the minimum investments in qualified property set forth in subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act have been satisfied or (ii) until the time authorized in subsection (b-5) of the Illinois Enterprise Zone Act for entities designated as High Impact Businesses under subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone Act, and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. The credit applicable to such investments shall be taken in the taxable year in which such investments have been completed. The credit for additional investments beyond the minimum investment by a designated high impact business authorized under subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for

the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1987, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

Changes made in this subdivision (h)(1) by Public Act 88-670 restore changes made by Public Act 85-1182 and reflect existing law.

(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (h);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code; and

(D) is not eligible for the Enterprise Zone Investment Credit provided by subsection (f) of this Section.

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year ending on or before December 31, 1996, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) Beginning with tax years ending after December 31, 1996, if a taxpayer qualifies for the credit under this subsection (h) and thereby is granted a tax abatement and the taxpayer relocates its entire facility in violation of the explicit terms and length of the contract under Section 18-183 of the Property Tax Code, the tax imposed under subsections (a) and (b) of this Section shall be increased for the taxable year in which the taxpayer relocated its facility by an amount equal to the amount of credit received by the taxpayer under this subsection (h).

(i) Credit for Personal Property Tax Replacement Income Tax. For tax years ending prior to December 31, 2003, a credit shall be allowed against the tax imposed by subsections (a) and (b) of this Section for the tax imposed by subsections (c) and (d) of this Section. This credit shall be computed by multiplying the tax imposed by subsections (c) and (d) of this Section by a fraction, the numerator of which is base income allocable to Illinois and the denominator of which is Illinois base income, and further multiplying the product by the tax rate imposed by subsections (a) and (b) of this Section.

Any credit earned on or after December 31, 1986 under this subsection which is unused in the year the credit is computed because it exceeds the tax liability imposed by subsections (a) and (b) for that year (whether it exceeds the original liability or the liability as later amended) may be carried forward and applied to the tax liability imposed by subsections (a) and (b) of the 5 taxable years following the excess credit year, provided that no credit may be carried forward to any year ending on or after December 31, 2003. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first.

If, during any taxable year ending on or after December 31, 1986, the tax imposed by subsections (c) and (d) of this Section for which a taxpayer has claimed a credit under this subsection (i) is reduced, the

amount of credit for such tax shall also be reduced. Such reduction shall be determined by recomputing the credit to take into account the reduced tax imposed by subsections (c) and (d). If any portion of the reduced amount of credit has been carried to a different taxable year, an amended return shall be filed for such taxable year to reduce the amount of credit claimed.

(j) Training expense credit. Beginning with tax years ending on or after December 31, 1986 and prior to December 31, 2003, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) under this Section for all amounts paid or accrued, on behalf of all persons employed by the taxpayer in Illinois or Illinois residents employed outside of Illinois by a taxpayer, for educational or vocational training in semi-technical or technical fields or semi-skilled or skilled fields, which were deducted from gross income in the computation of taxable income. The credit against the tax imposed by subsections (a) and (b) shall be 1.6% of such training expenses. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (j) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

Any credit allowed under this subsection which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first. No carryforward credit may be claimed in any tax year ending on or after December 31, 2003.

(k) Research and development credit.

For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2011, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

For purposes of this subsection, "qualifying expenditures" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under Section 41 of the Internal Revenue Code and which are conducted in this State, "qualifying expenditures for increasing research activities in this State" means the excess of qualifying expenditures for the taxable year in which incurred over qualifying expenditures for the base period, "qualifying expenditures for the base period" means the average of the qualifying expenditures for each year in the base period, and "base period" means the 3 taxable years immediately preceding the taxable year for which the determination is being made.

Any credit in excess of the tax liability for the taxable year may be carried forward. A taxpayer may elect to have the unused credit shown on its final completed return carried over as a credit against the tax liability for the following 5 taxable years or until it has been fully used, whichever occurs first; provided that no credit earned in a tax year ending prior to December 31, 2003 may be carried forward to any year ending on or after December 31, 2003, and no credit may be carried forward to any taxable year ending on or after January 1, 2011.

If an unused credit is carried forward to a given year from 2 or more earlier years, that credit arising in the earliest year will be applied first against the tax liability for the given year. If a tax liability for the given year still remains, the credit from the next earliest year will then be applied, and so on, until all credits have been used or no tax liability for the given year remains. Any remaining unused credit or credits then will be carried forward to the next following year in which a tax liability is incurred, except that no credit can be carried forward to a year which is more than 5 years after the year in which the expense for which the credit is given was incurred.

No inference shall be drawn from this amendatory Act of the 91st General Assembly in construing this Section for taxable years beginning before January 1, 1999.

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For

purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site, except that the $100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed $40,000 per year with a maximum total of $150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(m) Education expense credit. Beginning with tax years ending after December 31, 1999, a taxpayer who is the custodian of one or more qualifying pupils shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for qualified education expenses incurred on behalf of the qualifying pupils. The credit shall be equal to 25% of qualified education expenses, but in no event may the total credit under this subsection claimed by a family that is the custodian of qualifying pupils exceed $500. In no event shall a credit under this subsection reduce the taxpayer's liability under this Act to less than zero. This subsection is exempt from the provisions of Section 250 of this Act.

For purposes of this subsection:

"Qualifying pupils" means individuals who (i) are residents of the State of Illinois, (ii) are under the age of 21 at the close of the school year for which a credit is sought, and (iii) during the school year for which a credit is sought were full-time pupils enrolled in a kindergarten through twelfth grade education program at any school, as defined in this subsection.

"Qualified education expense" means the amount incurred on behalf of a qualifying pupil in excess of $250 for tuition, book fees, and lab fees at the school in which the pupil is enrolled during the regular school year.

"School" means any public or nonpublic elementary or secondary school in Illinois that is in compliance with Title VI of the Civil Rights Act of 1964 and attendance at which satisfies the requirements of Section 26-1 of the School Code, except that nothing shall be construed to require a child to attend any particular public or nonpublic school to qualify for the credit under this Section.

"Custodian" means, with respect to qualifying pupils, an Illinois resident who is a parent, the parents, a legal guardian, or the legal guardians of the qualifying pupils.

(n) River Edge Redevelopment Zone site remediation tax credit.

(i) For tax years ending on or after December 31, 2006, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14a of the Environmental Protection Act that were paid in performing environmental remediation at a site within a River Edge Redevelopment Zone for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. Determinations as to credit availability for purposes of this Section shall be made consistent with rules adopted by the Pollution Control Board pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(Source: P.A. 96-115, eff. 7-31-09; 96-116, eff. 7-31-09; 96-937, eff. 6-23-10; 96-1000, eff. 7-2-10; 96-1496, eff. 1-13-11; 97-2, eff. 5-6-11.)

(Text of Section after amendment by P.A. 97-636)

Sec. 201. Tax Imposed.

(a) In general. A tax measured by net income is hereby imposed on every individual, corporation, trust and estate for each taxable year ending after July 31, 1969 on the privilege of earning or receiving income in or as a resident of this State. Such tax shall be in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(b) Rates. The tax imposed by subsection (a) of this Section shall be determined as follows, except as adjusted by subsection (d-1):

(1) In the case of an individual, trust or estate, for taxable years ending prior to July 1, 1989, an amount equal to 2 1/2% of the taxpayer's net income for the taxable year.

(2) In the case of an individual, trust or estate, for taxable years beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 2 1/2% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 3% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(3) In the case of an individual, trust or estate, for taxable years beginning after June 30, 1989, and ending prior to January 1, 2011, an amount equal to 3% of the taxpayer's net income for the taxable year.

(4) In the case of an individual, trust, or estate, for taxable years beginning prior to

January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 3% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 5% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(5) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 5% of the taxpayer's net income for the taxable year.

(5.1) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 5% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 3.75% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(5.2) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2015, and ending prior to January 1, 2025, an amount equal to 3.75% of the taxpayer's net income for the taxable year.

(5.3) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2025, and ending after December 31, 2024, an amount equal to the sum of (i) 3.75% of the taxpayer's net income for the period prior to January 1, 2025, as calculated under Section 202.5, and (ii) 3.25% of the taxpayer's net income for the period after December 31, 2024, as calculated under Section 202.5.

(5.4) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2025, an amount equal to 3.25% of the taxpayer's net income for the taxable year.

(6) In the case of a corporation, for taxable years ending prior to July 1, 1989, an amount equal to 4% of the taxpayer's net income for the taxable year.

(7) In the case of a corporation, for taxable years beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 4% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 4.8% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(8) In the case of a corporation, for taxable years beginning after June 30, 1989, and ending prior to January 1, 2011, an amount equal to 4.8% of the taxpayer's net income for the taxable year.

(9) In the case of a corporation, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 4.8% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(10) In the case of a corporation, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 7% of the taxpayer's net income for the taxable year.

(11) In the case of a corporation, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 7% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 5.25% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(12) In the case of a corporation, for taxable years beginning on or after January 1, 2015, and ending prior to January 1, 2025, an amount equal to 5.25% of the taxpayer's net income for the taxable year.

(13) In the case of a corporation, for taxable years beginning prior to January 1, 2025, and ending after December 31, 2024, an amount equal to the sum of (i) 5.25% of the taxpayer's net income for the period prior to January 1, 2025, as calculated under Section 202.5, and (ii) 4.8% of the taxpayer's net income for the period after December 31, 2024, as calculated under Section 202.5.

(14) In the case of a corporation, for taxable years beginning on or after January 1, 2025, an amount equal to 4.8% of the taxpayer's net income for the taxable year.

The rates under this subsection (b) are subject to the provisions of Section 201.5.

(c) Personal Property Tax Replacement Income Tax. Beginning on July 1, 1979 and thereafter, in addition to such income tax, there is also hereby imposed the Personal Property Tax Replacement Income Tax measured by net income on every corporation (including Subchapter S corporations), partnership and trust, for each taxable year ending after June 30, 1979. Such taxes are imposed on the privilege of earning or receiving income in or as a resident of this State. The Personal Property Tax Replacement Income Tax shall be in addition to the income tax imposed by subsections (a) and (b) of this Section and in addition to all other occupation or privilege taxes imposed by this State or by any

municipal corporation or political subdivision thereof.

(d) Additional Personal Property Tax Replacement Income Tax Rates. The personal property tax replacement income tax imposed by this subsection and subsection (c) of this Section in the case of a corporation, other than a Subchapter S corporation and except as adjusted by subsection (d-1), shall be an additional amount equal to 2.85% of such taxpayer's net income for the taxable year, except that beginning on January 1, 1981, and thereafter, the rate of 2.85% specified in this subsection shall be reduced to 2.5%, and in the case of a partnership, trust or a Subchapter S corporation shall be an additional amount equal to 1.5% of such taxpayer's net income for the taxable year.

(d-1) Rate reduction for certain foreign insurers. In the case of a foreign insurer, as defined by Section 35A-5 of the Illinois Insurance Code, whose state or country of domicile imposes on insurers domiciled in Illinois a retaliatory tax (excluding any insurer whose premiums from reinsurance assumed are 50% or more of its total insurance premiums as determined under paragraph (2) of subsection (b) of Section 304, except that for purposes of this determination premiums from reinsurance do not include premiums from inter-affiliate reinsurance arrangements), beginning with taxable years ending on or after December 31, 1999, the sum of the rates of tax imposed by subsections (b) and (d) shall be reduced (but not increased) to the rate at which the total amount of tax imposed under this Act, net of all credits allowed under this Act, shall equal (i) the total amount of tax that would be imposed on the foreign insurer's net income allocable to Illinois for the taxable year by such foreign insurer's state or country of domicile if that net income were subject to all income taxes and taxes measured by net income imposed by such foreign insurer's state or country of domicile, net of all credits allowed or (ii) a rate of zero if no such tax is imposed on such income by the foreign insurer's state of domicile. For the purposes of this subsection (d-1), an inter-affiliate includes a mutual insurer under common management.

(1) For the purposes of subsection (d-1), in no event shall the sum of the rates of tax imposed by subsections (b) and (d) be reduced below the rate at which the sum of:

(A) the total amount of tax imposed on such foreign insurer under this Act for a taxable year, net of all credits allowed under this Act, plus

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code,

equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

(2) Any reduction in the rates of tax imposed by this subsection shall be applied first against the rates imposed by subsection (b) and only after the tax imposed by subsection (a) net of all credits allowed under this Section other than the credit allowed under subsection (i) has been reduced to zero, against the rates imposed by subsection (d).

This subsection (d-1) is exempt from the provisions of Section 250.

(e) Investment credit. A taxpayer shall be allowed a credit against the Personal Property Tax Replacement Income Tax for investment in qualified property.

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and

applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all such certifications immediately. For tax years ending after December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

(2) The term "qualified property" means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings and signs that are real property, but not including land or improvements to real property that are not a structural component of a building such as landscaping, sewer lines, local access roads, fencing, parking lots, and other appurtenances;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (e);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in Illinois by a taxpayer who is primarily engaged in manufacturing, or in mining coal or fluorite, or in retailing, or was placed in service on or after July 1, 2006 in a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act; and

(E) has not previously been used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (e) or subsection (f).

(3) For purposes of this subsection (e), "manufacturing" means the material staging and production of tangible personal property by procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes some existing material into new shapes, new qualities, or new combinations. For purposes of this subsection (e) the term "mining" shall have the same meaning as the term "mining" in Section 613(c) of the Internal Revenue Code. For purposes of this subsection (e), the term "retailing" means the sale of tangible personal property for use or consumption and not for resale, or services rendered in conjunction with the sale of tangible personal property for use or consumption and not for resale. For purposes of this subsection (e), "tangible personal property" has the same meaning as when that term is used in the Retailers' Occupation Tax Act, and, for taxable years ending after December 31, 2008, does not include the generation, transmission, or distribution of electricity.

(4) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(5) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(6) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(7) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the Personal Property Tax Replacement Income Tax for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation and, (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (7), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(8) Unless the investment credit is extended by law, the basis of qualified property shall not include costs incurred after December 31, 2018, except for costs incurred pursuant to a

binding contract entered into on or before December 31, 2018.

(9) Each taxable year ending before December 31, 2000, a partnership may elect to pass through to its partners the credits to which the partnership is entitled under this subsection (e) for the taxable year. A partner may use the credit allocated to him or her under this paragraph only against the tax imposed in subsections (c) and (d) of this Section. If the partnership makes that election, those credits shall be allocated among the partners in the partnership in accordance with the rules set forth in Section 704(b) of the Internal Revenue Code, and the rules promulgated under that Section, and the allocated amount of the credits shall be allowed to the partners for that taxable year. The partnership shall make this election on its Personal Property Tax Replacement Income Tax return for that taxable year. The election to pass through the credits shall be irrevocable.

For taxable years ending on or after December 31, 2000, a partner that qualifies its partnership for a subtraction under subparagraph (I) of paragraph (2) of subsection (d) of Section 203 or a shareholder that qualifies a Subchapter S corporation for a subtraction under subparagraph (S) of paragraph (2) of subsection (b) of Section 203 shall be allowed a credit under this subsection (e) equal to its share of the credit earned under this subsection (e) during the taxable year by the partnership or Subchapter S corporation, determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. This paragraph is exempt from the provisions of Section 250.

(f) Investment credit; Enterprise Zone; River Edge Redevelopment Zone.

(1) A taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service in an Enterprise Zone created pursuant to the Illinois Enterprise Zone Act or, for property placed in service on or after July 1, 2006, a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (f) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. The credit shall be .5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service in the Enterprise Zone or River Edge Redevelopment Zone and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1985, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (f);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer; and

(E) has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (f) or subsection (e).

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year, any property ceases to be qualified property in the

hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside the Enterprise Zone or River Edge Redevelopment Zone within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) There shall be allowed an additional credit equal to 0.5% of the basis of qualified property placed in service during the taxable year in a River Edge Redevelopment Zone, provided such property is placed in service on or after July 1, 2006, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is 0.5% and the denominator of which is 1%, but shall not exceed 0.5%.

(g) Jobs Tax Credit; ~~Enterprise Zone,~~ River Edge Redevelopment Zone~~,~~ and Foreign Trade Zone or Sub-Zone.

(1) A taxpayer conducting a trade or business~~,~~ ~~in an enterprise zone or a High Impact Business designated by the Department of Commerce and Economic Opportunity or~~ for taxable years ending on or after December 31, 2006, in a River Edge Redevelopment Zone or conducting a trade or business in a federally designated Foreign Trade Zone or Sub-Zone shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section in the amount of $500 per eligible employee hired to work in the zone during the taxable year.

(2) To qualify for the credit:

(A) the taxpayer must hire 5 or more eligible employees to work in a ~~an enterprise zone,~~ River Edge Redevelopment Zone~~,~~ or federally designated Foreign Trade Zone or Sub-Zone during the taxable year;

(B) the taxpayer's total employment within the ~~enterprise zone,~~ River Edge Redevelopment Zone~~,~~ or federally designated Foreign Trade Zone or Sub-Zone must increase by 5 or more full-time employees beyond the total employed in that zone at the end of the previous tax year for which a jobs tax credit under this Section was taken, or beyond the total employed by the taxpayer as of December 31, 1985, whichever is later; and

(C) the eligible employees must be employed 180 consecutive days in order to be deemed hired for purposes of this subsection.

(3) An "eligible employee" means an employee who is:

(A) Certified by the Department of Commerce and Economic Opportunity as "eligible for services" pursuant to regulations promulgated in accordance with Title II of the Job Training Partnership Act, Training Services for the Disadvantaged or Title III of the Job Training Partnership Act, Employment and Training Assistance for Dislocated Workers Program.

(B) Hired after the ~~enterprise zone,~~ River Edge Redevelopment Zone~~,~~ or federally designated Foreign Trade Zone or Sub-Zone was designated or the trade or business was located in that zone, whichever is later.

(C) Employed in the ~~enterprise zone,~~ River Edge Redevelopment Zone~~,~~ or Foreign Trade Zone or Sub-Zone. An employee is employed in a ~~an enterprise zone or~~ federally designated Foreign Trade Zone or Sub-Zone if his services are rendered there or it is the base of operations for the services performed.

(D) A full-time employee working 30 or more hours per week.

(4) For tax years ending on or after December 31, 1985 and prior to December 31, 1988, the credit shall be allowed for the tax year in which the eligible employees are hired. For tax years ending on or after December 31, 1988, the credit shall be allowed for the tax year immediately following the tax year in which the eligible employees are hired. If the amount of the credit exceeds

the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

(5) The Department of Revenue shall promulgate such rules and regulations as may be deemed necessary to carry out the purposes of this subsection (g).

(6) The credit shall be available for eligible employees hired on or after January 1, 1986.

(h) Investment credit; High Impact Business.

(1) Subject to subsections (b) and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service by a Department of Commerce and Economic Opportunity designated High Impact Business. The credit shall be .5% of the basis for such property. The credit shall not be available (i) until the minimum investments in qualified property set forth in subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act have been satisfied or (ii) until the time authorized in subsection (b-5) of the Illinois Enterprise Zone Act for entities designated as High Impact Businesses under subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone Act, and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. The credit applicable to such investments shall be taken in the taxable year in which such investments have been completed. The credit for additional investments beyond the minimum investment by a designated high impact business authorized under subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1987, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

Changes made in this subdivision (h)(1) by Public Act 88-670 restore changes made by Public Act 85-1182 and reflect existing law.

(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (h);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code; and

(D) is not eligible for the Enterprise Zone Investment Credit provided by subsection (f) of this Section.

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year ending on or before December 31, 1996, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from

the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) Beginning with tax years ending after December 31, 1996, if a taxpayer qualifies for the credit under this subsection (h) and thereby is granted a tax abatement and the taxpayer relocates its entire facility in violation of the explicit terms and length of the contract under Section 18-183 of the Property Tax Code, the tax imposed under subsections (a) and (b) of this Section shall be increased for the taxable year in which the taxpayer relocated its facility by an amount equal to the amount of credit received by the taxpayer under this subsection (h).

(i) Credit for Personal Property Tax Replacement Income Tax. For tax years ending prior to December 31, 2003, a credit shall be allowed against the tax imposed by subsections (a) and (b) of this Section for the tax imposed by subsections (c) and (d) of this Section. This credit shall be computed by multiplying the tax imposed by subsections (c) and (d) of this Section by a fraction, the numerator of which is base income allocable to Illinois and the denominator of which is Illinois base income, and further multiplying the product by the tax rate imposed by subsections (a) and (b) of this Section.

Any credit earned on or after December 31, 1986 under this subsection which is unused in the year the credit is computed because it exceeds the tax liability imposed by subsections (a) and (b) for that year (whether it exceeds the original liability or the liability as later amended) may be carried forward and applied to the tax liability imposed by subsections (a) and (b) of the 5 taxable years following the excess credit year, provided that no credit may be carried forward to any year ending on or after December 31, 2003. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first.

If, during any taxable year ending on or after December 31, 1986, the tax imposed by subsections (c) and (d) of this Section for which a taxpayer has claimed a credit under this subsection (i) is reduced, the amount of credit for such tax shall also be reduced. Such reduction shall be determined by recomputing the credit to take into account the reduced tax imposed by subsections (c) and (d). If any portion of the reduced amount of credit has been carried to a different taxable year, an amended return shall be filed for such taxable year to reduce the amount of credit claimed.

(j) Training expense credit. Beginning with tax years ending on or after December 31, 1986 and prior to December 31, 2003, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) under this Section for all amounts paid or accrued, on behalf of all persons employed by the taxpayer in Illinois or Illinois residents employed outside of Illinois by a taxpayer, for educational or vocational training in semi-technical or technical fields or semi-skilled or skilled fields, which were deducted from gross income in the computation of taxable income. The credit against the tax imposed by subsections (a) and (b) shall be 1.6% of such training expenses. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (j) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

Any credit allowed under this subsection which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first. No carryforward credit may be claimed in any tax year ending on or after December 31, 2003.

(k) Research and development credit.

For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2016, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

For purposes of this subsection, "qualifying expenditures" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under Section

41 of the Internal Revenue Code and which are conducted in this State, "qualifying expenditures for increasing research activities in this State" means the excess of qualifying expenditures for the taxable year in which incurred over qualifying expenditures for the base period, "qualifying expenditures for the base period" means the average of the qualifying expenditures for each year in the base period, and "base period" means the 3 taxable years immediately preceding the taxable year for which the determination is being made.

Any credit in excess of the tax liability for the taxable year may be carried forward. A taxpayer may elect to have the unused credit shown on its final completed return carried over as a credit against the tax liability for the following 5 taxable years or until it has been fully used, whichever occurs first; provided that no credit earned in a tax year ending prior to December 31, 2003 may be carried forward to any year ending on or after December 31, 2003.

If an unused credit is carried forward to a given year from 2 or more earlier years, that credit arising in the earliest year will be applied first against the tax liability for the given year. If a tax liability for the given year still remains, the credit from the next earliest year will then be applied, and so on, until all credits have been used or no tax liability for the given year remains. Any remaining unused credit or credits then will be carried forward to the next following year in which a tax liability is incurred, except that no credit can be carried forward to a year which is more than 5 years after the year in which the expense for which the credit is given was incurred.

No inference shall be drawn from this amendatory Act of the 91st General Assembly in construing this Section for taxable years beginning before January 1, 1999.

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site, except that the $100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed $40,000 per year with a maximum total of $150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois

Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(m) Education expense credit. Beginning with tax years ending after December 31, 1999, a taxpayer who is the custodian of one or more qualifying pupils shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for qualified education expenses incurred on behalf of the qualifying pupils. The credit shall be equal to 25% of qualified education expenses, but in no event may the total credit under this subsection claimed by a family that is the custodian of qualifying pupils exceed $500. In no event shall a credit under this subsection reduce the taxpayer's liability under this Act to less than zero. This subsection is exempt from the provisions of Section 250 of this Act.

For purposes of this subsection:

"Qualifying pupils" means individuals who (i) are residents of the State of Illinois, (ii) are under the age of 21 at the close of the school year for which a credit is sought, and (iii) during the school year for which a credit is sought were full-time pupils enrolled in a kindergarten through twelfth grade education program at any school, as defined in this subsection.

"Qualified education expense" means the amount incurred on behalf of a qualifying pupil in excess of $250 for tuition, book fees, and lab fees at the school in which the pupil is enrolled during the regular school year.

"School" means any public or nonpublic elementary or secondary school in Illinois that is in compliance with Title VI of the Civil Rights Act of 1964 and attendance at which satisfies the requirements of Section 26-1 of the School Code, except that nothing shall be construed to require a child to attend any particular public or nonpublic school to qualify for the credit under this Section.

"Custodian" means, with respect to qualifying pupils, an Illinois resident who is a parent, the parents, a legal guardian, or the legal guardians of the qualifying pupils.

(n) River Edge Redevelopment Zone site remediation tax credit.

(i) For tax years ending on or after December 31, 2006, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14a of the Environmental Protection Act that were paid in performing environmental remediation at a site within a River Edge Redevelopment Zone for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. Determinations as to credit availability for purposes of this Section shall be made consistent with rules adopted by the Pollution Control Board pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any

taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(Source: P.A. 96-115, eff. 7-31-09; 96-116, eff. 7-31-09; 96-937, eff. 6-23-10; 96-1000, eff. 7-2-10; 96-1496, eff. 1-13-11; 97-2, eff. 5-6-11; 97-636, eff. 6-1-12.)

(35 ILCS 5/203) (from Ch. 120, par. 2-203)

Sec. 203. Base income defined.

(a) Individuals.

(1) In general. In the case of an individual, base income means an amount equal to the taxpayer's adjusted gross income for the taxable year as modified by paragraph (2).

(2) Modifications. The adjusted gross income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of adjusted gross income, except stock dividends of qualified public utilities described in Section 305(e) of the Internal Revenue Code;

(B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of adjusted gross income for the taxable year;

(C) An amount equal to the amount received during the taxable year as a recovery or refund of real property taxes paid with respect to the taxpayer's principal residence under the Revenue Act of 1939 and for which a deduction was previously taken under subparagraph (L) of this paragraph (2) prior to July 1, 1991, the retrospective application date of Article 4 of Public Act 87-17. In the case of multi-unit or multi-use structures and farm dwellings, the taxes on the taxpayer's principal residence shall be that portion of the total taxes for the entire property which is attributable to such principal residence;

(D) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of adjusted gross income;

(D-5) An amount, to the extent not included in adjusted gross income, equal to the amount of money withdrawn by the taxpayer in the taxable year from a medical care savings account and the interest earned on the account in the taxable year of a withdrawal pursuant to subsection (b) of Section 20 of the Medical Care Savings Account Act or subsection (b) of Section 20 of the Medical Care Savings Account Act of 2000;

(D-10) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the individual deducted in computing adjusted gross income and for which the individual claims a credit under subsection (l) of Section 201;

(D-15) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code;

(D-16) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (Z) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (Z), then an amount equal to that subtraction modification.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

(D-17) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for

the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and

(b) the transaction giving rise to the interest expense between the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

(iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(D-18) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

(i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by

net income with respect to such item; or

(ii) any item of intangible expense or cost paid, accrued, or incurred,

directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and

(b) the transaction giving rise to the intangible expense or cost between the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred,

directly or indirectly, from a transaction with a person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(D-19) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this Act.

(D-20) For taxable years beginning on or after January 1, 2002 and ending on or before December 31, 2006, in the case of a distribution from a qualified tuition program under Section 529 of the Internal Revenue Code, other than (i) a distribution from a College Savings Pool created under Section 16.5 of the State Treasurer Act or (ii) a distribution from the Illinois Prepaid Tuition Trust Fund, an amount equal to the amount excluded from gross income under Section 529(c)(3)(B). For taxable years beginning on or after January 1, 2007, in the case of a distribution from a qualified tuition program under Section 529 of the Internal Revenue Code, other than (i) a distribution from a College Savings Pool created under Section 16.5 of the State Treasurer Act, (ii) a distribution from the Illinois Prepaid Tuition Trust Fund, or (iii) a distribution from a qualified tuition program under Section 529 of the Internal Revenue Code that (I) adopts and determines that its offering materials comply with the College Savings Plans Network's disclosure principles and (II) has made reasonable efforts to inform in-state residents of the existence of in-state qualified tuition programs by informing Illinois residents directly and, where applicable, to inform financial intermediaries distributing the program to inform in-state residents of the existence of in-state qualified tuition programs at least annually, an amount equal to the amount excluded from gross income under Section 529(c)(3)(B).

For the purposes of this subparagraph (D-20), a qualified tuition program has made reasonable efforts if it makes disclosures (which may use the term "in-state program" or "in-state plan" and need not specifically refer to Illinois or its qualified programs by name) (i) directly to prospective participants in its offering materials or makes a public disclosure, such as a website posting; and (ii) where applicable, to intermediaries selling the out-of-state program in the same manner that the out-of-state program distributes its offering materials;

(D-21) For taxable years beginning on or after January 1, 2007, in the case of transfer of moneys from a qualified tuition program under Section 529 of the Internal Revenue Code that is administered by the State to an out-of-state program, an amount equal to the amount of

moneys previously deducted from base income under subsection (a)(2)(Y) of this Section;

(D-22) For taxable years beginning on or after January 1, 2009, in the case of a nonqualified withdrawal or refund of moneys from a qualified tuition program under Section 529 of the Internal Revenue Code administered by the State that is not used for qualified expenses at an eligible education institution, an amount equal to the contribution component of the nonqualified withdrawal or refund that was previously deducted from base income under subsection (a)(2)(y) of this Section, provided that the withdrawal or refund did not result from the beneficiary's death or disability;

(D-23) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

and by deducting from the total so obtained the sum of the following amounts:

(E) For taxable years ending before December 31, 2001, any amount included in such total in respect of any compensation (including but not limited to any compensation paid or accrued to a serviceman while a prisoner of war or missing in action) paid to a resident by reason of being on active duty in the Armed Forces of the United States and in respect of any compensation paid or accrued to a resident who as a governmental employee was a prisoner of war or missing in action, and in respect of any compensation paid to a resident in 1971 or thereafter for annual training performed pursuant to Sections 502 and 503, Title 32, United States Code as a member of the Illinois National Guard or, beginning with taxable years ending on or after December 31, 2007, the National Guard of any other state. For taxable years ending on or after December 31, 2001, any amount included in such total in respect of any compensation (including but not limited to any compensation paid or accrued to a serviceman while a prisoner of war or missing in action) paid to a resident by reason of being a member of any component of the Armed Forces of the United States and in respect of any compensation paid or accrued to a resident who as a governmental employee was a prisoner of war or missing in action, and in respect of any compensation paid to a resident in 2001 or thereafter by reason of being a member of the Illinois National Guard or, beginning with taxable years ending on or after December 31, 2007, the National Guard of any other state. The provisions of this subparagraph (E) are exempt from the provisions of Section 250;

(F) An amount equal to all amounts included in such total pursuant to the provisions of Sections 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and 408 of the Internal Revenue Code, or included in such total as distributions under the provisions of any retirement or disability plan for employees of any governmental agency or unit, or retirement payments to retired partners, which payments are excluded in computing net earnings from self employment by Section 1402 of the Internal Revenue Code and regulations adopted pursuant thereto;

(G) The valuation limitation amount;

(H) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(I) An amount equal to all amounts included in such total pursuant to the provisions of Section 111 of the Internal Revenue Code as a recovery of items previously deducted from adjusted gross income in the computation of taxable income;

(J) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in ~~an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or~~ a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act, and conducts substantially all of its operations in ~~an Enterprise Zone or zones or~~ a River Edge Redevelopment Zone or zones. This subparagraph (J) is exempt from the provisions of Section 250;

(K) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (J) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (K);

(L) For taxable years ending after December 31, 1983, an amount equal to all social security benefits and railroad retirement benefits included in such total pursuant to Sections 72(r) and 86 of the Internal Revenue Code;

(M) With the exception of any amounts subtracted under subparagraph (N), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(2) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue

Code, plus, for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(N) An amount equal to all amounts included in such total which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;

(O) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;

(P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code or of any itemized deduction taken from adjusted gross income in the computation of taxable income for restoration of substantial amounts held under claim of right for the taxable year;

(Q) An amount equal to any amounts included in such total, received by the taxpayer as an acceleration in the payment of life, endowment or annuity benefits in advance of the time they would otherwise be payable as an indemnity for a terminal illness;

(R) An amount equal to the amount of any federal or State bonus paid to veterans of the Persian Gulf War;

(S) An amount, to the extent included in adjusted gross income, equal to the amount of a contribution made in the taxable year on behalf of the taxpayer to a medical care savings account established under the Medical Care Savings Account Act or the Medical Care Savings Account Act of 2000 to the extent the contribution is accepted by the account administrator as provided in that Act;

(T) An amount, to the extent included in adjusted gross income, equal to the amount of interest earned in the taxable year on a medical care savings account established under the Medical Care Savings Account Act or the Medical Care Savings Account Act of 2000 on behalf of the taxpayer, other than interest added pursuant to item (D-5) of this paragraph (2);

(U) For one taxable year beginning on or after January 1, 1994, an amount equal to the total amount of tax imposed and paid under subsections (a) and (b) of Section 201 of this Act on grant amounts received by the taxpayer under the Nursing Home Grant Assistance Act during the taxpayer's taxable years 1992 and 1993;

(V) Beginning with tax years ending on or after December 31, 1995 and ending with tax years ending on or before December 31, 2004, an amount equal to the amount paid by a taxpayer who is a self-employed taxpayer, a partner of a partnership, or a shareholder in a Subchapter S corporation for health insurance or long-term care insurance for that taxpayer or that taxpayer's spouse or dependents, to the extent that the amount paid for that health insurance or long-term care insurance may be deducted under Section 213 of the Internal Revenue Code, has not been deducted on the federal income tax return of the taxpayer, and does not exceed the taxable income attributable to that taxpayer's income, self-employment income, or Subchapter S corporation income; except that no deduction shall be allowed under this item (V) if the taxpayer is eligible to participate in any health insurance or long-term care insurance plan of an employer of the taxpayer or the taxpayer's spouse. The amount of the health insurance and long-term care insurance subtracted under this item (V) shall be determined by multiplying total health insurance and long-term care insurance premiums paid by the taxpayer times a number that represents the fractional percentage of eligible medical expenses under Section 213 of the Internal Revenue Code of 1986 not actually deducted on the taxpayer's federal income tax return;

(W) For taxable years beginning on or after January 1, 1998, all amounts included in the taxpayer's federal gross income in the taxable year from amounts converted from a regular IRA to a Roth IRA. This paragraph is exempt from the provisions of Section 250;

(X) For taxable year 1999 and thereafter, an amount equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during,

and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime by European insurance companies immediately prior to and during World War II; provided, however, this subtraction from federal adjusted gross income does not apply to assets acquired with such assets or with the proceeds from the sale of such assets; provided, further, this paragraph shall only apply to a taxpayer who was the first recipient of such assets after their recovery and who is a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim. The amount of and the eligibility for any public assistance, benefit, or similar entitlement is not affected by the inclusion of items (i) and (ii) of this paragraph in gross income for federal income tax purposes. This paragraph is exempt from the provisions of Section 250;

(Y) For taxable years beginning on or after January 1, 2002 and ending on or before December 31, 2004, moneys contributed in the taxable year to a College Savings Pool account under Section 16.5 of the State Treasurer Act, except that amounts excluded from gross income under Section 529(c)(3)(C)(i) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (Y). For taxable years beginning on or after January 1, 2005, a maximum of $10,000 contributed in the taxable year to (i) a College Savings Pool account under Section 16.5 of the State Treasurer Act or (ii) the Illinois Prepaid Tuition Trust Fund, except that amounts excluded from gross income under Section 529(c)(3)(C)(i) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (Y). For purposes of this subparagraph, contributions made by an employer on behalf of an employee, or matching contributions made by an employee, shall be treated as made by the employee. This subparagraph (Y) is exempt from the provisions of Section 250;

(Z) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (Z) is exempt from the provisions of Section 250;

(AA) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (AA) is exempt from the provisions of Section 250;

(BB) Any amount included in adjusted gross income, other than salary, received by a driver in a ridesharing arrangement using a motor vehicle;

(CC) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of that addition

modification, and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of that addition modification. This subparagraph (CC) is exempt from the provisions of Section 250;

(DD) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-17) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (DD) is exempt from the provisions of Section 250;

(EE) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(a)(2)(D-18) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person. This subparagraph (EE) is exempt from the provisions of Section 250;

(FF) An amount equal to any amount awarded to the taxpayer during the taxable year by the Court of Claims under subsection (c) of Section 8 of the Court of Claims Act for time unjustly served in a State prison. This subparagraph (FF) is exempt from the provisions of Section 250; and

(GG) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(a)(2)(D-19), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (GG), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (GG). This subparagraph (GG) is exempt from the provisions of Section 250.

(b) Corporations.

(1) In general. In the case of a corporation, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. The taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest and all distributions received from regulated investment companies during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of taxable income for the taxable year;

(C) In the case of a regulated investment company, an amount equal to the excess of (i) the net long-term capital gain for the taxable year, over (ii) the amount of the capital gain dividends designated as such in accordance with Section 852(b)(3)(C) of the Internal Revenue Code and any amount designated under Section 852(b)(3)(D) of the Internal Revenue Code, attributable to the taxable year (this amendatory Act of 1995 (Public Act 89-89) is declarative of existing law and is not a new enactment);

(D) The amount of any net operating loss deduction taken in arriving at taxable

income, other than a net operating loss carried forward from a taxable year ending prior to December 31, 1986;

(E) For taxable years in which a net operating loss carryback or carryforward from a taxable year ending prior to December 31, 1986 is an element of taxable income under paragraph (1) of subsection (e) or subparagraph (E) of paragraph (2) of subsection (e), the amount by which addition modifications other than those provided by this subparagraph (E) exceeded subtraction modifications in such earlier taxable year, with the following limitations applied in the order that they are listed:

(i) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall be reduced by the amount of addition modification under this subparagraph (E) which related to that net operating loss and which was taken into account in calculating the base income of an earlier taxable year, and

(ii) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall not exceed the amount of such carryback or carryforward;

For taxable years in which there is a net operating loss carryback or carryforward from more than one other taxable year ending prior to December 31, 1986, the addition modification provided in this subparagraph (E) shall be the sum of the amounts computed independently under the preceding provisions of this subparagraph (E) for each such taxable year;

(E-5) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the corporation deducted in computing adjusted gross income and for which the corporation claims a credit under subsection (l) of Section 201;

(E-10) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code;

(E-11) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (T) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (T), then an amount equal to that subtraction modification.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

(E-12) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the person, during the same taxable year, paid, accrued, or incurred,

the interest to a person that is not a related member, and

(b) the transaction giving rise to the interest expense between the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

(iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(E-13) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(b)(2)(E-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

(i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such item; or

(ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and

(b) the transaction giving rise to the intangible expense or cost between the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, from a transaction with a person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under

Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(E-14) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(b)(2)(E-12) or Section 203(b)(2)(E-13) of this Act;

(E-15) For taxable years beginning after December 31, 2008, any deduction for dividends paid by a captive real estate investment trust that is allowed to a real estate investment trust under Section 857(b)(2)(B) of the Internal Revenue Code for dividends paid;

(E-16) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

and by deducting from the total so obtained the sum of the following amounts:

(F) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(G) An amount equal to any amount included in such total under Section 78 of the Internal Revenue Code;

(H) In the case of a regulated investment company, an amount equal to the amount of exempt interest dividends as defined in subsection (b) (5) of Section 852 of the Internal Revenue Code, paid to shareholders for the taxable year;

(I) With the exception of any amounts subtracted under subparagraph (J), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(a)(2) and amounts disallowed as interest expense by Section 291(a)(3) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, for tax years ending on or after December 31, 2011, amounts disallowed as deductions by Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code and the policyholders' share of tax-exempt interest of a life insurance company under Section 807(a)(2)(B) of the Internal Revenue Code (in the case of a life insurance company with gross income from a decrease in reserves for the tax year) or Section 807(b)(1)(B) of the Internal Revenue Code (in the case of a life insurance company allowed a deduction for an increase in reserves for the tax year); the provisions of this subparagraph are exempt from the provisions of Section 250;

(J) An amount equal to all amounts included in such total which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;

(K) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in ~~an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or~~ a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations in ~~an Enterprise Zone or zones or~~ a River Edge Redevelopment Zone or zones. This subparagraph (K) is exempt from the provisions of Section 250;

(L) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (K) of paragraph 2 of this subsection shall not be eligible for the deduction provided under this subparagraph (L);

(M) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for ~~the Enterprise Zone Investment Credit or~~ the River Edge Redevelopment Zone Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(f) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(f) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in ~~the Enterprise Zone or~~ the River Edge Redevelopment Zone. The subtraction modification available to taxpayer in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence. This subparagraph (M) is exempt from the provisions of Section 250;

(M-1) For any taxpayer that is a financial organization within the meaning of Section 304(c) of this Act, an amount included in such total as interest income from a loan or loans made by such taxpayer to a borrower, to the extent that such a loan is secured by property which is eligible for the High Impact Business Investment Credit. To determine the portion of a loan or loans that is secured by property eligible for a Section 201(h) investment credit to the borrower, the entire principal amount of the loan or loans between the taxpayer and the borrower should be divided into the basis of the Section 201(h) investment credit property which secures the loan or loans, using for this purpose the original basis of such property on the date that it was placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois. No taxpayer that is eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall be eligible for the deduction provided under this subparagraph (M-1). The subtraction modification available to taxpayers in any year under this subsection shall be that portion of the total interest paid by the borrower with respect to such loan attributable to the eligible property as calculated under the previous sentence;

(N) Two times any contribution made during the taxable year to a designated zone organization to the extent that the contribution (i) qualifies as a charitable contribution under subsection (c) of Section 170 of the Internal Revenue Code and (ii) must, by its terms, be used for a project approved by the Department of Commerce and Economic Opportunity under Section 11 of the Illinois Enterprise Zone Act or under Section 10-10 of the River Edge Redevelopment Zone Act. This subparagraph (N) is exempt from the provisions of Section 250;

(O) An amount equal to: (i) 85% for taxable years ending on or before December 31, 1992, or, a percentage equal to the percentage allowable under Section 243(a)(1) of the Internal Revenue Code of 1986 for taxable years ending after December 31, 1992, of the amount by which dividends included in taxable income and received from a corporation that is not created or organized under the laws of the United States or any state or political subdivision thereof, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 965 of the Internal Revenue Code, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends, and including, for taxable years ending on or after December 31, 2008, dividends received from a captive real estate investment trust; plus (ii) 100% of the amount by which dividends, included in taxable income and received, including, for taxable years ending on or after December 31, 1988, dividends received or deemed received or paid or deemed paid under Sections 951 through 964 of the Internal Revenue Code and including, for taxable years ending on or after December 31, 2008, dividends received from a captive real estate investment trust, from any such corporation specified in clause (i) that would but for the provisions of Section 1504 (b) (3) of the Internal Revenue Code be treated as a member of the affiliated group which includes the dividend recipient, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends. This subparagraph (O) is exempt from the provisions of Section 250 of this Act;

(P) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;

(Q) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code;

(R) On and after July 20, 1999, in the case of an attorney-in-fact with respect to whom an interinsurer or a reciprocal insurer has made the election under Section 835 of the Internal Revenue Code, 26 U.S.C. 835, an amount equal to the excess, if any, of the amounts paid or incurred by that interinsurer or reciprocal insurer in the taxable year to the attorney-in-fact over the deduction allowed to that interinsurer or reciprocal insurer with respect to the attorney-in-fact under Section 835(b) of the Internal Revenue Code for the taxable year; the provisions of this subparagraph are exempt from the provisions of Section 250;

(S) For taxable years ending on or after December 31, 1997, in the case of a Subchapter S corporation, an amount equal to all amounts of income allocable to a shareholder subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act, including amounts allocable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code. This subparagraph (S) is exempt from the provisions of Section 250;

(T) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (T) is exempt from the provisions of Section 250;

(U) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (U) is exempt from the provisions of Section 250;

(V) The amount of: (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification, (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification, and (iii) any insurance premium income (net of deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-19), Section 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section 203(d)(2)(D-9), but not to exceed the amount of that addition modification. This subparagraph (V) is exempt from the provisions of

Section 250;

(W) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-12) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (W) is exempt from the provisions of Section 250;

(X) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(b)(2)(E-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person. This subparagraph (X) is exempt from the provisions of Section 250;

(Y) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(b)(2)(E-14), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (Y), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (Y). This subparagraph (Y) is exempt from the provisions of Section 250; and

(Z) The difference between the nondeductible controlled foreign corporation dividends under Section 965(e)(3) of the Internal Revenue Code over the taxable income of the taxpayer, computed without regard to Section 965(e)(2)(A) of the Internal Revenue Code, and without regard to any net operating loss deduction. This subparagraph (Z) is exempt from the provisions of Section 250.

(3) Special rule. For purposes of paragraph (2) (A), "gross income" in the case of a life insurance company, for tax years ending on and after December 31, 1994, and prior to December 31, 2011, shall mean the gross investment income for the taxable year and, for tax years ending on or after December 31, 2011, shall mean all amounts included in life insurance gross income under Section 803(a)(3) of the Internal Revenue Code.

(c) Trusts and estates.

(1) In general. In the case of a trust or estate, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. Subject to the provisions of paragraph (3), the taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) In the case of (i) an estate, $600; (ii) a trust which, under its governing instrument, is required to distribute all of its income currently, $300; and (iii) any other trust, $100, but in each such case, only to the extent such amount was deducted in the computation of taxable income;

(C) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of taxable income for the taxable year;

(D) The amount of any net operating loss deduction taken in arriving at taxable

income, other than a net operating loss carried forward from a taxable year ending prior to December 31, 1986;

(E) For taxable years in which a net operating loss carryback or carryforward from a taxable year ending prior to December 31, 1986 is an element of taxable income under paragraph (1) of subsection (e) or subparagraph (E) of paragraph (2) of subsection (e), the amount by which addition modifications other than those provided by this subparagraph (E) exceeded subtraction modifications in such taxable year, with the following limitations applied in the order that they are listed:

(i) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall be reduced by the amount of addition modification under this subparagraph (E) which related to that net operating loss and which was taken into account in calculating the base income of an earlier taxable year, and

(ii) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall not exceed the amount of such carryback or carryforward;

For taxable years in which there is a net operating loss carryback or carryforward from more than one other taxable year ending prior to December 31, 1986, the addition modification provided in this subparagraph (E) shall be the sum of the amounts computed independently under the preceding provisions of this subparagraph (E) for each such taxable year;

(F) For taxable years ending on or after January 1, 1989, an amount equal to the tax deducted pursuant to Section 164 of the Internal Revenue Code if the trust or estate is claiming the same tax for purposes of the Illinois foreign tax credit under Section 601 of this Act;

(G) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of taxable income;

(G-5) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the trust or estate deducted in computing adjusted gross income and for which the trust or estate claims a credit under subsection (l) of Section 201;

(G-10) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code; and

(G-11) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (R) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (R), then an amount equal to that subtraction modification.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

(G-12) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a

person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and

(b) the transaction giving rise to the interest expense between the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

(iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(G-13) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(c)(2)(G-12) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes: (1) expenses, losses, and costs for or related to the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This paragraph shall not apply to the following:

(i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such item; or

(ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and

(b) the transaction giving rise to the intangible expense or cost between

the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred,

directly or indirectly, from a transaction with a person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(G-14) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(c)(2)(G-12) or Section 203(c)(2)(G-13) of this Act;

(G-15) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

and by deducting from the total so obtained the sum of the following amounts:

(H) An amount equal to all amounts included in such total pursuant to the provisions of Sections 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408 of the Internal Revenue Code or included in such total as distributions under the provisions of any retirement or disability plan for employees of any governmental agency or unit, or retirement payments to retired partners, which payments are excluded in computing net earnings from self employment by Section 1402 of the Internal Revenue Code and regulations adopted pursuant thereto;

(I) The valuation limitation amount;

(J) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(K) An amount equal to all amounts included in taxable income as modified by subparagraphs (A), (B), (C), (D), (E), (F) and (G) which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;

(L) With the exception of any amounts subtracted under subparagraph (K), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2) and 265(a)(2) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, (iii) for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(M) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in ~~an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or~~ a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations in ~~an Enterprise Zone or Zones or~~ a River Edge Redevelopment Zone or zones. This subparagraph (M) is exempt

from the provisions of Section 250;

(N) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;

(O) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (O);

(P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code;

(Q) For taxable year 1999 and thereafter, an amount equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime by European insurance companies immediately prior to and during World War II; provided, however, this subtraction from federal adjusted gross income does not apply to assets acquired with such assets or with the proceeds from the sale of such assets; provided, further, this paragraph shall only apply to a taxpayer who was the first recipient of such assets after their recovery and who is a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim. The amount of and the eligibility for any public assistance, benefit, or similar entitlement is not affected by the inclusion of items (i) and (ii) of this paragraph in gross income for federal income tax purposes. This paragraph is exempt from the provisions of Section 250;

(R) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (R) is exempt from the provisions of Section 250;

(S) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (S) is exempt from the provisions of Section 250;

(T) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification. This subparagraph (T) is exempt from the provisions of Section 250;

(U) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-12) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (U) is exempt from the provisions of Section 250;

(V) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(c)(2)(G-13) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same foreign person. This subparagraph (V) is exempt from the provisions of Section 250;

(W) in the case of an estate, an amount equal to all amounts included in such total pursuant to the provisions of Section 111 of the Internal Revenue Code as a recovery of items previously deducted by the decedent from adjusted gross income in the computation of taxable income. This subparagraph (W) is exempt from Section 250;

(X) an amount equal to the refund included in such total of any tax deducted for federal income tax purposes, to the extent that deduction was added back under subparagraph (F). This subparagraph (X) is exempt from the provisions of Section 250; and

(Y) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(c)(2)(G-14), such taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (Y), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (Y). This subparagraph (Y) is exempt from the provisions of Section 250.

(3) Limitation. The amount of any modification otherwise required under this subsection shall, under regulations prescribed by the Department, be adjusted by any amounts included therein which were properly paid, credited, or required to be distributed, or permanently set aside for charitable purposes pursuant to Internal Revenue Code Section 642(c) during the taxable year.

(d) Partnerships.

(1) In general. In the case of a partnership, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. The taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or

dividends during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income for the taxable year;

(C) The amount of deductions allowed to the partnership pursuant to Section 707 (c) of the Internal Revenue Code in calculating its taxable income;

(D) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of taxable income;

(D-5) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code;

(D-6) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (O) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (O), then an amount equal to that subtraction modification.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

(D-7) An amount equal to the amount otherwise allowed as a deduction in computing base income for interest paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact the foreign person's business activity outside the United States is 80% or more of the foreign person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the interest was paid, accrued, or incurred.

This paragraph shall not apply to the following:

(i) an item of interest paid, accrued, or incurred, directly or indirectly, to a person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such interest; or

(ii) an item of interest paid, accrued, or incurred, directly or indirectly, to a person if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the person, during the same taxable year, paid, accrued, or incurred, the interest to a person that is not a related member, and

(b) the transaction giving rise to the interest expense between the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects an arm's-length interest rate and terms; or

(iii) the taxpayer can establish, based on clear and convincing evidence, that the interest paid, accrued, or incurred relates to a contract or agreement entered into at arm's-length rates and terms and the principal purpose for the payment is not federal or Illinois tax avoidance; or

(iv) an item of interest paid, accrued, or incurred, directly or indirectly, to a person if the taxpayer establishes by clear and convincing evidence that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f).

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the

effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act; and

(D-8) An amount equal to the amount of intangible expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, (i) for taxable years ending on or after December 31, 2004, to a foreign person who would be a member of the same unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income pursuant to Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the intangible expenses and costs were directly or indirectly paid, incurred or accrued. The preceding sentence shall not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(d)(2)(D-7) of this Act. As used in this subparagraph, the term "intangible expenses and costs" includes (1) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property; (2) losses incurred, directly or indirectly, from factoring transactions or discounting transactions; (3) royalty, patent, technical, and copyright fees; (4) licensing fees; and (5) other similar expenses and costs. For purposes of this subparagraph, "intangible property" includes patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets;

This paragraph shall not apply to the following:

(i) any item of intangible expenses or costs paid, accrued, or incurred, directly or indirectly, from a transaction with a person who is subject in a foreign country or state, other than a state which requires mandatory unitary reporting, to a tax on or measured by net income with respect to such item; or

(ii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, if the taxpayer can establish, based on a preponderance of the evidence, both of the following:

(a) the person during the same taxable year paid, accrued, or incurred, the intangible expense or cost to a person that is not a related member, and

(b) the transaction giving rise to the intangible expense or cost between the taxpayer and the person did not have as a principal purpose the avoidance of Illinois income tax, and is paid pursuant to a contract or agreement that reflects arm's-length terms; or

(iii) any item of intangible expense or cost paid, accrued, or incurred, directly or indirectly, from a transaction with a person if the taxpayer establishes by clear and convincing evidence, that the adjustments are unreasonable; or if the taxpayer and the Director agree in writing to the application or use of an alternative method of apportionment under Section 304(f);

Nothing in this subsection shall preclude the Director from making any other adjustment otherwise allowed under Section 404 of this Act for any tax year beginning after the effective date of this amendment provided such adjustment is made pursuant to regulation adopted by the Department and such regulations provide methods and standards by which the Department will utilize its authority under Section 404 of this Act;

(D-9) For taxable years ending on or after December 31, 2008, an amount equal to the amount of insurance premium expenses and costs otherwise allowed as a deduction in computing base income, and that were paid, accrued, or incurred, directly or indirectly, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304. The addition modification required by this subparagraph shall be reduced to the extent that dividends were included in base income of the unitary group for the same taxable year and received by the

taxpayer or by a member of the taxpayer's unitary business group (including amounts included in gross income under Sections 951 through 964 of the Internal Revenue Code and amounts included in gross income under Section 78 of the Internal Revenue Code) with respect to the stock of the same person to whom the premiums and costs were directly or indirectly paid, incurred, or accrued. The preceding sentence does not apply to the extent that the same dividends caused a reduction to the addition modification required under Section 203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

(D-10) An amount equal to the credit allowable to the taxpayer under Section 218(a) of this Act, determined without regard to Section 218(c) of this Act;

and by deducting from the total so obtained the following amounts:

(E) The valuation limitation amount;

(F) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(G) An amount equal to all amounts included in taxable income as modified by subparagraphs (A), (B), (C) and (D) which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State that exempts income derived from bonds or other obligations from the tax imposed under this Act, the amount exempted shall be the interest net of bond premium amortization;

(H) Any income of the partnership which constitutes personal service income as defined in Section 1348 (b) (1) of the Internal Revenue Code (as in effect December 31, 1981) or a reasonable allowance for compensation paid or accrued for services rendered by partners to the partnership, whichever is greater; this subparagraph (H) is exempt from the provisions of Section 250;

(I) An amount equal to all amounts of income distributable to an entity subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act including amounts distributable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code; this subparagraph (I) is exempt from the provisions of Section 250;

(J) With the exception of any amounts subtracted under subparagraph (G), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(2) of the Internal Revenue Code, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code, plus, (iii) for taxable years ending on or after December 31, 2011, Section 45G(e)(3) of the Internal Revenue Code and, for taxable years ending on or after December 31, 2008, any amount included in gross income under Section 87 of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(K) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in ~~an Enterprise Zone or zones created under the Illinois Enterprise Zone Act, enacted by the 82nd General Assembly, or~~ a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations ~~in an Enterprise Zone or Zones or~~ from a River Edge Redevelopment Zone or zones. This subparagraph (K) is exempt from the provisions of Section 250;

(L) An amount equal to any contribution made to a job training project established pursuant to the Real Property Tax Increment Allocation Redevelopment Act;

(M) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (K) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (M);

(N) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code;

(O) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (O) is exempt from the provisions of Section 250;

(P) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (P) is exempt from the provisions of Section 250;

(Q) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification. This subparagraph (Q) is exempt from Section 250;

(R) An amount equal to the interest income taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(d)(2)(D-7) for interest paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (R) is exempt from Section 250;

(S) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a person who would be a member of the same unitary business group but for the fact that the person is prohibited under Section 1501(a)(27) from being included in the unitary business group because he or she is ordinarily required to apportion business income under different subsections of Section 304, but not to exceed the addition modification required to be made for the same taxable year under Section 203(d)(2)(D-8) for intangible expenses and costs paid, accrued, or incurred, directly or indirectly, to the same person. This subparagraph (S) is exempt from Section 250; and

(T) For taxable years ending on or after December 31, 2011, in the case of a taxpayer who was required to add back any insurance premiums under Section 203(d)(2)(D-9), such

taxpayer may elect to subtract that part of a reimbursement received from the insurance company equal to the amount of the expense or loss (including expenses incurred by the insurance company) that would have been taken into account as a deduction for federal income tax purposes if the expense or loss had been uninsured. If a taxpayer makes the election provided for by this subparagraph (T), the insurer to which the premiums were paid must add back to income the amount subtracted by the taxpayer pursuant to this subparagraph (T). This subparagraph (T) is exempt from the provisions of Section 250.

(e) Gross income; adjusted gross income; taxable income.

(1) In general. Subject to the provisions of paragraph (2) and subsection (b) (3), for purposes of this Section and Section 803(e), a taxpayer's gross income, adjusted gross income, or taxable income for the taxable year shall mean the amount of gross income, adjusted gross income or taxable income properly reportable for federal income tax purposes for the taxable year under the provisions of the Internal Revenue Code. Taxable income may be less than zero. However, for taxable years ending on or after December 31, 1986, net operating loss carryforwards from taxable years ending prior to December 31, 1986, may not exceed the sum of federal taxable income for the taxable year before net operating loss deduction, plus the excess of addition modifications over subtraction modifications for the taxable year. For taxable years ending prior to December 31, 1986, taxable income may never be an amount in excess of the net operating loss for the taxable year as defined in subsections (c) and (d) of Section 172 of the Internal Revenue Code, provided that when taxable income of a corporation (other than a Subchapter S corporation), trust, or estate is less than zero and addition modifications, other than those provided by subparagraph (E) of paragraph (2) of subsection (b) for corporations or subparagraph (E) of paragraph (2) of subsection (c) for trusts and estates, exceed subtraction modifications, an addition modification must be made under those subparagraphs for any other taxable year to which the taxable income less than zero (net operating loss) is applied under Section 172 of the Internal Revenue Code or under subparagraph (E) of paragraph (2) of this subsection (e) applied in conjunction with Section 172 of the Internal Revenue Code.

(2) Special rule. For purposes of paragraph (1) of this subsection, the taxable income properly reportable for federal income tax purposes shall mean:

(A) Certain life insurance companies. In the case of a life insurance company subject to the tax imposed by Section 801 of the Internal Revenue Code, life insurance company taxable income, plus the amount of distribution from pre-1984 policyholder surplus accounts as calculated under Section 815a of the Internal Revenue Code;

(B) Certain other insurance companies. In the case of mutual insurance companies subject to the tax imposed by Section 831 of the Internal Revenue Code, insurance company taxable income;

(C) Regulated investment companies. In the case of a regulated investment company subject to the tax imposed by Section 852 of the Internal Revenue Code, investment company taxable income;

(D) Real estate investment trusts. In the case of a real estate investment trust subject to the tax imposed by Section 857 of the Internal Revenue Code, real estate investment trust taxable income;

(E) Consolidated corporations. In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated income tax return for the taxable year for federal income tax purposes, taxable income determined as if such corporation had filed a separate return for federal income tax purposes for the taxable year and each preceding taxable year for which it was a member of an affiliated group. For purposes of this subparagraph, the taxpayer's separate taxable income shall be determined as if the election provided by Section 243(b) (2) of the Internal Revenue Code had been in effect for all such years;

(F) Cooperatives. In the case of a cooperative corporation or association, the taxable income of such organization determined in accordance with the provisions of Section 1381 through 1388 of the Internal Revenue Code, but without regard to the prohibition against offsetting losses from patronage activities against income from nonpatronage activities; except that a cooperative corporation or association may make an election to follow its federal income tax treatment of patronage losses and nonpatronage losses. In the event such election is made, such losses shall be computed and carried over in a manner consistent with subsection (a) of Section 207 of this Act and apportioned by the apportionment factor reported by the cooperative on its Illinois income tax return filed for the taxable year in which the losses are incurred. The election shall be

effective for all taxable years with original returns due on or after the date of the election. In addition, the cooperative may file an amended return or returns, as allowed under this Act, to provide that the election shall be effective for losses incurred or carried forward for taxable years occurring prior to the date of the election. Once made, the election may only be revoked upon approval of the Director. The Department shall adopt rules setting forth requirements for documenting the elections and any resulting Illinois net loss and the standards to be used by the Director in evaluating requests to revoke elections. Public Act 96-932 is declaratory of existing law;

(G) Subchapter S corporations. In the case of: (i) a Subchapter S corporation for which there is in effect an election for the taxable year under Section 1362 of the Internal Revenue Code, the taxable income of such corporation determined in accordance with Section 1363(b) of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 1363(b)(1) of the Internal Revenue Code to be separately stated; and (ii) a Subchapter S corporation for which there is in effect a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982, the taxable income of such corporation determined in accordance with the federal Subchapter S rules as in effect on July 1, 1982; and

(H) Partnerships. In the case of a partnership, taxable income determined in accordance with Section 703 of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 703(a)(1) to be separately stated but which would be taken into account by an individual in calculating his taxable income.

(3) Recapture of business expenses on disposition of asset or business. Notwithstanding any other law to the contrary, if in prior years income from an asset or business has been classified as business income and in a later year is demonstrated to be non-business income, then all expenses, without limitation, deducted in such later year and in the 2 immediately preceding taxable years related to that asset or business that generated the non-business income shall be added back and recaptured as business income in the year of the disposition of the asset or business. Such amount shall be apportioned to Illinois using the greater of the apportionment fraction computed for the business under Section 304 of this Act for the taxable year or the average of the apportionment fractions computed for the business under Section 304 of this Act for the taxable year and for the 2 immediately preceding taxable years.

(f) Valuation limitation amount.

(1) In general. The valuation limitation amount referred to in subsections (a) (2) (G), (c) (2) (I) and (d)(2) (E) is an amount equal to:

(A) The sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of gain reportable under the provisions of Section 1245 or 1250 of the Internal Revenue Code) for all property in respect of which such gain was reported for the taxable year; plus

(B) The lesser of (i) the sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of capital gain) for all property in respect of which such gain was reported for federal income tax purposes for the taxable year, or (ii) the net capital gain for the taxable year, reduced in either case by any amount of such gain included in the amount determined under subsection (a) (2) (F) or (c) (2) (H).

(2) Pre-August 1, 1969 appreciation amount.

(A) If the fair market value of property referred to in paragraph (1) was readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is the lesser of (i) the excess of such fair market value over the taxpayer's basis (for determining gain) for such property on that date (determined under the Internal Revenue Code as in effect on that date), or (ii) the total gain realized and reportable for federal income tax purposes in respect of the sale, exchange or other disposition of such property.

(B) If the fair market value of property referred to in paragraph (1) was not readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is that amount which bears the same ratio to the total gain reported in respect of the property for federal income tax purposes for the taxable year, as the number of full calendar months in that part of the taxpayer's holding period for the property ending July 31, 1969 bears to the number of full calendar months in the taxpayer's entire holding period for the property.

(C) The Department shall prescribe such regulations as may be necessary to carry out the purposes of this paragraph.

(g) Double deductions. Unless specifically provided otherwise, nothing in this Section shall permit the same item to be deducted more than once.

(h) Legislative intention. Except as expressly provided by this Section there shall be no modifications or limitations on the amounts of income, gain, loss or deduction taken into account in determining gross income, adjusted gross income or taxable income for federal income tax purposes for the taxable year, or in the amount of such items entering into the computation of base income and net income under this Act for such taxable year, whether in respect of property values as of August 1, 1969 or otherwise.
(Source: P.A. 96-45, eff. 7-15-09; 96-120, eff. 8-4-09; 96-198, eff. 8-10-09; 96-328, eff. 8-11-09; 96-520, eff. 8-14-09; 96-835, eff. 12-16-09; 96-932, eff. 1-1-11; 96-935, eff. 6-21-10; 96-1214, eff. 7-22-10; 97-333, eff. 8-12-11; 97-507, eff. 8-23-11.)

Section 15. The Retailers' Occupation Tax Act is amended by changing Sections 5k and 5l as follows:
(35 ILCS 120/5k) (from Ch. 120, par. 444k)
Sec. 5k. Building materials exemption; enterprise zone.
(a) Each retailer who makes a qualified sale of building materials to be incorporated into real estate in an enterprise zone established by a county or municipality under the Illinois Enterprise Zone Act by remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed by this Act. For purposes of this Section, before July 1, 2013, "qualified sale" means a sale of building materials that will be incorporated into real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the administrator of the enterprise zone in which the building project is located, and on and after July 1, 2013, "qualified sale" means a sale of building materials that will be incorporated into real estate as part of a building project for which an Enterprise Zone Building Materials Exemption Certificate has been issued to the purchaser by the Department. A construction contractor or other entity shall not make tax-free purchases unless it has an active Exemption Certificate issued by the Department at the time of the purchase.
(b) Before July 1, 2013, to ~~To~~ document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the Certificate of Eligibility for Sales Tax Exemption issued by the administrator of the enterprise zone into which the building materials will be incorporated. On and after July 1, 2013, to document the exemption allowed under this Section, the retailer must obtain from the purchaser the certification required under subsection (c), which must contain the Enterprise Zone Building Materials Exemption Certificate number issued to the purchaser by the Department. Upon request from the enterprise zone administrator, the Department shall issue an Enterprise Zone Building Materials Exemption Certificate for each construction contractor or other entity identified by the enterprise zone administrator. The Department shall issue the Exemption Certificates directly to each construction contractor or other entity. The Department shall also provide the enterprise zone administrator with a copy of each Exemption Certificate issued. The request for Enterprise Zone Building Materials Exemption Certificates from the enterprise zone administrator to the Department must include the following information:
(1) the name and address of the construction contractor or other entity;
(2) the name and number of the enterprise zone;
(3) the name and location or address of the building project in the enterprise zone;
(4) the estimated amount of the exemption for each construction contractor or other entity for which a request for Exemption Certificate is made, based on a stated estimated average tax rate and the percentage of the contract that consists of materials;
(5) the period of time over which supplies for the project are expected to be purchased; and
(6) other reasonable information as the Department may require.
The Department shall issue the Enterprise Zone Building Materials Exemption Certificates within 3 business days after receipt of request from the zone administrator. This requirement does not apply in circumstances where the Department, for reasonable cause, is unable to issue the Exemption Certificate within 3 business days. The Department may refuse to issue an Exemption Certificate if the owner, any partner, or a corporate officer, and in the case of a limited liability company, any manager or member, of the construction contractor or other entity is or has been the owner, a partner, a corporate officer, and in the case of a limited liability company, a manager or member, of a person that is in default for moneys due to the Department under this Act or any other tax or fee Act administered by the Department. The Enterprise Zone Building Materials Exemption Certificate shall contain language stating that if the construction contractor or other entity who is issued the Exemption Certificate makes a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section or allows

another person to make a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that is not eligible for the exemption.

The Department, in its discretion, may require that the request for Enterprise Zone Building Materials Exemption Certificates be submitted electronically. The Department may, in its discretion, issue the Exemption Certificates electronically. The Enterprise Zone Building Materials Exemption Certificate number shall be designed in such a way that the Department can identify from the unique number on the Exemption Certificate issued to a given construction contractor or other entity, the name of the Enterprise Zone, the project for which the Exemption Certificate is issued, and the construction contractor or other entity to whom the Exemption Certificate is issued. The Exemption Certificate shall contain an expiration date, which shall be no more than 2 years after the date of issuance. At the request of the zone administrator, the Department may renew an Exemption Certificate. After the Department issues Exemption Certificates for a given enterprise zone project, the enterprise zone administrator may notify the Department of additional construction contractors or other entities eligible for an Enterprise Zone Building Materials Exemption Certificate. Upon notification by the enterprise zone administrator and subject to the other provisions of this subsection (b), the Department shall issue an Enterprise Zone Building Materials Exemption Certificate to each additional construction contractor or other entity identified by the enterprise zone administrator. An enterprise zone administrator may notify the Department to rescind an Enterprise Zone Building Materials Exemption Certificate previously issued by the Department but that has not yet expired. Upon notification by the enterprise zone administrator and subject to the other provisions of this subsection (b), the Department shall issue the rescission of the Enterprise Zone Building Materials Exemption Certificate to the construction contractor or other entity identified by the enterprise zone administrator and provide a copy to the enterprise zone administrator.

If the Department of Revenue determines that a construction contractor or other entity that was issued an Exemption Certificate under this subsection (b) made a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section or allowed another person to make a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that was not eligible for the exemption. ~~The Certificate of Eligibility for Sales Tax Exemption must contain:~~

~~(1) a statement that the building project identified in the Certificate meets all the requirements for the building material exemption contained in the enterprise zone ordinance of the jurisdiction in which the building project is located;~~

~~(2) the location or address of the building project; and~~

~~(3) the signature of the administrator of the enterprise zone in which the building project is located.~~

(c) In addition, the retailer must obtain certification from the purchaser that contains:

(1) a statement that the building materials are being purchased for incorporation into real estate located in an Illinois enterprise zone;

(2) the location or address of the real estate into which the building materials will be incorporated;

(3) the name of the enterprise zone in which that real estate is located;

(4) a description of the building materials being purchased; ~~and~~

(5) on and after July 1, 2013, the purchaser's Enterprise Zone Building Materials Exemption Certificate number issued by the Department; and

(6) the purchaser's signature and date of purchase.

(d) The deduction allowed by this Section for the sale of building materials may be limited, to the extent authorized by ordinance, adopted after the effective date of this amendatory Act of 1992, by the municipality or county that created the enterprise zone into which the building materials will be incorporated. The ordinance, however, may neither require nor prohibit the purchase of building materials from any retailer or class of retailers in order to qualify for the exemption allowed under this Section. The provisions of this Section are exempt from Section 2-70.

(e) Notwithstanding anything to the contrary in this Section, for enterprise zone projects already in existence and for which construction contracts are already in place on July, 1, 2013, the request for Enterprise Zone Building Materials Exemption Certificates from the enterprise zone administrator to the Department for these pre-existing construction contractors and other entities must include the information required under subsection (b), but not including the information listed in items (4) and (5).

For any new construction contract entered into on or after July 1, 2013, however, all of the information in subsection (b) must be provided.

(Source: P.A. 91-51, eff. 6-30-99; 91-954, eff. 1-1-02; 92-484, eff. 8-23-01; 92-779, eff. 8-6-02.)

(35 ILCS 120/5l) (from Ch. 120, par. 444l)

Sec. 5l. Building materials exemption; High Impact Business.

(a) Beginning January 1, 1995, each retailer who makes a sale of building materials that will be incorporated into a High Impact Business location as designated by the Department of Commerce and Economic Opportunity under Section 5.5 of the Illinois Enterprise Zone Act may deduct receipts from such sales when calculating only the 6.25% State rate of tax imposed by this Act. Beginning on the effective date of this amendatory Act of 1995, a retailer may also deduct receipts from such sales when calculating any applicable local taxes. However, until the effective date of this amendatory Act of 1995, a retailer may file claims for credit or refund to recover the amount of any applicable local tax paid on such sales. No retailer who is eligible for the deduction or credit under Section 5k of this Act for making a sale of building materials to be incorporated into real estate in an enterprise zone by rehabilitation, remodeling or new construction shall be eligible for the deduction or credit authorized under this Section.

(b) In addition to any other requirements to document the exemption allowed under this Section, the retailer must obtain from the purchaser the purchaser's High Impact Business Building Materials Exemption Certificate number issued by the Department. A construction contractor or other entity shall not make tax-free purchases unless it has an active Exemption Certificate issued by the Department at the time of purchase.

Upon request from the designated High Impact Business, the Department shall issue a High Impact Business Building Materials Exemption Certificate for each construction contractor or other entity identified by the designated High Impact Business. The Department shall issue the Exemption Certificates directly to each construction contractor or other entity. The Department shall also provide the designated High Impact Business with a copy of each Exemption Certificate issued. The request for Building Materials Exemption Certificates from the designated High Impact Business to the Department must include the following information:

(1) the name and address of the construction contractor or other entity;

(2) the name and location or address of the designated High Impact Business;

(3) the estimated amount of the exemption for each construction contractor or other entity for which a request for Exemption Certificate is made, based on a stated estimated average tax rate and the percentage of the contract that consists of materials;

(4) the period of time over which supplies for the project are expected to be purchased; and

(5) other reasonable information as the Department may require.

The Department shall issue the High Impact Business Building Materials Exemption Certificates within 3 business days after receipt of request from the designated High Impact Business. This requirement does not apply in circumstances where the Department, for reasonable cause, is unable to issue the Exemption Certificate within 3 business days. The Department may refuse to issue an Exemption Certificate if the owner, any partner, or a corporate officer, and in the case of a limited liability company, any manager or member, of the construction contractor or other entity is or has been the owner, a partner, a corporate officer, and in the case of a limited liability company, a manager or member, of a person that is in default for moneys due to the Department under this Act or any other tax or fee Act administered by the Department. The High Impact Business Building Materials Exemption Certificate shall contain language stating that if the construction contractor or other entity who is issued the Exemption Certificate makes a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section or allows another person to make a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that is not eligible for the exemption.

The Department, in its discretion, may require that the request for High Impact Business Building Materials Exemption Certificates be submitted electronically. The Department may, in its discretion, issue the Exemption Certificates electronically. The High Impact Business Building Materials Exemption Certificate number shall be designed in such a way that the Department can identify from the unique number on the Exemption Certificate issued to a given construction contractor or other entity, the name of the designated High Impact Business and the construction contractor or other entity to whom the Exemption Certificate is issued. The Exemption Certificate shall contain an expiration date, which shall be no more than 2 years after the date of issuance. At the request of the designated High Impact

Business, the Department may renew an Exemption Certificate. After the Department issues Exemption Certificates for a given designated High Impact Business, the designated High Impact Business may notify the Department of additional construction contractors or other entities eligible for a Building Materials Exemption Certificate. Upon notification by the designated High Impact Business and subject to the other provisions of this subsection (b), the Department shall issue a High Impact Business Building Materials Exemption Certificate to each additional construction contractor or other entity identified by the designated High Impact Business. A designated High Impact Business may notify the Department to rescind a Building Materials Exemption Certificate previously issued by the Department but that has not yet expired. Upon notification by the designated High Impact Business and subject to the other provisions of this subsection (b), the Department shall issue the rescission of the Building Materials Exemption Certificate to the construction contractor or other entity identified by the designated High Impact Business and provide a copy to the designated High Impact Business.

If the Department of Revenue determines that a construction contractor or other entity that was issued an Exemption Certificate under this subsection (b) made a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section or allowed another person to make a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that was not eligible for the exemption.

(c) Notwithstanding anything to the contrary in this Section, for High Impact Businesses for which projects are already in existence and for which construction contracts are already in place on July 1, 2013, the request for High Impact Business Building Materials Exemption Certificates from the High Impact Business to the Department for these pre-existing construction contractors and other entities must include the information required under subsection (b), but not including the information listed in items (3) and (4). For any new construction contract entered into on or after July 1, 2013, however, all of the information in subsection (b) must be provided.

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

Section 20. The River Edge Redevelopment Zone Act is amended by changing Section 10-5.3 and by adding Section 10-10.2 as follows:

(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, except that no River Edge Redevelopment Zone may be extended on or after the effective date of this amendatory Act of the 97th General Assembly. Each River Edge Redevelopment Zone in existence on the effective date of this amendatory Act of the 97th General Assembly shall

continue until its scheduled termination under this Act, unless the Zone is decertified sooner. At the time of its term expiration each River Edge Redevelopment Zone will become an open enterprise zone, available for the previously designated area or a different area to compete for designation as an enterprise zone. No preference for designation as a Zone will be given to the previously designated area.

(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; 97-203, eff. 7-28-11.)

(65 ILCS 115/10-10.2 new)

Sec. 10-10.2. Accounting.

(a) Any business receiving tax incentives due to its location within a River Edge Redevelopment Zone must report the total tax benefits received by the business, broken down by incentive category, annually to the Department of Revenue. Reports will be due no later than March 30 of each year and shall cover the previous calendar year. The first report will be for the 2012 calendar year and will be due no later than March 30, 2013. Failure to report data shall result in ineligibility to receive incentives. For the first offense, a business shall be given 60 days to comply.

(b) Each person required to file a return under the Gas Revenue Tax Act, the Gas Use Tax Act, the Electricity Excise Tax Act, or the Telecommunications Excise Tax Act shall file, on or before March 30 of each year, a report with the Department of Revenue, in the manner and form required by the Department of Revenue, itemizing the amount of the deduction taken under each Act, respectively, due to the location of a business in a River Edge Redevelopment Zone. The report shall be itemized by business and the business location address.

(c) Employers shall report their job creation, retention, and capital investment numbers within the River Edge Redevelopment Zone annually to the administrator which will compile the information and report it to the Department of Revenue no later than March 30 of each calendar year.

(d) The Department of Revenue will aggregate and collect the tax, job, and capital investment data by River Edge Redevelopment Zone and report this information, formatted to exclude company-specific proprietary information, to the Department by May 1, 2013, and by May 1 of every calendar year thereafter. The Department will include this information in their required reports under Section 6 of this Act.

(e) The Department of Revenue, in its discretion, may require that the reports filed under this Section be submitted electronically.

(f) The Department of Revenue shall have the authority to adopt rules as are reasonable and necessary to implement the provisions of this Section.

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

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

Under the rules, the foregoing **Senate Bill No. 3616**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, 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. 3621

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. 3621

Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 1 TO SENATE BILL 3621**

AMENDMENT NO. 1. Amend Senate Bill 3621 on page 2, by replacing lines 1 through 8 with the following:

"Section 10. The State Finance Act is amended by adding Sections 5.811 and 5.812 as follows:
(30 ILCS 105/5.811 new)
Sec. 5.811. The Illinois State Police Federal Projects Fund.
(30 ILCS 105/5.812 new)
Sec. 5.812. The State Police Motor Vehicle Theft Prevention Trust Fund.".

Under the rules, the foregoing **Senate Bill No. 3621**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Mapes, 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 4692

A bill for AN ACT concerning transportation.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 4692
Non-concurred in by the House, May 30, 2012.

TIMOTHY D. MAPES, Clerk of the House

Under the rules, the foregoing **House Bill No. 4692**, with Senate Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Mapes, 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 1084

A bill for AN ACT concerning State government.
Which amendments are as follows:
Senate Amendment No. 2 to HOUSE BILL NO. 1084
Senate Amendment No. 3 to HOUSE BILL NO. 1084
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 1554

A bill for AN ACT concerning liquor.
Which amendments are as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 1554
Senate Amendment No. 4 to HOUSE BILL NO. 1554
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, 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 1882

A bill for AN ACT concerning State government.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1882

Senate Amendment No. 2 to HOUSE BILL NO. 1882

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, 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 1981

A bill for AN ACT concerning local government.

Which amendment is as follows:

Senate Amendment No. 4 to HOUSE BILL NO. 1981

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, 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 3893

A bill for AN ACT concerning health.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3893

Senate Amendment No. 2 to HOUSE BILL NO. 3893

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, 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 3969

A bill for AN ACT concerning public employee benefits.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 3969

Senate Amendment No. 2 to HOUSE BILL NO. 3969

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, 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 4510

A bill for AN ACT concerning State government.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4510

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 5071

A bill for AN ACT concerning regulation.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 5071
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 5823

A bill for AN ACT concerning civil law.
Which amendment is as follows:
Senate Amendment No. 2 to HOUSE BILL NO. 5823
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, 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, 2, 3 and 5 to Senate Bill 2537
Motion to Concur in House Amendments 1 and 2 to Senate Bill 3522
Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 3592
Motion to Concur in House Amendment 1 to Senate Bill 3616
Motion to Concur in House Amendment 1 to Senate Bill 3621

The following Joint Action Motion to the House Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Motion to Recede from Senate Amendment 1 to House Bill 4692

## PRESENTATION OF RESOLUTIONS

### SENATE RESOLUTION NO. 812

Offered by Senator Duffy and all Senators:
Mourns the death of William Louis Mueller of Indian Head Park, formerly of Westchester.

### SENATE RESOLUTION NO. 813

Offered by Senator Hunter and all Senators:
Mourns the death of Annie Jean Cobbins of Madison, formerly of Chicago.

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

## INTRODUCTION OF BILL

**SENATE BILL NO. 3925.** Introduced by Senator Link, a bill for AN ACT concerning gaming.

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

## REPORT FROM STANDING COMMITTEE

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

Senate Amendment No. 1 to Senate Bill 184
Senate Amendment No. 2 to House Bill 1447
Senate Amendment No. 3 to House Bill 1447
Senate Amendment No. 2 to House Bill 5495
Senate Amendment No. 3 to House Bill 5495
Senate Amendment No. 4 to House Bill 5495

Under the rules, the foregoing floor amendments are 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:

Motion to Concur in House Amendment 5 to Senate Bill 38; Motion to Concur in House Amendments 1 and 2 to Senate Bill 179; Motion to Concur in House Amendment 2 to Senate Bill 549; Motion to Concur in House Amendments 2 and 3 to Senate Bill 1849; Motion to Concur in House Amendments 1 and 2 to Senate Bill 1900; Motion to Concur in House Amendment 1 to Senate Bill 3262; Motion to Concur in House Amendments 1 and 2 to Senate Bill 3428; Motion to Concur in House Amendment 1 to Senate Bill 3442; Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 3514; Motion to Concur in House Amendment 1 to Senate Bill 3766; Motion to Concur in House Amendments 1 and 6 to Senate Bill 3802

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

At the hour of 7:15 o'clock p.m., the Chair announced that the Senate stand at ease.

## AT EASE

At the hour of 7:26 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, 2012 meeting, reported the following Joint Action Motion has been assigned to the indicated Standing Committee of the Senate:

Financial Institutions: **Motion to Concur in House Amendments 1 and 2 to Senate Bill 3522**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported the following House Bill has been assigned to the indicated Standing Committee of the Senate:

Judiciary: **House Bill No. 306.**

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported that the following Legislative Measures have been approved for consideration:

**Motion to Concur in House Amendments 1, 2, 3 and 5 to Senate Bill 2537**
**Motion to Concur in House Amendments 1, 2 and 3 to Senate Bill 3592**
**Motion to Concur in House Amendment 1 to Senate Bill 3616**
**Motion to Concur in House Amendment 1 to Senate Bill 3621**

The foregoing concurrences were placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported that the following Legislative Measure has been approved for consideration:

**Motion to Recede from Senate Amendment 1 to House Bill 4692**

The foregoing nonconcurrence was placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported that the following Legislative Measure has been approved for consideration:

**House Joint Resolution No. 88.**

The foregoing resolution was placed on the Secretary's Desk.

## COMMITTEE MEETING ANNOUNCEMENT

The Chair announced the following committee to meet at 8:30 o'clock p.m.:

Financial Institutions in Room 400

## CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Kotowski, **Senate Bill No. 2413**, with House Amendments numbered 1 and 3 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 amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 22; NAYS 34; Present 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Crotty | Kotowski | Meeks | Silverstein |
| Delgado | Landek | Mulroe | Steans |
| Frerichs | Link | Muñoz | Sullivan |
| Garrett | Maloney | Raoul | Mr. President |
| Harmon | Martinez | Sandoval | |
| Holmes | McGuire | Schoenberg | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Duffy | LaHood | Pankau |

| | | | |
|---|---|---|---|
| Bivins | Forby | Lauzen | Radogno |
| Bomke | Haine | Lightford | Rezin |
| Brady | Jacobs | Luechtefeld | Righter |
| Clayborne | Johnson, C. | McCann | Sandack |
| Collins, A. | Johnson, T. | McCarter | Schmidt |
| Collins, J. | Jones, E. | Millner | Syverson |
| Cultra | Jones, J. | Murphy | |
| Dillard | Koehler | Noland | |

The following voted present:

Hutchinson

The motion lost.

And the Senate nonconcurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 2413**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Kotowski, **Senate Bill No. 2443**, with House Amendments numbered 1 and 2 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 amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 30; NAYS 29.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Harmon | Maloney | Schoenberg |
| Collins, J. | Holmes | Martinez | Silverstein |
| Crotty | Hutchinson | McGuire | Steans |
| Delgado | Jacobs | Meeks | Sullivan |
| Forby | Koehler | Mulroe | Trotter |
| Frerichs | Kotowski | Muñoz | Mr. President |
| Garrett | Landek | Raoul | |
| Haine | Link | Sandoval | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Hunter | Luechtefeld | Rezin |
| Bivins | Johnson, C. | McCann | Righter |
| Bomke | Johnson, T. | McCarter | Sandack |
| Brady | Jones, E. | Millner | Schmidt |
| Collins, A. | Jones, J. | Murphy | Syverson |
| Cultra | LaHood | Noland | |
| Dillard | Lauzen | Pankau | |
| Duffy | Lightford | Radogno | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 1 to **Senate Bill No. 2443**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 2454**, with House Amendments numbered 1, 4 and 5 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 37; NAYS 21.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Bomke | Harmon | Maloney | Sandoval |
| Clayborne | Holmes | Martinez | Schoenberg |
| Collins, A. | Hutchinson | McCann | Silverstein |
| Collins, J. | Jones, E. | McCarter | Steans |
| Crotty | Jones, J. | McGuire | Sullivan |
| Delgado | Koehler | Meeks | Trotter |
| Forby | Kotowski | Mulroe | Mr. President |
| Frerichs | Landek | Muñoz | |
| Garrett | Link | Noland | |
| Haine | Luechtefeld | Raoul | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Jacobs | Millner | Sandack |
| Bivins | Johnson, C. | Murphy | Schmidt |
| Brady | Johnson, T. | Pankau | Syverson |
| Cultra | LaHood | Radogno | |
| Dillard | Lauzen | Rezin | |
| Duffy | Lightford | Righter | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 4 and 5 to **Senate Bill No. 2454**.

Ordered that the Secretary inform the House of Representatives thereof.

## LEGISLATIVE MEASURE FILED

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

Senate Floor Amendment No. 1 to Senate Bill 2365

## 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 2413

At the hour of 8:11 o'clock p.m., the Chair announced that the Senate stand at ease.

## AT EASE

At the hour of 8:16 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, 2012 meeting, reported that the following Legislative Measure has been approved for consideration:

**Senate Floor Amendment No. 1 to Senate Bill 2365**

The foregoing floor amendment was placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its May 31, 2012 meeting, reported that the following Legislative Measure has been approved for consideration:

**Motion to Concur in House Amendments 1 and 3 to Senate Bill 2413**

The foregoing concurrence was placed on the Secretary's Desk.

## HOUSE BILL RECALLED

On motion of Senator Cullerton, **House Bill No. 5342** was recalled from the order of third reading to the order of second reading.

Senator Cullerton offered the following amendment and moved its adoption:

## AMENDMENT NO. 1 TO HOUSE BILL 5342

AMENDMENT NO. 1. Amend House Bill 5342 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Income Tax Act is amended by changing Sections 901 and 1501 and by adding Section 223 as follows:

(35 ILCS 5/223 new)

Sec. 223. Credit for qualified education expenses.

(a) For taxable years ending on or after December 31, 2012, and ending prior to December 31, 2017, each qualifying individual taxpayer is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to 2.5% of the qualified education expenses paid by the taxpayer to an eligible educational institution during the taxable year on behalf of a qualified student, but not to exceed $250 per qualifying individual taxpayer who files as married filing jointly, or $125 per taxpayer who files as an individual, married filing separately, widow, or head of household, in any taxable year.

(b) The credit may not be carried back. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be applied first.

(c) For the purposes of this Section:

"Eligible educational institution" means any public or private university, community college, vocational school, or other postsecondary educational institution that is physically located in the State and is eligible to participate in a student loan program administered by the United States Department of Education.

"Qualified education expenses" means tuition and fees required for enrollment or attendance at an eligible educational institution, as well as expenses for course-related books, supplies, and equipment if those expenses are incurred as part of the student's course of study.

"Qualifying individual" means an individual taxpayer who either (i) files as an individual, married filing separately, widow, or head of household, with a federal adjusted gross income of $75,000 or less; or (ii) files married filing jointly with a federal adjusted gross income that is $150,000 or less.

"Qualified student" means a person:

(1) who is a resident of this State and a citizen or permanent resident of the United States; and

(2) who enrolls or is enrolled in an eligible educational institution as an undergraduate student and has not received a baccalaureate degree.

(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, 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 on the effective date of this amendatory Act of the 97th General Assembly the Department shall deposit 100% of the proceeds collected as a result of the changes made to Section 1501 of this Act by this amendatory Act of the 97th General Assembly into the Education Assistance Fund. 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. 96-45, eff. 7-15-09; 96-328, eff. 8-11-09; 96-959, eff. 7-1-10; 96-1496, eff. 1-13-11; 97-72, eff. 7-1-11.)

(35 ILCS 5/1501) (from Ch. 120, par. 15-1501)

(Text of Section before amendment by P.A. 97-636)

Sec. 1501. Definitions.

(a) In general. When used in this Act, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(1) Business income. The term "business income" means all income that may be treated as apportionable business income under the Constitution of the United States. Business income is net of the deductions allocable thereto. Such term does not include compensation or the deductions allocable thereto. For each taxable year beginning on or after January 1, 2003, a taxpayer may elect to treat all income other than compensation as business income. This election shall be made in accordance with rules adopted by the Department and, once made, shall be irrevocable.

(1.5) Captive real estate investment trust:

(A) The term "captive real estate investment trust" means a corporation, trust, or association:

(i) that is considered a real estate investment trust for the taxable year under Section 856 of the Internal Revenue Code;

(ii) the certificates of beneficial interest or shares of which are not regularly traded on an established securities market; and

(iii) of which more than 50% of the voting power or value of the beneficial interest or shares, at any time during the last half of the taxable year, is owned or controlled, directly, indirectly, or constructively, by a single corporation.

(B) The term "captive real estate investment trust" does not include:

(i) a real estate investment trust of which more than 50% of the voting power or value of the beneficial interest or shares is owned or controlled, directly, indirectly, or constructively, by:

(a) a real estate investment trust, other than a captive real estate investment trust;

(b) a person who is exempt from taxation under Section 501 of the Internal Revenue Code, and who is not required to treat income received from the real estate investment trust as unrelated business taxable income under Section 512 of the Internal Revenue Code;

(c) a listed Australian property trust, if no more than 50% of the voting power or value of the beneficial interest or shares of that trust, at any time during the last half of the taxable year, is owned or controlled, directly or indirectly, by a single person;

(d) an entity organized as a trust, provided a listed Australian property trust described in subparagraph (c) owns or controls, directly or indirectly, or constructively, 75% or more of the voting power or value of the beneficial interests or shares of such entity; or

(e) an entity that is organized outside of the laws of the United States and that satisfies all of the following criteria:

(1) at least 75% of the entity's total asset value at the close of its taxable year is represented by real estate assets (as defined in Section 856(c)(5)(B) of the Internal Revenue Code, thereby including shares or certificates of beneficial interest in any real estate investment trust), cash and cash equivalents, and U.S. Government securities;

(2) the entity is not subject to tax on amounts that are distributed to its beneficial owners or is exempt from entity-level taxation;

(3) the entity distributes at least 85% of its taxable income (as computed in the jurisdiction in which it is organized) to the holders of its shares or certificates of beneficial interest on an annual basis;

(4) either (i) the shares or beneficial interests of the entity are regularly traded on an established securities market or (ii) not more than 10% of the voting power or value in the entity is held, directly, indirectly, or constructively, by a single entity or individual; and

(5) the entity is organized in a country that has entered into a tax treaty with the United States; or

(ii) during its first taxable year for which it elects to be treated as a real estate investment trust under Section 856(c)(1) of the Internal Revenue Code, a real estate investment trust the certificates of beneficial interest or shares of which are not regularly traded on an established securities market, but only if the certificates of beneficial interest or shares of the real estate investment trust are regularly traded on an established securities market prior to the earlier of the due date (including extensions) for filing its return under this Act for that first taxable year or the date it actually files that return.

(C) For the purposes of this subsection (1.5), the constructive ownership rules prescribed under Section 318(a) of the Internal Revenue Code, as modified by Section 856(d)(5) of the Internal Revenue Code, apply in determining the ownership of stock, assets, or net profits of

any person.

(2) Commercial domicile. The term "commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

(3) Compensation. The term "compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

(4) Corporation. The term "corporation" includes associations, joint-stock companies, insurance companies and cooperatives. Any entity, including a limited liability company formed under the Illinois Limited Liability Company Act, shall be treated as a corporation if it is so classified for federal income tax purposes.

(5) Department. The term "Department" means the Department of Revenue of this State.

(6) Director. The term "Director" means the Director of Revenue of this State.

(7) Fiduciary. The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, or any person acting in any fiduciary capacity for any person.

(8) Financial organization.

(A) The term "financial organization" means any bank, bank holding company, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, building and loan association, credit union, currency exchange, cooperative bank, small loan company, sales finance company, investment company, or any person which is owned by a bank or bank holding company. For the purpose of this Section a "person" will include only those persons which a bank holding company may acquire and hold an interest in, directly or indirectly, under the provisions of the Bank Holding Company Act of 1956 (12 U.S.C. 1841, et seq.), except where interests in any person must be disposed of within certain required time limits under the Bank Holding Company Act of 1956.

(B) For purposes of subparagraph (A) of this paragraph, the term "bank" includes (i) any entity that is regulated by the Comptroller of the Currency under the National Bank Act, or by the Federal Reserve Board, or by the Federal Deposit Insurance Corporation and (ii) any federally or State chartered bank operating as a credit card bank.

(C) For purposes of subparagraph (A) of this paragraph, the term "sales finance company" has the meaning provided in the following item (i) or (ii):

(i) A person primarily engaged in one or more of the following businesses: the business of purchasing customer receivables, the business of making loans upon the security of customer receivables, the business of making loans for the express purpose of funding purchases of tangible personal property or services by the borrower, or the business of finance leasing. For purposes of this item (i), "customer receivable" means:

(a) a retail installment contract or retail charge agreement within the meaning of the Sales Finance Agency Act, the Retail Installment Sales Act, or the Motor Vehicle Retail Installment Sales Act;

(b) an installment, charge, credit, or similar contract or agreement arising from the sale of tangible personal property or services in a transaction involving a deferred payment price payable in one or more installments subsequent to the sale; or

(c) the outstanding balance of a contract or agreement described in provisions (a) or (b) of this item (i).

A customer receivable need not provide for payment of interest on deferred payments. A sales finance company may purchase a customer receivable from, or make a loan secured by a customer receivable to, the seller in the original transaction or to a person who purchased the customer receivable directly or indirectly from that seller.

(ii) A corporation meeting each of the following criteria:

(a) the corporation must be a member of an "affiliated group" within the meaning of Section 1504(a) of the Internal Revenue Code, determined without regard to Section 1504(b) of the Internal Revenue Code;

(b) more than 50% of the gross income of the corporation for the taxable year must be interest income derived from qualifying loans. A "qualifying loan" is a loan made to a member of the corporation's affiliated group that originates customer receivables (within the meaning of item (i)) or to whom customer receivables originated by a member of the affiliated group have been transferred, to the extent the average outstanding balance of loans from that corporation to members of its affiliated group during the taxable year do not exceed the limitation amount for that corporation. The "limitation amount" for a corporation is the average outstanding balances during the taxable year of customer receivables (within the meaning of item (i)) originated by all members of the affiliated group. If the average

outstanding balances of the loans made by a corporation to members of its affiliated group exceed the limitation amount, the interest income of that corporation from qualifying loans shall be equal to its interest income from loans to members of its affiliated groups times a fraction equal to the limitation amount divided by the average outstanding balances of the loans made by that corporation to members of its affiliated group;

(c) the total of all shareholder's equity (including, without limitation, paid-in capital on common and preferred stock and retained earnings) of the corporation plus the total of all of its loans, advances, and other obligations payable or owed to members of its affiliated group may not exceed 20% of the total assets of the corporation at any time during the tax year; and

(d) more than 50% of all interest-bearing obligations of the affiliated group payable to persons outside the group determined in accordance with generally accepted accounting principles must be obligations of the corporation.

This amendatory Act of the 91st General Assembly is declaratory of existing law.

(D) Subparagraphs (B) and (C) of this paragraph are declaratory of existing law and apply retroactively, for all tax years beginning on or before December 31, 1996, to all original returns, to all amended returns filed no later than 30 days after the effective date of this amendatory Act of 1996, and to all notices issued on or before the effective date of this amendatory Act of 1996 under subsection (a) of Section 903, subsection (a) of Section 904, subsection (e) of Section 909, or Section 912. A taxpayer that is a "financial organization" that engages in any transaction with an affiliate shall be a "financial organization" for all purposes of this Act.

(E) For all tax years beginning on or before December 31, 1996, a taxpayer that falls within the definition of a "financial organization" under subparagraphs (B) or (C) of this paragraph, but who does not fall within the definition of a "financial organization" under the Proposed Regulations issued by the Department of Revenue on July 19, 1996, may irrevocably elect to apply the Proposed Regulations for all of those years as though the Proposed Regulations had been lawfully promulgated, adopted, and in effect for all of those years. For purposes of applying subparagraphs (B) or (C) of this paragraph to all of those years, the election allowed by this subparagraph applies only to the taxpayer making the election and to those members of the taxpayer's unitary business group who are ordinarily required to apportion business income under the same subsection of Section 304 of this Act as the taxpayer making the election. No election allowed by this subparagraph shall be made under a claim filed under subsection (d) of Section 909 more than 30 days after the effective date of this amendatory Act of 1996.

(F) Finance Leases. For purposes of this subsection, a finance lease shall be treated as a loan or other extension of credit, rather than as a lease, regardless of how the transaction is characterized for any other purpose, including the purposes of any regulatory agency to which the lessor is subject. A finance lease is any transaction in the form of a lease in which the lessee is treated as the owner of the leased asset entitled to any deduction for depreciation allowed under Section 167 of the Internal Revenue Code.

(9) Fiscal year. The term "fiscal year" means an accounting period of 12 months ending on the last day of any month other than December.

(9.5) Fixed place of business. The term "fixed place of business" has the same meaning as that term is given in Section 864 of the Internal Revenue Code and the related Treasury regulations.

(10) Includes and including. The terms "includes" and "including" when used in a definition contained in this Act shall not be deemed to exclude other things otherwise within the meaning of the term defined.

(11) Internal Revenue Code. The term "Internal Revenue Code" means the United States Internal Revenue Code of 1954 or any successor law or laws relating to federal income taxes in effect for the taxable year.

(11.5) Investment partnership.

(A) The term "investment partnership" means any entity that is treated as a partnership for federal income tax purposes that meets the following requirements:

(i) no less than 90% of the partnership's cost of its total assets consists of qualifying investment securities, deposits at banks or other financial institutions, and office space and equipment reasonably necessary to carry on its activities as an investment partnership;

(ii) no less than 90% of its gross income consists of interest, dividends, and gains from the sale or exchange of qualifying investment securities; and

(iii) the partnership is not a dealer in qualifying investment securities.

(B) For purposes of this paragraph (11.5), the term "qualifying investment

securities" includes all of the following:

(i) common stock, including preferred or debt securities convertible into common stock, and preferred stock;

(ii) bonds, debentures, and other debt securities;

(iii) foreign and domestic currency deposits secured by federal, state, or local governmental agencies;

(iv) mortgage or asset-backed securities secured by federal, state, or local governmental agencies;

(v) repurchase agreements and loan participations;

(vi) foreign currency exchange contracts and forward and futures contracts on foreign currencies;

(vii) stock and bond index securities and futures contracts and other similar financial securities and futures contracts on those securities;

(viii) options for the purchase or sale of any of the securities, currencies, contracts, or financial instruments described in items (i) to (vii), inclusive;

(ix) regulated futures contracts;

(x) commodities (not described in Section 1221(a)(1) of the Internal Revenue Code) or futures, forwards, and options with respect to such commodities, provided, however, that any item of a physical commodity to which title is actually acquired in the partnership's capacity as a dealer in such commodity shall not be a qualifying investment security;

(xi) derivatives; and

(xii) a partnership interest in another partnership that is an investment partnership.

(12) Mathematical error. The term "mathematical error" includes the following types of errors, omissions, or defects in a return filed by a taxpayer which prevents acceptance of the return as filed for processing:

(A) arithmetic errors or incorrect computations on the return or supporting schedules;

(B) entries on the wrong lines;

(C) omission of required supporting forms or schedules or the omission of the information in whole or in part called for thereon; and

(D) an attempt to claim, exclude, deduct, or improperly report, in a manner directly contrary to the provisions of the Act and regulations thereunder any item of income, exemption, deduction, or credit.

(13) Nonbusiness income. The term "nonbusiness income" means all income other than business income or compensation.

(14) Nonresident. The term "nonresident" means a person who is not a resident.

(15) Paid, incurred and accrued. The terms "paid", "incurred" and "accrued" shall be construed according to the method of accounting upon the basis of which the person's base income is computed under this Act.

(16) Partnership and partner. The term "partnership" includes a syndicate, group, pool, joint venture or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this Act, a trust or estate or a corporation; and the term "partner" includes a member in such syndicate, group, pool, joint venture or organization.

The term "partnership" includes any entity, including a limited liability company formed under the Illinois Limited Liability Company Act, classified as a partnership for federal income tax purposes.

The term "partnership" does not include a syndicate, group, pool, joint venture, or other unincorporated organization established for the sole purpose of playing the Illinois State Lottery.

(17) Part-year resident. The term "part-year resident" means an individual who became a resident during the taxable year or ceased to be a resident during the taxable year. Under Section 1501(a)(20)(A)(i) residence commences with presence in this State for other than a temporary or transitory purpose and ceases with absence from this State for other than a temporary or transitory purpose. Under Section 1501(a)(20)(A)(ii) residence commences with the establishment of domicile in this State and ceases with the establishment of domicile in another State.

(18) Person. The term "person" shall be construed to mean and include an individual, a trust, estate, partnership, association, firm, company, corporation, limited liability company, or fiduciary. For purposes of Section 1301 and 1302 of this Act, a "person" means (i) an individual, (ii) a

corporation, (iii) an officer, agent, or employee of a corporation, (iv) a member, agent or employee of a partnership, or (v) a member, manager, employee, officer, director, or agent of a limited liability company who in such capacity commits an offense specified in Section 1301 and 1302.

(18A) Records. The term "records" includes all data maintained by the taxpayer, whether on paper, microfilm, microfiche, or any type of machine-sensible data compilation.

(19) Regulations. The term "regulations" includes rules promulgated and forms prescribed by the Department.

(20) Resident. The term "resident" means:

(A) an individual (i) who is in this State for other than a temporary or transitory purpose during the taxable year; or (ii) who is domiciled in this State but is absent from the State for a temporary or transitory purpose during the taxable year;

(B) The estate of a decedent who at his or her death was domiciled in this State;

(C) A trust created by a will of a decedent who at his death was domiciled in this State; and

(D) An irrevocable trust, the grantor of which was domiciled in this State at the time such trust became irrevocable. For purpose of this subparagraph, a trust shall be considered irrevocable to the extent that the grantor is not treated as the owner thereof under Sections 671 through 678 of the Internal Revenue Code.

(21) Sales. The term "sales" means all gross receipts of the taxpayer not allocated under Sections 301, 302 and 303.

(22) State. The term "state" when applied to a jurisdiction other than this State means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any Territory or Possession of the United States, and any foreign country, or any political subdivision of any of the foregoing. For purposes of the foreign tax credit under Section 601, the term "state" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States, or any political subdivision of any of the foregoing, effective for tax years ending on or after December 31, 1989.

(23) Taxable year. The term "taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the base income is computed under this Act. "Taxable year" means, in the case of a return made for a fractional part of a year under the provisions of this Act, the period for which such return is made.

(24) Taxpayer. The term "taxpayer" means any person subject to the tax imposed by this Act.

(25) International banking facility. The term international banking facility shall have the same meaning as is set forth in the Illinois Banking Act or as is set forth in the laws of the United States or regulations of the Board of Governors of the Federal Reserve System.

(26) Income Tax Return Preparer.

(A) The term "income tax return preparer" means any person who prepares for compensation, or who employs one or more persons to prepare for compensation, any return of tax imposed by this Act or any claim for refund of tax imposed by this Act. The preparation of a substantial portion of a return or claim for refund shall be treated as the preparation of that return or claim for refund.

(B) A person is not an income tax return preparer if all he or she does is

(i) furnish typing, reproducing, or other mechanical assistance;

(ii) prepare returns or claims for refunds for the employer by whom he or she is regularly and continuously employed;

(iii) prepare as a fiduciary returns or claims for refunds for any person; or

(iv) prepare claims for refunds for a taxpayer in response to any notice of deficiency issued to that taxpayer or in response to any waiver of restriction after the commencement of an audit of that taxpayer or of another taxpayer if a determination in the audit of the other taxpayer directly or indirectly affects the tax liability of the taxpayer whose claims he or she is preparing.

(27) Unitary business group.

(A) The term "unitary business group" means a group of persons related through common ownership whose business activities are integrated with, dependent upon and contribute to each other. The group will not include those members whose business activity outside the United States is 80% or more of any such member's total business activity; for purposes of this paragraph and clause (a)(3)(B)(ii) of Section 304, business activity within the United States shall be measured by means of the factors ordinarily applicable under subsections (a), (b), (c), (d), or (h) of Section

304 except that, in the case of members ordinarily required to apportion business income by means of the 3 factor formula of property, payroll and sales specified in subsection (a) of Section 304, including the formula as weighted in subsection (h) of Section 304, such members shall not use the sales factor in the computation and the results of the property and payroll factor computations of subsection (a) of Section 304 shall be divided by 2 (by one if either the property or payroll factor has a denominator of zero). The computation required by the preceding sentence shall, in each case, involve the division of the member's property, payroll, or revenue miles in the United States, insurance premiums on property or risk in the United States, or financial organization business income from sources within the United States, as the case may be, by the respective worldwide figures for such items. Common ownership in the case of corporations is the direct or indirect control or ownership of more than 50% of the outstanding voting stock of the persons carrying on unitary business activity. Unitary business activity can ordinarily be illustrated where the activities of the members are: (1) in the same general line (such as manufacturing, wholesaling, retailing of tangible personal property, insurance, transportation or finance); or (2) are steps in a vertically structured enterprise or process (such as the steps involved in the production of natural resources, which might include exploration, mining, refining, and marketing); and, in either instance, the members are functionally integrated through the exercise of strong centralized management (where, for example, authority over such matters as purchasing, financing, tax compliance, product line, personnel, marketing and capital investment is not left to each member).

(B) In no event, shall any unitary business group include members which are ordinarily required to apportion business income under different subsections of Section 304 except that for tax years ending on or after December 31, 1987 this prohibition shall not apply to a holding company that would otherwise be a member of a unitary business group with taxpayers that apportion business income under any of subsections (b), (c), or (d) of Section 304. If a unitary business group would, but for the preceding sentence, include members that are ordinarily required to apportion business income under different subsections of Section 304, then for each subsection of Section 304 for which there are two or more members, there shall be a separate unitary business group composed of such members. For purposes of the preceding two sentences, a member is "ordinarily required to apportion business income" under a particular subsection of Section 304 if it would be required to use the apportionment method prescribed by such subsection except for the fact that it derives business income solely from Illinois. As used in this paragraph, the phrase "United States" means ~~only~~ the 50 states and the District of Columbia, and ~~but~~ does not include any territory or possession of the United States , but, for taxable years ending on or after December 31, 2012, does include ~~or~~ any area over which the United States has asserted jurisdiction or claimed exclusive rights with respect to the exploration for or exploitation of natural resources.

(C) Holding companies.

(i) For purposes of this subparagraph, a "holding company" is a corporation (other than a corporation that is a financial organization under paragraph (8) of this subsection (a) of Section 1501 because it is a bank holding company under the provisions of the Bank Holding Company Act of 1956 (12 U.S.C. 1841, et seq.) or because it is owned by a bank or a bank holding company) that owns a controlling interest in one or more other taxpayers ("controlled taxpayers"); that, during the period that includes the taxable year and the 2 immediately preceding taxable years or, if the corporation was formed during the current or immediately preceding taxable year, the taxable years in which the corporation has been in existence, derived substantially all its gross income from dividends, interest, rents, royalties, fees or other charges received from controlled taxpayers for the provision of services, and gains on the sale or other disposition of interests in controlled taxpayers or in property leased or licensed to controlled taxpayers or used by the taxpayer in providing services to controlled taxpayers; and that incurs no substantial expenses other than expenses (including interest and other costs of borrowing) incurred in connection with the acquisition and holding of interests in controlled taxpayers and in the provision of services to controlled taxpayers or in the leasing or licensing of property to controlled taxpayers.

(ii) The income of a holding company which is a member of more than one unitary business group shall be included in each unitary business group of which it is a member on a pro rata basis, by including in each unitary business group that portion of the base income of the holding company that bears the same proportion to the total base income of the holding company as the gross receipts of the unitary business group bears to the combined gross receipts of all unitary business groups (in both cases without regard to the holding company) or on any other reasonable basis, consistently applied.

(iii) A holding company shall apportion its business income under the subsection of Section 304 used by the other members of its unitary business group. The apportionment factors of a holding company which would be a member of more than one unitary business group shall be included with the apportionment factors of each unitary business group of which it is a member on a pro rata basis using the same method used in clause (ii).

(iv) The provisions of this subparagraph (C) are intended to clarify existing law.

(D) If including the base income and factors of a holding company in more than one unitary business group under subparagraph (C) does not fairly reflect the degree of integration between the holding company and one or more of the unitary business groups, the dependence of the holding company and one or more of the unitary business groups upon each other, or the contributions between the holding company and one or more of the unitary business groups, the holding company may petition the Director, under the procedures provided under Section 304(f), for permission to include all base income and factors of the holding company only with members of a unitary business group apportioning their business income under one subsection of subsections (a), (b), (c), or (d) of Section 304. If the petition is granted, the holding company shall be included in a unitary business group only with persons apportioning their business income under the selected subsection of Section 304 until the Director grants a petition of the holding company either to be included in more than one unitary business group under subparagraph (C) or to include its base income and factors only with members of a unitary business group apportioning their business income under a different subsection of Section 304.

(E) If the unitary business group members' accounting periods differ, the common parent's accounting period or, if there is no common parent, the accounting period of the member that is expected to have, on a recurring basis, the greatest Illinois income tax liability must be used to determine whether to use the apportionment method provided in subsection (a) or subsection (h) of Section 304. The prohibition against membership in a unitary business group for taxpayers ordinarily required to apportion income under different subsections of Section 304 does not apply to taxpayers required to apportion income under subsection (a) and subsection (h) of Section 304. The provisions of this amendatory Act of 1998 apply to tax years ending on or after December 31, 1998.

(28) Subchapter S corporation. The term "Subchapter S corporation" means a corporation for which there is in effect an election under Section 1362 of the Internal Revenue Code, or for which there is a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982.

(30) Foreign person. The term "foreign person" means any person who is a nonresident alien individual and any nonindividual entity, regardless of where created or organized, whose business activity outside the United States is 80% or more of the entity's total business activity.

(b) Other definitions.

(1) Words denoting number, gender, and so forth, when used in this Act, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(A) Words importing the singular include and apply to several persons, parties or things;

(B) Words importing the plural include the singular; and

(C) Words importing the masculine gender include the feminine as well.

(2) "Company" or "association" as including successors and assigns. The word "company" or "association", when used in reference to a corporation, shall be deemed to embrace the words "successors and assigns of such company or association", and in like manner as if these last-named words, or words of similar import, were expressed.

(3) Other terms. Any term used in any Section of this Act with respect to the application of, or in connection with, the provisions of any other Section of this Act shall have the same meaning as in such other Section.

(Source: P.A. 96-641, eff. 8-24-09; 97-507, eff. 8-23-11.)

(Text of Section after amendment by P.A. 97-636)

Sec. 1501. Definitions.

(a) In general. When used in this Act, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(1) Business income. The term "business income" means all income that may be treated as

apportionable business income under the Constitution of the United States. Business income is net of the deductions allocable thereto. Such term does not include compensation or the deductions allocable thereto. For each taxable year beginning on or after January 1, 2003, a taxpayer may elect to treat all income other than compensation as business income. This election shall be made in accordance with rules adopted by the Department and, once made, shall be irrevocable.

(1.5) Captive real estate investment trust:

(A) The term "captive real estate investment trust" means a corporation, trust, or association:

(i) that is considered a real estate investment trust for the taxable year under Section 856 of the Internal Revenue Code;

(ii) the certificates of beneficial interest or shares of which are not regularly traded on an established securities market; and

(iii) of which more than 50% of the voting power or value of the beneficial interest or shares, at any time during the last half of the taxable year, is owned or controlled, directly, indirectly, or constructively, by a single corporation.

(B) The term "captive real estate investment trust" does not include:

(i) a real estate investment trust of which more than 50% of the voting power or value of the beneficial interest or shares is owned or controlled, directly, indirectly, or constructively, by:

(a) a real estate investment trust, other than a captive real estate investment trust;

(b) a person who is exempt from taxation under Section 501 of the Internal Revenue Code, and who is not required to treat income received from the real estate investment trust as unrelated business taxable income under Section 512 of the Internal Revenue Code;

(c) a listed Australian property trust, if no more than 50% of the voting power or value of the beneficial interest or shares of that trust, at any time during the last half of the taxable year, is owned or controlled, directly or indirectly, by a single person;

(d) an entity organized as a trust, provided a listed Australian property trust described in subparagraph (c) owns or controls, directly or indirectly, or constructively, 75% or more of the voting power or value of the beneficial interests or shares of such entity; or

(e) an entity that is organized outside of the laws of the United States and that satisfies all of the following criteria:

(1) at least 75% of the entity's total asset value at the close of its taxable year is represented by real estate assets (as defined in Section 856(c)(5)(B) of the Internal Revenue Code, thereby including shares or certificates of beneficial interest in any real estate investment trust), cash and cash equivalents, and U.S. Government securities;

(2) the entity is not subject to tax on amounts that are distributed to its beneficial owners or is exempt from entity-level taxation;

(3) the entity distributes at least 85% of its taxable income (as computed in the jurisdiction in which it is organized) to the holders of its shares or certificates of beneficial interest on an annual basis;

(4) either (i) the shares or beneficial interests of the entity are regularly traded on an established securities market or (ii) not more than 10% of the voting power or value in the entity is held, directly, indirectly, or constructively, by a single entity or individual; and

(5) the entity is organized in a country that has entered into a tax treaty with the United States; or

(ii) during its first taxable year for which it elects to be treated as a real estate investment trust under Section 856(c)(1) of the Internal Revenue Code, a real estate investment trust the certificates of beneficial interest or shares of which are not regularly traded on an established securities market, but only if the certificates of beneficial interest or shares of the real estate investment trust are regularly traded on an established securities market prior to the earlier of the due date (including extensions) for filing its return under this Act for that first taxable year or the date it actually files that return.

(C) For the purposes of this subsection (1.5), the constructive ownership rules prescribed under Section 318(a) of the Internal Revenue Code, as modified by Section 856(d)(5) of the Internal Revenue Code, apply in determining the ownership of stock, assets, or net profits of any person.

(2) Commercial domicile. The term "commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

(3) Compensation. The term "compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

(4) Corporation. The term "corporation" includes associations, joint-stock companies, insurance companies and cooperatives. Any entity, including a limited liability company formed under the Illinois Limited Liability Company Act, shall be treated as a corporation if it is so classified for federal income tax purposes.

(5) Department. The term "Department" means the Department of Revenue of this State.

(6) Director. The term "Director" means the Director of Revenue of this State.

(7) Fiduciary. The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, or any person acting in any fiduciary capacity for any person.

(8) Financial organization.

(A) The term "financial organization" means any bank, bank holding company, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, building and loan association, credit union, currency exchange, cooperative bank, small loan company, sales finance company, investment company, or any person which is owned by a bank or bank holding company. For the purpose of this Section a "person" will include only those persons which a bank holding company may acquire and hold an interest in, directly or indirectly, under the provisions of the Bank Holding Company Act of 1956 (12 U.S.C. 1841, et seq.), except where interests in any person must be disposed of within certain required time limits under the Bank Holding Company Act of 1956.

(B) For purposes of subparagraph (A) of this paragraph, the term "bank" includes (i) any entity that is regulated by the Comptroller of the Currency under the National Bank Act, or by the Federal Reserve Board, or by the Federal Deposit Insurance Corporation and (ii) any federally or State chartered bank operating as a credit card bank.

(C) For purposes of subparagraph (A) of this paragraph, the term "sales finance company" has the meaning provided in the following item (i) or (ii):

(i) A person primarily engaged in one or more of the following businesses: the business of purchasing customer receivables, the business of making loans upon the security of customer receivables, the business of making loans for the express purpose of funding purchases of tangible personal property or services by the borrower, or the business of finance leasing. For purposes of this item (i), "customer receivable" means:

(a) a retail installment contract or retail charge agreement within the meaning of the Sales Finance Agency Act, the Retail Installment Sales Act, or the Motor Vehicle Retail Installment Sales Act;

(b) an installment, charge, credit, or similar contract or agreement arising from the sale of tangible personal property or services in a transaction involving a deferred payment price payable in one or more installments subsequent to the sale; or

(c) the outstanding balance of a contract or agreement described in provisions (a) or (b) of this item (i).

A customer receivable need not provide for payment of interest on deferred payments. A sales finance company may purchase a customer receivable from, or make a loan secured by a customer receivable to, the seller in the original transaction or to a person who purchased the customer receivable directly or indirectly from that seller.

(ii) A corporation meeting each of the following criteria:

(a) the corporation must be a member of an "affiliated group" within the meaning of Section 1504(a) of the Internal Revenue Code, determined without regard to Section 1504(b) of the Internal Revenue Code;

(b) more than 50% of the gross income of the corporation for the taxable year must be interest income derived from qualifying loans. A "qualifying loan" is a loan made to a member of the corporation's affiliated group that originates customer receivables (within the meaning of item (i)) or to whom customer receivables originated by a member of the affiliated group have been transferred, to the extent the average outstanding balance of loans from that corporation to members of its affiliated group during the taxable year do not exceed the limitation amount for that corporation. The "limitation amount" for a corporation is the average outstanding balances during the taxable year of customer receivables (within the meaning of item (i)) originated by all members of the affiliated group. If the average outstanding balances of the loans made by a corporation to members of its affiliated group

exceed the limitation amount, the interest income of that corporation from qualifying loans shall be equal to its interest income from loans to members of its affiliated groups times a fraction equal to the limitation amount divided by the average outstanding balances of the loans made by that corporation to members of its affiliated group;

(c) the total of all shareholder's equity (including, without limitation, paid-in capital on common and preferred stock and retained earnings) of the corporation plus the total of all of its loans, advances, and other obligations payable or owed to members of its affiliated group may not exceed 20% of the total assets of the corporation at any time during the tax year; and

(d) more than 50% of all interest-bearing obligations of the affiliated group payable to persons outside the group determined in accordance with generally accepted accounting principles must be obligations of the corporation.

This amendatory Act of the 91st General Assembly is declaratory of existing law.

(D) Subparagraphs (B) and (C) of this paragraph are declaratory of existing law and apply retroactively, for all tax years beginning on or before December 31, 1996, to all original returns, to all amended returns filed no later than 30 days after the effective date of this amendatory Act of 1996, and to all notices issued on or before the effective date of this amendatory Act of 1996 under subsection (a) of Section 903, subsection (a) of Section 904, subsection (e) of Section 909, or Section 912. A taxpayer that is a "financial organization" that engages in any transaction with an affiliate shall be a "financial organization" for all purposes of this Act.

(E) For all tax years beginning on or before December 31, 1996, a taxpayer that falls within the definition of a "financial organization" under subparagraphs (B) or (C) of this paragraph, but who does not fall within the definition of a "financial organization" under the Proposed Regulations issued by the Department of Revenue on July 19, 1996, may irrevocably elect to apply the Proposed Regulations for all of those years as though the Proposed Regulations had been lawfully promulgated, adopted, and in effect for all of those years. For purposes of applying subparagraphs (B) or (C) of this paragraph to all of those years, the election allowed by this subparagraph applies only to the taxpayer making the election and to those members of the taxpayer's unitary business group who are ordinarily required to apportion business income under the same subsection of Section 304 of this Act as the taxpayer making the election. No election allowed by this subparagraph shall be made under a claim filed under subsection (d) of Section 909 more than 30 days after the effective date of this amendatory Act of 1996.

(F) Finance Leases. For purposes of this subsection, a finance lease shall be treated as a loan or other extension of credit, rather than as a lease, regardless of how the transaction is characterized for any other purpose, including the purposes of any regulatory agency to which the lessor is subject. A finance lease is any transaction in the form of a lease in which the lessee is treated as the owner of the leased asset entitled to any deduction for depreciation allowed under Section 167 of the Internal Revenue Code.

(9) Fiscal year. The term "fiscal year" means an accounting period of 12 months ending on the last day of any month other than December.

(9.5) Fixed place of business. The term "fixed place of business" has the same meaning as that term is given in Section 864 of the Internal Revenue Code and the related Treasury regulations.

(10) Includes and including. The terms "includes" and "including" when used in a definition contained in this Act shall not be deemed to exclude other things otherwise within the meaning of the term defined.

(11) Internal Revenue Code. The term "Internal Revenue Code" means the United States Internal Revenue Code of 1954 or any successor law or laws relating to federal income taxes in effect for the taxable year.

(11.5) Investment partnership.

(A) The term "investment partnership" means any entity that is treated as a partnership for federal income tax purposes that meets the following requirements:

(i) no less than 90% of the partnership's cost of its total assets consists of qualifying investment securities, deposits at banks or other financial institutions, and office space and equipment reasonably necessary to carry on its activities as an investment partnership;

(ii) no less than 90% of its gross income consists of interest, dividends, and gains from the sale or exchange of qualifying investment securities; and

(iii) the partnership is not a dealer in qualifying investment securities.

(B) For purposes of this paragraph (11.5), the term "qualifying investment securities" includes all of the following:

(i) common stock, including preferred or debt securities convertible into common stock, and preferred stock;

(ii) bonds, debentures, and other debt securities;

(iii) foreign and domestic currency deposits secured by federal, state, or local governmental agencies;

(iv) mortgage or asset-backed securities secured by federal, state, or local governmental agencies;

(v) repurchase agreements and loan participations;

(vi) foreign currency exchange contracts and forward and futures contracts on foreign currencies;

(vii) stock and bond index securities and futures contracts and other similar financial securities and futures contracts on those securities;

(viii) options for the purchase or sale of any of the securities, currencies, contracts, or financial instruments described in items (i) to (vii), inclusive;

(ix) regulated futures contracts;

(x) commodities (not described in Section 1221(a)(1) of the Internal Revenue Code) or futures, forwards, and options with respect to such commodities, provided, however, that any item of a physical commodity to which title is actually acquired in the partnership's capacity as a dealer in such commodity shall not be a qualifying investment security;

(xi) derivatives; and

(xii) a partnership interest in another partnership that is an investment partnership.

(12) Mathematical error. The term "mathematical error" includes the following types of errors, omissions, or defects in a return filed by a taxpayer which prevents acceptance of the return as filed for processing:

(A) arithmetic errors or incorrect computations on the return or supporting schedules;

(B) entries on the wrong lines;

(C) omission of required supporting forms or schedules or the omission of the information in whole or in part called for thereon; and

(D) an attempt to claim, exclude, deduct, or improperly report, in a manner directly contrary to the provisions of the Act and regulations thereunder any item of income, exemption, deduction, or credit.

(13) Nonbusiness income. The term "nonbusiness income" means all income other than business income or compensation.

(14) Nonresident. The term "nonresident" means a person who is not a resident.

(15) Paid, incurred and accrued. The terms "paid", "incurred" and "accrued" shall be construed according to the method of accounting upon the basis of which the person's base income is computed under this Act.

(16) Partnership and partner. The term "partnership" includes a syndicate, group, pool, joint venture or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this Act, a trust or estate or a corporation; and the term "partner" includes a member in such syndicate, group, pool, joint venture or organization.

The term "partnership" includes any entity, including a limited liability company formed under the Illinois Limited Liability Company Act, classified as a partnership for federal income tax purposes.

The term "partnership" does not include a syndicate, group, pool, joint venture, or other unincorporated organization established for the sole purpose of playing the Illinois State Lottery.

(17) Part-year resident. The term "part-year resident" means an individual who became a resident during the taxable year or ceased to be a resident during the taxable year. Under Section 1501(a)(20)(A)(i) residence commences with presence in this State for other than a temporary or transitory purpose and ceases with absence from this State for other than a temporary or transitory purpose. Under Section 1501(a)(20)(A)(ii) residence commences with the establishment of domicile in this State and ceases with the establishment of domicile in another State.

(18) Person. The term "person" shall be construed to mean and include an individual, a trust, estate, partnership, association, firm, company, corporation, limited liability company, or fiduciary. For purposes of Section 1301 and 1302 of this Act, a "person" means (i) an individual, (ii) a corporation, (iii) an officer, agent, or employee of a corporation, (iv) a member, agent or employee of

a partnership, or (v) a member, manager, employee, officer, director, or agent of a limited liability company who in such capacity commits an offense specified in Section 1301 and 1302.

(18A) Records. The term "records" includes all data maintained by the taxpayer, whether on paper, microfilm, microfiche, or any type of machine-sensible data compilation.

(19) Regulations. The term "regulations" includes rules promulgated and forms prescribed by the Department.

(20) Resident. The term "resident" means:

(A) an individual (i) who is in this State for other than a temporary or transitory purpose during the taxable year; or (ii) who is domiciled in this State but is absent from the State for a temporary or transitory purpose during the taxable year;

(B) The estate of a decedent who at his or her death was domiciled in this State;

(C) A trust created by a will of a decedent who at his death was domiciled in this State; and

(D) An irrevocable trust, the grantor of which was domiciled in this State at the time such trust became irrevocable. For purpose of this subparagraph, a trust shall be considered irrevocable to the extent that the grantor is not treated as the owner thereof under Sections 671 through 678 of the Internal Revenue Code.

(21) Sales. The term "sales" means all gross receipts of the taxpayer not allocated under Sections 301, 302 and 303.

(22) State. The term "state" when applied to a jurisdiction other than this State means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any Territory or Possession of the United States, and any foreign country, or any political subdivision of any of the foregoing. For purposes of the foreign tax credit under Section 601, the term "state" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States, or any political subdivision of any of the foregoing, effective for tax years ending on or after December 31, 1989.

(23) Taxable year. The term "taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the base income is computed under this Act. "Taxable year" means, in the case of a return made for a fractional part of a year under the provisions of this Act, the period for which such return is made.

(24) Taxpayer. The term "taxpayer" means any person subject to the tax imposed by this Act.

(25) International banking facility. The term international banking facility shall have the same meaning as is set forth in the Illinois Banking Act or as is set forth in the laws of the United States or regulations of the Board of Governors of the Federal Reserve System.

(26) Income Tax Return Preparer.

(A) The term "income tax return preparer" means any person who prepares for compensation, or who employs one or more persons to prepare for compensation, any return of tax imposed by this Act or any claim for refund of tax imposed by this Act. The preparation of a substantial portion of a return or claim for refund shall be treated as the preparation of that return or claim for refund.

(B) A person is not an income tax return preparer if all he or she does is

(i) furnish typing, reproducing, or other mechanical assistance;

(ii) prepare returns or claims for refunds for the employer by whom he or she is regularly and continuously employed;

(iii) prepare as a fiduciary returns or claims for refunds for any person; or

(iv) prepare claims for refunds for a taxpayer in response to any notice of deficiency issued to that taxpayer or in response to any waiver of restriction after the commencement of an audit of that taxpayer or of another taxpayer if a determination in the audit of the other taxpayer directly or indirectly affects the tax liability of the taxpayer whose claims he or she is preparing.

(27) Unitary business group.

(A) The term "unitary business group" means a group of persons related through common ownership whose business activities are integrated with, dependent upon and contribute to each other. The group will not include those members whose business activity outside the United States is 80% or more of any such member's total business activity; for purposes of this paragraph and clause (a)(3)(B)(ii) of Section 304, business activity within the United States shall be measured by means of the factors ordinarily applicable under subsections (a), (b), (c), (d), or (h) of Section 304 except that, in the case of members ordinarily required to apportion business income by means

of the 3 factor formula of property, payroll and sales specified in subsection (a) of Section 304, including the formula as weighted in subsection (h) of Section 304, such members shall not use the sales factor in the computation and the results of the property and payroll factor computations of subsection (a) of Section 304 shall be divided by 2 (by one if either the property or payroll factor has a denominator of zero). The computation required by the preceding sentence shall, in each case, involve the division of the member's property, payroll, or revenue miles in the United States, insurance premiums on property or risk in the United States, or financial organization business income from sources within the United States, as the case may be, by the respective worldwide figures for such items. Common ownership in the case of corporations is the direct or indirect control or ownership of more than 50% of the outstanding voting stock of the persons carrying on unitary business activity. Unitary business activity can ordinarily be illustrated where the activities of the members are: (1) in the same general line (such as manufacturing, wholesaling, retailing of tangible personal property, insurance, transportation or finance); or (2) are steps in a vertically structured enterprise or process (such as the steps involved in the production of natural resources, which might include exploration, mining, refining, and marketing); and, in either instance, the members are functionally integrated through the exercise of strong centralized management (where, for example, authority over such matters as purchasing, financing, tax compliance, product line, personnel, marketing and capital investment is not left to each member).

(B) In no event, shall any unitary business group include members which are ordinarily required to apportion business income under different subsections of Section 304 except that for tax years ending on or after December 31, 1987 this prohibition shall not apply to a holding company that would otherwise be a member of a unitary business group with taxpayers that apportion business income under any of subsections (b), (c), (c-1), or (d) of Section 304. If a unitary business group would, but for the preceding sentence, include members that are ordinarily required to apportion business income under different subsections of Section 304, then for each subsection of Section 304 for which there are two or more members, there shall be a separate unitary business group composed of such members. For purposes of the preceding two sentences, a member is "ordinarily required to apportion business income" under a particular subsection of Section 304 if it would be required to use the apportionment method prescribed by such subsection except for the fact that it derives business income solely from Illinois. As used in this paragraph, the phrase "United States" means only the 50 states and the District of Columbia, and ~~but~~ does not include any territory or possession of the United States , but, for taxable years ending on or after December 31, 2012, does include ~~or~~ any area over which the United States has asserted jurisdiction or claimed exclusive rights with respect to the exploration for or exploitation of natural resources.

(C) Holding companies.

(i) For purposes of this subparagraph, a "holding company" is a corporation (other than a corporation that is a financial organization under paragraph (8) of this subsection (a) of Section 1501 because it is a bank holding company under the provisions of the Bank Holding Company Act of 1956 (12 U.S.C. 1841, et seq.) or because it is owned by a bank or a bank holding company) that owns a controlling interest in one or more other taxpayers ("controlled taxpayers"); that, during the period that includes the taxable year and the 2 immediately preceding taxable years or, if the corporation was formed during the current or immediately preceding taxable year, the taxable years in which the corporation has been in existence, derived substantially all its gross income from dividends, interest, rents, royalties, fees or other charges received from controlled taxpayers for the provision of services, and gains on the sale or other disposition of interests in controlled taxpayers or in property leased or licensed to controlled taxpayers or used by the taxpayer in providing services to controlled taxpayers; and that incurs no substantial expenses other than expenses (including interest and other costs of borrowing) incurred in connection with the acquisition and holding of interests in controlled taxpayers and in the provision of services to controlled taxpayers or in the leasing or licensing of property to controlled taxpayers.

(ii) The income of a holding company which is a member of more than one unitary business group shall be included in each unitary business group of which it is a member on a pro rata basis, by including in each unitary business group that portion of the base income of the holding company that bears the same proportion to the total base income of the holding company as the gross receipts of the unitary business group bears to the combined gross receipts of all unitary business groups (in both cases without regard to the holding company) or on any other reasonable basis, consistently applied.

(iii) A holding company shall apportion its business income under the subsection

of Section 304 used by the other members of its unitary business group. The apportionment factors of a holding company which would be a member of more than one unitary business group shall be included with the apportionment factors of each unitary business group of which it is a member on a pro rata basis using the same method used in clause (ii).

(iv) The provisions of this subparagraph (C) are intended to clarify existing law.

(D) If including the base income and factors of a holding company in more than one unitary business group under subparagraph (C) does not fairly reflect the degree of integration between the holding company and one or more of the unitary business groups, the dependence of the holding company and one or more of the unitary business groups upon each other, or the contributions between the holding company and one or more of the unitary business groups, the holding company may petition the Director, under the procedures provided under Section 304(f), for permission to include all base income and factors of the holding company only with members of a unitary business group apportioning their business income under one subsection of subsections (a), (b), (c), or (d) of Section 304. If the petition is granted, the holding company shall be included in a unitary business group only with persons apportioning their business income under the selected subsection of Section 304 until the Director grants a petition of the holding company either to be included in more than one unitary business group under subparagraph (C) or to include its base income and factors only with members of a unitary business group apportioning their business income under a different subsection of Section 304.

(E) If the unitary business group members' accounting periods differ, the common parent's accounting period or, if there is no common parent, the accounting period of the member that is expected to have, on a recurring basis, the greatest Illinois income tax liability must be used to determine whether to use the apportionment method provided in subsection (a) or subsection (h) of Section 304. The prohibition against membership in a unitary business group for taxpayers ordinarily required to apportion income under different subsections of Section 304 does not apply to taxpayers required to apportion income under subsection (a) and subsection (h) of Section 304. The provisions of this amendatory Act of 1998 apply to tax years ending on or after December 31, 1998.

(28) Subchapter S corporation. The term "Subchapter S corporation" means a corporation for which there is in effect an election under Section 1362 of the Internal Revenue Code, or for which there is a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982.

(30) Foreign person. The term "foreign person" means any person who is a nonresident alien individual and any nonindividual entity, regardless of where created or organized, whose business activity outside the United States is 80% or more of the entity's total business activity.

(b) Other definitions.

(1) Words denoting number, gender, and so forth, when used in this Act, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(A) Words importing the singular include and apply to several persons, parties or things;

(B) Words importing the plural include the singular; and

(C) Words importing the masculine gender include the feminine as well.

(2) "Company" or "association" as including successors and assigns. The word "company" or "association", when used in reference to a corporation, shall be deemed to embrace the words "successors and assigns of such company or association", and in like manner as if these last-named words, or words of similar import, were expressed.

(3) Other terms. Any term used in any Section of this Act with respect to the application of, or in connection with, the provisions of any other Section of this Act shall have the same meaning as in such other Section.

(Source: P.A. 96-641, eff. 8-24-09; 97-507, eff. 8-23-11; 97-636, eff. 6-1-12.)

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

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

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Cullerton offered the following amendment and moved its adoption:

**AMENDMENT NO. 2 TO HOUSE BILL 5342**

AMENDMENT NO. _2_. Amend House Bill 5342, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 12, by replacing lines 9 through 14 with the following:

"State Treasury. On July 1, 2012, and by July 1 of each year thereafter, the State Comptroller shall order transferred and the State Treasurer shall transfer the sum of $100,000,000 from the General Revenue Fund to the Education Assistance Fund. This transfer is a result of the changes made to Section 1501 of this Act by this amendatory Act of the 97th General Assembly. Beginning July 1, 1991, and continuing through January"; and

on page 63, by replacing lines 5 through 13 with the following:

"used in this paragraph, for taxable years ending before December 31, 2012, the phrase "United States" means only the 50 states and the

District of Columbia, but does not include any territory or possession of the United States or any area over which the United States has asserted jurisdiction or claimed exclusive rights with respect to the exploration for or exploitation of natural resources. For taxable years ending on or after December 31, 2012, the phrase "United States" means only the 50 states, the District of Columbia, and any area over which the United States has asserted jurisdiction or claimed exclusive rights with respect to the exploration for or exploitation of natural resources, but does not include any territory or possession of the United States.".

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 Cullerton, **House Bill No. 5342** 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 31; NAYS 25; Present 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Harmon | Maloney | Sandoval |
| Collins, A. | Hunter | Martinez | Schoenberg |
| Collins, J. | Hutchinson | McGuire | Silverstein |
| Crotty | Jones, E. | Meeks | Steans |
| Delgado | Koehler | Mulroe | Sullivan |
| Forby | Kotowski | Muñoz | Trotter |
| Garrett | Lightford | Noland | Mr. President |
| Haine | Link | Raoul | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Johnson, C. | McCann | Righter |
| Bivins | Johnson, T. | McCarter | Sandack |
| Bomke | Jones, J. | Millner | Schmidt |
| Brady | LaHood | Murphy | Syverson |
| Cultra | Landek | Pankau | |
| Duffy | Lauzen | Radogno | |

Jacobs Luechtefeld Rezin

The following voted present:

Dillard

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.

**SENATE BILL RECALLED**

On motion of Senator Steans, Senate Bill No. **2365** was recalled from the order of third reading to the order of second reading.

Senator Trotter offered the following amendment and moved its adoption:

**AMENDMENT NO. 1 SENATE BILL 2365**

AMENDMENT NO. __1__. Amend Senate Bill 2365, by deleting everything after the enacting clause and replacing it with the following:

"ARTICLE 1

Section 5. In addition to amounts previously appropriated, the sum of $24,931,100, or so much thereof as may be necessary, is appropriated from the Education Assistance Fund to the Illinois State Board of Education for early childhood education for the fiscal year beginning July 1, 2012

Section 10. In addition to amounts previously appropriated, the sum of $134,698,300, or so much thereof as may be necessary, is appropriated from the Education Assistance Fund to the Illinois State Board of Education for General State Aid for the fiscal year beginning July 1, 2012.

ARTICLE 2

Section 5. In addition to amounts previously appropriated, the sum of $15,370,600, or so much thereof as may be necessary, is appropriated from the Education Assistance Fund to the Illinois Student Assistance Commission for payment of Monetary Award Program grant awards to students eligible to receive such awards, as provided by law.

ARTICLE 3

Section 5. In addition to amounts previously appropriated, the sum of $24,000,000, or so much thereof as may be necessary, is appropriated from the Real Estate License Administration Fund to the Department on Aging for the ordinary and contingent expenses of the Senior Citizens Circuit Breaker and Pharmaceutical Assistance Program.

Section 99. Effective date. This Act takes effect July 1, 2012.".

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

**READING BILL OF THE SENATE A THIRD TIME**

On motion of Senator Steans, **Senate Bill No. 2365** having been transcribed and typed and all amendments adopted thereto having been printed, 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 30; NAYS 25; Present 4.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Harmon | Maloney | Schoenberg |
| Collins, A. | Hunter | Martinez | Silverstein |
| Collins, J. | Hutchinson | McGuire | Steans |
| Crotty | Jacobs | Meeks | Sullivan |
| Delgado | Jones, E. | Muñoz | Trotter |
| Forby | Koehler | Noland | Mr. President |
| Garrett | Lightford | Raoul | |
| Haine | Link | Sandoval | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Johnson, C. | McCann | Righter |
| Bivins | Johnson, T. | McCarter | Sandack |
| Bomke | Jones, J. | Millner | Schmidt |
| Brady | LaHood | Murphy | Syverson |
| Cultra | Landek | Pankau | |
| Dillard | Lauzen | Radogno | |
| Duffy | Luechtefeld | Rezin | |

The following voted present:

| | |
|---|---|
| Frerichs | Kotowski |
| Holmes | Mulroe |

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 therein.

## CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Steans, **Senate Bill No. 3802**, with House Amendments numbered 1 and 6 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 25.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Hunter | Maloney | Schoenberg |
| Collins, A. | Hutchinson | Martinez | Silverstein |
| Collins, J. | Jacobs | McGuire | Steans |
| Crotty | Jones, E. | Meeks | Trotter |
| Delgado | Koehler | Mulroe | Mr. President |
| Forby | Kotowski | Muñoz | |
| Frerichs | Landek | Noland | |
| Haine | Lightford | Raoul | |
| Harmon | Link | Sandoval | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Garrett | McCann | Sandack |
| Bivins | Johnson, C. | McCarter | Schmidt |
| Bomke | Johnson, T. | Millner | Sullivan |
| Brady | Jones, J. | Murphy | Syverson |
| Cultra | LaHood | Pankau | |
| Dillard | Lauzen | Rezin | |
| Duffy | Luechtefeld | Righter | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 6 to **Senate Bill No. 3802**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Kotowski, **Senate Bill No. 2413**, with House Amendments numbered 1 and 3 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 amendments 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 | Link | Sandoval |
| Collins, A. | Holmes | Maloney | Schoenberg |
| Collins, J. | Hunter | Martinez | Silverstein |
| Crotty | Hutchinson | McGuire | Steans |
| Delgado | Jacobs | Meeks | Sullivan |
| Forby | Jones, E. | Mulroe | Trotter |
| Frerichs | Koehler | Muñoz | Mr. President |
| Garrett | Kotowski | Noland | |
| Haine | Landek | Raoul | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Johnson, C. | McCann | Righter |
| Bivins | Johnson, T. | McCarter | Sandack |
| Bomke | Jones, J. | Millner | Schmidt |
| Brady | LaHood | Murphy | Syverson |
| Cultra | Lauzen | Pankau | |
| Dillard | Lightford | Radogno | |
| Duffy | Luechtefeld | Rezin | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 2413**.

Ordered that the Secretary inform the House of Representatives thereof.

## HOUSE BILL RECALLED

On motion of Senator Cullerton, **House Bill No. 1447** was recalled from the order of third reading to the order of second reading.

Senator Cullerton offered the following amendment and moved its adoption:

## AMENDMENT NO. 2 TO HOUSE BILL 1447

AMENDMENT NO. 2. Amend House Bill 1447, 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 4 and 15 as follows:

(5 ILCS 315/4) (from Ch. 48, par. 1604)

Sec. 4. Management Rights. Employers shall not be required to bargain over matters of inherent managerial policy, which shall include such areas of discretion or policy as the functions of the employer, standards of services, its overall budget, the organizational structure and selection of new employees, examination techniques and direction of employees. Employers, however, shall be required to bargain collectively with regard to policy matters directly affecting wages (but subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code), hours and terms and conditions of employment as well as the impact thereon upon request by employee representatives, but excluding the changes, the impact of changes, and the implementation of the changes set forth in this amendatory Act of the 97th General Assembly.

To preserve the rights of employers and exclusive representatives which have established collective bargaining relationships or negotiated collective bargaining agreements prior to the effective date of this Act, employers shall be required to bargain collectively with regard to any matter concerning wages (but subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code), hours or conditions of employment about which they have bargained for and agreed to in a collective bargaining agreement prior to the effective date of this Act, but excluding the changes, the impact of changes, and the implementation of the changes set forth in this amendatory Act of the 97th General Assembly.

The chief judge of the judicial circuit that employs a public employee who is a court reporter, as defined in the Court Reporters Act, has the authority to hire, appoint, promote, evaluate, discipline, and discharge court reporters within that judicial circuit.

Nothing in this amendatory Act of the 94th General Assembly shall be construed to intrude upon the judicial functions of any court. This amendatory Act of the 94th General Assembly applies only to nonjudicial administrative matters relating to the collective bargaining rights of court reporters.

(Source: P.A. 94-98, eff. 7-1-05.)

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

Sec. 15. Act Takes Precedence.

(a) In case of any conflict between the provisions of this Act and any other law (other than Section 5 of the State Employees Group Insurance Act of 1971 and other than the changes made to the Illinois Pension Code by Public Act 96-889 and the changes, impact of changes, and the implementation of the changes made to the Illinois Pension Code and the State Employees Group Insurance Act of 1971 by this amendatory Act of the 97th ~~96th~~ General Assembly), executive order or administrative regulation relating to wages, hours and conditions of employment and employment relations, the provisions of this Act or any collective bargaining agreement negotiated thereunder shall prevail and control. Nothing in this Act shall be construed to replace or diminish the rights of employees established by Sections 28 and 28a of the Metropolitan Transit Authority Act, Sections 2.15 through 2.19 of the Regional Transportation Authority Act. The provisions of this Act are subject to the changes made by this amendatory Act of the 97th General Assembly, including Section 14-106.5 of the Illinois Pension Code, and Section 5 of the State Employees Group Insurance Act of 1971. Nothing in this Act shall be construed to replace the necessity of complaints against a sworn peace officer, as defined in Section 2(a) of the Uniform Peace Officer Disciplinary Act, from having a complaint supported by a sworn affidavit.

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

(c) It is the public policy of this State, pursuant to paragraphs (h) and (i) of Section 6 of Article VII of the Illinois Constitution, that the provisions of this Act are the exclusive exercise by the State of powers and functions which might otherwise be exercised by home rule units. Such powers and functions may not be exercised concurrently, either directly or indirectly, by any unit of local government, including any home rule unit, except as otherwise authorized by this Act.

(Source: P.A. 95-331, eff. 8-21-07; 96-889, eff. 1-1-11.)

Section 10. The State Employees Group Insurance Act of 1971 is amended by adding Section 6.16 as follows:

(5 ILCS 375/6.16 new)

Sec. 6.16. Health benefit election for Tier I employees and Tier I retirees.

(a) For purposes of this Section:

"Eligible Tier I employee" means an individual who makes or is deemed to have made an election under paragraph (1) of subsection (a) of Sections 2-110.3 and 14-106.5 of the Illinois Pension Code.

"Eligible Tier I retiree" means an individual who makes or is deemed to have made an election under paragraph (1) of subsection (a-5) of Sections 2-110.3 and 14-106.5 of the Illinois Pension Code.

"Program of health benefits" means (i) a health plan, as defined in subsection (o) of Section 3 of this Act, that is designed and contracted for by the Director under this Act or any successor Act or (ii) if administration of that health plan is transferred to a trust established by the State or an independent Board in order to provide health benefits to a class of a persons that includes eligible Tier I retirees, then the plan of health benefits provided through that trust.

(b) As adequate and legal consideration for making the election under paragraph (1) of subsection (a) or (a-5) of Sections 2-110.3 and 14-106.5 of the Illinois Pension Code, each eligible Tier I employee and each eligible Tier I retiree shall receive a vested and enforceable contractual right to participate in a program of health benefits while he or she qualifies as an annuitant or retired employee. That right also extends to such a person's dependents and survivors who are eligible under the applicable program of health benefits.

(c) Notwithstanding subsection (b), eligible Tier I employees and eligible Tier I retirees may be required to make contributions toward the cost of coverage under a program of health benefits.

(d) The vested and enforceable contractual right to a program of health benefits is not offered as, and shall not be considered, a pension benefit under Article XIII, Section 5 of the Illinois Constitution, the Illinois Pension Code, or any subsequent or successor enactment providing pension benefits.

(e) Notwithstanding any other provision of this Act, a Tier I employee or Tier I retiree who has made an election under paragraph (2) of subsection (a) or (a-5) of Sections 2-110.3 and 14-106.5 of the Illinois Pension Code shall not be entitled to participate in the program of health benefits as an annuitant or retired employee receiving a retirement annuity, regardless of any contrary election pursuant to any of those Sections under any other retirement system.

Notwithstanding any other provision of this Act, a Tier I employee who is not entitled to participate in the program of health benefits as an annuitant or retired employee receiving a retirement annuity, due to an election under paragraph (2) of subsection (a) or (a-5) of Sections 2-110.3 and 14-106.5 of the Illinois Pension Code shall not be required to make contributions toward the program of health benefits while he or she is an employee or active contributor. However, an active employee may be required to make contributions toward health benefits he or she receives during active service.

(f) The Department shall coordinate with each retirement system administering an election in accordance with this amendatory Act of the 97th General Assembly to provide information concerning the impact of the election of health benefits. Each System shall include information prepared by the Department in the required election packet. The Department shall make information available to Tier I employees and Tier I retirees through video materials, group presentations, consultation by telephone or other electronic means, or any combination of these methods.

Section 15. The Governor's Office of Management and Budget Act is amended by changing Sections 7 and 8 as follows:

(20 ILCS 3005/7) (from Ch. 127, par. 417)

Sec. 7. All statements and estimates of expenditures submitted to the Office in connection with the preparation of a State budget, and any other estimates of expenditures, supporting requests for appropriations, shall be formulated according to the various functions and activities for which the respective department, office or institution of the State government (including the elective officers in the executive department and including the University of Illinois and the judicial department) is responsible. All such statements and estimates of expenditures relating to a particular function or activity shall be further formulated or subject to analysis in accordance with the following classification of objects:

(1) Personal services
(2) State contribution for employee group insurance
(3) Contractual services
(4) Travel
(5) Commodities
(6) Equipment
(7) Permanent improvements
(8) Land

(9) Electronic Data Processing
(10) Telecommunication services
(11) Operation of Automotive Equipment
(12) Contingencies
(13) Reserve
(14) Interest
(15) Awards and Grants
(16) Debt Retirement
(17) Non-cost Charges.
(18) State retirement contribution for annual normal cost
(19) State retirement contribution for unfunded accrued liability.
(Source: P.A. 93-25, eff. 6-20-03.)

(20 ILCS 3005/8) (from Ch. 127, par. 418)

Sec. 8. When used in connection with a State budget or expenditure or estimate, items (1) through (16) in the classification of objects stated in Section 7 shall have the meanings ascribed to those items in Sections 14 through 24.7, respectively, of the State Finance Act. ~~"An Act in relation to State finance", approved June 10, 1919, as amended.~~

When used in connection with a State budget or expenditure or estimate, items (18) and (19) in the classification of objects stated in Section 7 shall have the meanings ascribed to those items in Sections 24.12 and 24.13, respectively, of the State Finance Act.
(Source: P.A. 82-325.)

Section 20. The Illinois State Auditing Act is amended by adding Section 2-8.1 as follows:

(30 ILCS 5/2-8.1 new)

Sec. 2-8.1. Actuarial Responsibilities.

(a) The Auditor General shall contract with or hire an actuary to serve as the State Actuary. The State Actuary shall be retained by, serve at the pleasure of, and be under the supervision of the Auditor General and shall be paid from appropriations to the office of the Auditor General. The State Actuary may be selected by the Auditor General without engaging in a competitive procurement process.

(b) The State Actuary shall:

(1) review assumptions and valuations prepared by actuaries retained by the boards of trustees of the State-funded retirement systems;

(2) issue preliminary reports to the boards of trustees of the State-funded retirement systems concerning proposed certifications of required State contributions submitted to the State Actuary by those boards;

(3) cooperate with the boards of trustees of the State-funded retirement systems to identify recommended changes in actuarial assumptions that the boards must consider before finalizing their certifications of the required State contributions;

(4) conduct reviews of the actuarial practices of the boards of trustees of the State-funded retirement systems;

(5) make additional reports as directed by joint resolution of the General Assembly; and

(6) perform any other duties assigned by the Auditor General, including, but not limited to, reviews of the actuarial practices of other entities.

(c) On or before January 1, 2013 and each January 1 thereafter, the Auditor General shall submit a written report to the General Assembly and Governor documenting the initial assumptions and valuations prepared by actuaries retained by the boards of trustees of the State-funded retirement systems, any changes recommended by the State Actuary in the actuarial assumptions, and the responses of each board to the State Actuary's recommendations.

(d) For the purposes of this Section, "State-funded retirement system" means a retirement system established pursuant to Article 2, 14, 15, 16, or 18 of the Illinois Pension Code.

Section 25. The State Finance Act is amended by changing Section 13 and by adding Sections 24.12 and 24.13 as follows:

(30 ILCS 105/13) (from Ch. 127, par. 149)

Sec. 13. The objects and purposes for which appropriations are made are classified and standardized by items as follows:

(1) Personal services;
(2) State contribution for employee group insurance;
(3) Contractual services;

(4) Travel;
(5) Commodities;
(6) Equipment;
(7) Permanent improvements;
(8) Land;
(9) Electronic Data Processing;
(10) Operation of automotive equipment;
(11) Telecommunications services;
(12) Contingencies;
(13) Reserve;
(14) Interest;
(15) Awards and Grants;
(16) Debt Retirement;
(17) Non-Cost Charges;
(18) State retirement contribution for annual normal cost;
(19) State retirement contribution for unfunded accrued liability;
(20) ~~(18)~~ Purchase Contract for Real Estate.

When an appropriation is made to an officer, department, institution, board, commission or other agency, or to a private association or corporation, in one or more of the items above specified, such appropriation shall be construed in accordance with the definitions and limitations specified in this Act, unless the appropriation act otherwise provides.

An appropriation for a purpose other than one specified and defined in this Act may be made only as an additional, separate and distinct item, specifically stating the object and purpose thereof.
(Source: P.A. 84-263; 84-264.)

(30 ILCS 105/24.12 new)

Sec. 24.12. "State retirement contribution for annual normal cost" defined. The term "State retirement contribution for annual normal cost" means the portion of the total required State contribution to a retirement system for a fiscal year that represents the State's portion of the System's projected normal cost for that fiscal year, as determined and certified by the board of trustees of the retirement system in conformance with the applicable provisions of the Illinois Pension Code.

(30 ILCS 105/24.13 new)

Sec. 24.13. "State retirement contribution for unfunded accrued liability" defined. The term "State retirement contribution for unfunded accrued liability" means the portion of the total required State contribution to a retirement system for a fiscal year that is not included in the State retirement contribution for annual normal cost.

Section 30. The Illinois Pension Code is amended by changing Sections 1-103.3, 2-108, 2-119.1, 2-124, 2-134, 7-109, 14-103.10, 14-106, 14-114, 14-131, 14-132, 14-133, 14-135.08, 14-152.1, 16-158, and 18-140, and by adding Sections 1-162, 2-105.1, 2-105.2, 2-107.9, 2-110.3, 14-103.40, 14-103.41, 14-103.42, and 14-106.5 as follows:

(40 ILCS 5/1-103.3)

Sec. 1-103.3. Application of 1994 amendment; funding standard.

(a) The provisions of Public Act 88-593 ~~this amendatory Act of 1994~~ that change the method of calculating, certifying, and paying the required State contributions to the retirement systems established under Articles 2, 14, 15, 16, and 18 shall first apply to the State contributions required for State fiscal year 1996.

(b) (Blank). ~~The General Assembly declares that a funding ratio (the ratio of a retirement system's total assets to its total actuarial liabilities) of 90% is an appropriate goal for State-funded retirement systems in Illinois, and it finds that a funding ratio of 90% is now the generally recognized norm throughout the nation for public employee retirement systems that are considered to be financially secure and funded in an appropriate and responsible manner.~~

(c) Every 5 years, beginning in 1999, the Commission on Government Forecasting and Accountability, in consultation with the affected retirement systems and the Governor's Office of Management and Budget (formerly Bureau of the Budget), shall consider and determine whether the funding goals ~~90% funding ratio~~ adopted in Articles 2, 14, 15, 16, and 18 of this Code continue ~~subsection (b) continues~~ to represent ~~an~~ appropriate funding goals ~~goal~~ for State-funded retirement systems in Illinois, and it shall report its findings and recommendations on this subject to the Governor and the General Assembly.
(Source: P.A. 93-1067, eff. 1-15-05.)

(40 ILCS 5/1-162 new)

Sec. 1-162. Optional cash balance plan.

(a) Participation and Applicability. Beginning on July 1, 2013, the following persons may elect to participate in the optional cash balance plan created under this Section:

(1) any person who participates in the cash balance plan established under Section 1-161; and

(2) any Tier I employee who has made the election under paragraph (1) of subsection (a) or (a-5) of Section 14-106.5.

The Board of Trustees of the applicable retirement system shall promulgate rules to create an annual election wherein a person eligible to participate in the optional cash balance plan may elect to participate, and an active employee who is a participant in the plan may elect to cease active participation. The election to cease active participation shall not disqualify the employee from eligibility to receive an interest credit under subsection (f), a distribution upon termination under subsection (f-10), a refund under subsection (f-15), a retirement annuity under subsection (f-15), a retirement annuity under subsection (g), or a survivor annuity under subsection (k), or from eligibility to resume active participation in the optional cash balance plan in a subsequent year.

(b) Title. The package of benefits provided under this Section may be referred to as the "optional cash balance plan". Persons subject to the provisions of this Section may be referred to as "participants in the optional cash balance plan".

(b-5) Definitions. As used in this Section:

"Account" means the notional cash balance account established under this Section for a participant in the optional cash balance plan.

"Consumer Price Index-U" means the Consumer Price 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.

"Salary" means "compensation" as defined in Article 14, without regard to the limitation in subsection (b-5) of Section 1-160.

"Tier I employee" means a person who is a Tier I employee under the applicable Article of this Code.

(c) Cash Balance Account. A notional cash balance account shall be established by the applicable retirement system for each participant in the optional cash balance plan. The account is notional and does not contain any actual money segregated from the commingled assets of the retirement system. The cash balance in the account is to be used in calculating benefits as provided in this Section, but is not to be used in the calculation of any refund, transfer, or other benefit under the applicable Article of this Code.

The amounts to be credited to the cash balance account shall consist of (i) amounts contributed by or on behalf of the participant as employee contributions, (ii) notional employer contributions, and (iii) interest credit that is attributable to the account, all as provided in this Section.

Whenever necessary for the prompt calculation or administration, or when the System lacks information necessary to the calculation or administration otherwise required of or for a benefit under this Section, the applicable retirement system may estimate an amount to be credited to or debited from a participant's cash balance account and then adjust the amount so credited or debited when more accurate information becomes available.

The applicable retirement system shall give to each participant in the optional cash balance plan who has not yet retired annual notice of (1) the balance in the participant's cash balance account and (2) an estimate of the retirement annuity that will be payable to the participant if he or she retires at age 59 1/2.

(d) Employee Contributions. In addition to the other contributions required under the applicable Article, each participant shall make contributions to the applicable retirement system at the rate of 2% of each payment of salary. The amount of each contribution shall be credited to the participant's cash balance account upon receipt and after the retirement system's reconciliation of the contribution.

(e) Optional Employer Contributions. Employers may make optional additional contributions to the applicable retirement system on behalf of their employees who are participants in the optional cash balance plan in accordance with procedures prescribed by the retirement system, to the extent permitted by federal law and the rules prescribed by the retirement system. The optional additional contributions under this subsection are actual monetary contributions to the retirement system, and the amount of each optional additional contribution shall be credited to the participant's cash balance account upon receipt and after the retirement system's reconciliation of the contribution.

(f) Interest Credit. An amount representing earnings on investments shall be determined by the retirement system in accordance with this Section and credited to the participant's cash balance account for each fiscal year in which there is a positive balance in that account; except that no additional interest credit shall be credited while an annuity based on the account is being paid. The interest credit amount

shall be a percentage of the average quarterly balance in the cash balance account during that fiscal year, and shall be calculated on June 30.

The percentage shall be the assumed treasury rate for the previous fiscal year, unless neither the retirement system's actual rate of investment earnings for the previous fiscal year nor the retirement system's actual rate of investment earnings for the five-year period ending at the end of the previous fiscal year is less than the assumed treasury rate.

If both the retirement system's actual rate of investment earnings for the previous fiscal year and the actual rate of investment earnings for the five-year period ending at the end of the previous fiscal year are at least the assumed treasury rate, then the percentage shall be:

(i) the assumed treasury rate, plus

(ii) two-thirds of the amount of the actual rate of investment earnings for the previous fiscal year that exceeds the assumed treasury rate.

However, in no event shall the percentage applied under this subsection exceed 10%.

For the purposes of this subsection only, "previous fiscal year" means fiscal year ending one year before the interest rate is calculated.

For the purposes of this subsection only, "assumed treasury rate" means the average annual yield of the 30-year U.S. Treasury Bond over the previous fiscal year, but not less than 4%.

When a person applies for a benefit under this Section, the retirement system shall apply an interest credit based on a proration of an estimate of what the interest credit will be for the relevant year. When the retirement system certifies the credit on June 30, it shall adjust the benefit accordingly.

(f-10) Distribution upon Termination of Employment. Upon termination of active employment with at least 5 years of service credit under the applicable retirement system and prior to making application for an annuity under this Section, a participant in the optional cash balance plan may make an irrevocable election to distribute an amount not to exceed 40% of the balance in the participant's account in the form of a direct rollover to another qualified plan, to the extent allowed by federal law. If the participant makes such an election, then the amount distributed shall be debited from the participant's cash balance account. A participant in the optional cash balance plan shall be allowed only one distribution under this subsection. The remaining balance in the participant's account shall be used for the determination of other benefits provided under this Section.

(f-15) Refund. In lieu of receiving a distribution under subsection (f-10), at any time after terminating active employment under the applicable retirement system, but before receiving a retirement annuity under this Section, a participant in the optional cash balance plan may elect to receive a refund under this subsection. The refund shall consist of an amount equal to the amount of all employee contributions credited to the participant's account, but shall not include any interest credit or employer contributions. If the participant so requests, the refund may be paid in the form of a direct rollover to another qualified plan, to the extent allowed by federal law and in accordance with the rules of the applicable retirement system. Upon payment of the refund, the participant's notional cash balance account shall be closed.

(g) Retirement Annuity. A participant in the optional cash balance plan may begin collecting a retirement annuity at age 59 1/2, but no earlier than the date of termination of active employment under the applicable retirement system.

The amount of the retirement annuity shall be calculated by the retirement system, based on the balance in the cash balance account, the assumption of future investment returns as specified in this subsection, the participant's election to have a lifetime survivor's annuity as specified in this subsection, the annual increase in retirement annuity as specified in subsection (h), the annual increase in survivor's annuity as specified in subsection (l), and any actuarial assumptions and tables adopted by the board of the retirement system for this purpose. The calculation shall determine the amount of retirement annuity, on an actuarially equivalent basis, that shall be designed to result in the balance in the participant's account arriving at zero on the date when the last payment of the retirement annuity (or survivor's annuity, if the participant elects to provide for a survivor's annuity pursuant to this subsection) is anticipated to be paid under the relevant actuarial assumptions. A retirement annuity or a survivor's annuity provided under this Section shall be a life annuity and shall not expire if the account balance equals zero.

The annuity payment shall begin on the date specified by the participant submitting a written application, which date shall not be prior to termination of employment or more than one year before the application is received by the board; however, if the participant is not an employee of an employer participating in this System or in a participating system as defined in Article 20 of this Code on April 1 of the calendar year next following the calendar year in which the participant attains age 70 1/2, the annuity payment period shall begin on that date regardless of whether an application has been filed.

The participant may elect, under the participant's written application for retirement, to receive a

reduced annuity payable for his or her life and to have a lifetime survivor's annuity in a monthly amount equal to 50%, 75%, or 100% of that reduced monthly amount, to be paid after the participant's death to his or her eligible survivor. Eligibility for a survivor's annuity shall be determined under the applicable Article of this Code.

For the purpose of calculating retirement annuities, future investment returns shall be assumed to be a percentage equal to the average yield of the 30-year U.S. Treasury Bond over the 5 fiscal years prior to the calculation of the initial retirement annuity, plus 250 basis points; but not less than 4% nor more than 8%.

(h) Annual Increase in Retirement Annuity. The retirement annuity shall be subject to an automatic annual increase in an amount equal to 3% of the originally granted annuity on each January 1 occurring on or after the first anniversary of the annuity start date.

(i) Disability Benefits. There are no disability benefits provided under the optional cash balance plan, and no amounts for disability shall be deducted from the account of a participant in the optional cash balance plan. The disability benefits provided under the applicable retirement system apply to participants in the optional cash balance plan.

(j) Return to Service. Upon a return to service under the same retirement system after beginning to receive a retirement annuity under the optional cash balance plan, the retirement annuity shall be suspended and active participation in the optional cash balance plan shall resume. Upon termination of the employment, the retirement annuity shall resume in an amount to be recalculated in accordance with subsection (g), taking into effect the changes in the cash balance account. If a retired annuitant returns to service, his or her notional cash balance account shall be decreased by each payment of retirement annuity prior to the return to service.

(k) Survivor's Annuity - Death before Retirement. In the case of a participant in the optional cash balance plan who had less than 5 years of service under the applicable Article and had not begun receiving a retirement annuity, the eligible survivor shall be entitled only to a refund of employee contributions under subsection (f-15).

In the case of a participant in the optional cash balance plan who had at least 5 years of service under the applicable Article and had not begun receiving a retirement annuity, the eligible survivor shall be entitled to receive a survivor's annuity beginning at age 59 1/2 upon written application. The survivor's annuity shall be calculated in the same manner as a retirement annuity under subsection (g). At any time before receiving a survivor's annuity, the eligible survivor may claim a distribution under subsection (f-10) or a refund under subsection (f-15). The deceased participant's account shall continue to receive interest credit until the eligible survivor begins to receive a survivor's annuity or receives a refund of employee contributions under subsection (f-15).

Eligibility for a survivor's annuity shall be determined under the applicable Article of this Code. A child's or parent's annuity for an otherwise eligible child or dependent parent shall be in the same amount, if any, prescribed under the applicable Article.

(l) Annual Increase in Survivor's Annuity. A survivor's annuity granted under subsection (g) or (k) shall be subject to an automatic annual increase in an amount equal to 3% of the originally granted annuity on each January 1 occurring on or after the first anniversary of the annuity start date.

(m) Applicability of Provisions. The following provisions, if and as they exist in this Code, do not apply to participants in the optional cash balance plan with respect to participation in the optional cash balance plan, except as they are specifically provided for in this Section:

(1) minimum service or vesting requirements (other than as provided in this Section);

(2) provisions limiting a retirement annuity to a specified percentage of salary;

(3) provisions authorizing a minimum retirement or survivor's annuity or a supplemental annuity;

(4) provisions authorizing any form of retirement annuity or survivor's annuity not authorized under this Section;

(5) provisions authorizing a reversionary annuity (other than the survivor's annuity under subsection (g));

(6) provisions authorizing a refund of employee contributions upon termination of service (other than upon the death of the participant without an eligible survivor) or any lump-sum payout in lieu of a retirement or survivor's annuity (other than the distribution under subsection (f-10) or the refund under subsection (f-15) of this Section;

(7) provisions authorizing optional service credits or the payment of optional additional contributions (other than the optional employer contributions specifically authorized in this Section); or

(8) a level income option.

The Retirement Systems Reciprocal Act (Article 20 of this Code) does not apply to participation in the optional cash balance plan and does not affect the calculation of benefits payable under this Section.

The other provisions of this Code continue to apply to participants in the optional cash balance plan, to the extent that they do not conflict with this Section. In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section control.

(n) Rules. The Board of Trustees of the applicable retirement system may adopt rules and procedures for the implementation of this Section, including but not limited to determinations of how to integrate the administration of this Section with the requirements of the applicable Article and any other applicable provisions of this Code.

(o) Public Pension Division. The Public Pension Division of the Department of Insurance shall determine in October of each year the annual unadjusted percentage increase (but not less than zero) in the Consumer Price Index-U for the 12 months ending with the preceding September. The Division shall certify its determination to the Board of Trustees of the State Universities Retirement System by November 1 of each year.

(p) Actual Employer Contributions. Payment of employer contributions with respect to participants in the optional cash balance plan shall be the responsibility of the actual employer. These contributions shall be determined under and paid in accordance with the provisions of Sections 15-155. Optional additional contributions by employers may be paid in any amount, but must be paid in the manner specified by the applicable retirement system.

(q) Prospective Modification. The provisions set forth in this Section are subject to prospective changes made by law provided that any such changes shall not apply to any benefits accrued under this Section prior to the effective date of any amendatory Act of the General Assembly.

(s) Qualified Plan Status. No provision of this Section shall be interpreted in a way that would cause the applicable retirement system to cease to be a qualified plan under section 461 (a) of the Internal Revenue Code of 1986.

(40 ILCS 5/2-105.1 new)

Sec. 2-105.1. Tier I employee. "Tier I employee": A participant who first became a participant before January 1, 2011.

(40 ILCS 5/2-105.2 new)

Sec. 2-105.2. Tier I retiree. "Tier I retiree" means a former Tier I employee who is receiving a retirement annuity.

(40 ILCS 5/2-107.9 new)

Sec. 2-107.9. Future increase in income. "Future increase in income": Any increase in income in any form offered for service as a member under this Article after June 30, 2013 that would qualify as "salary", as defined under Section 2-108, but for the fact that the increase in income was offered to the member on the condition that it not qualify as salary and was accepted by the member subject to that condition.

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

Sec. 2-108. Salary. "Salary": (1) For members of the General Assembly, the total compensation paid to the member by the State for one year of service, including the additional amounts, if any, paid to the member as an officer pursuant to Section 1 of "An Act in relation to the compensation and emoluments of the members of the General Assembly", approved December 6, 1907, as now or hereafter amended.

(2) For the State executive officers specified in Section 2-105, the total compensation paid to the member for one year of service.

(3) For members of the System who are participants under Section 2-117.1, or who are serving as Clerk or Assistant Clerk of the House of Representatives or Secretary or Assistant Secretary of the Senate, the total compensation paid to the member for one year of service, but not to exceed the salary of the highest salaried officer of the General Assembly.

However, in the event that federal law results in any participant receiving imputed income based on the value of group term life insurance provided by the State, such imputed income shall not be included in salary for the purposes of this Article.

Notwithstanding any other provision of this Section, "salary" does not include any future increase in income that is offered for service as a member under this Article pursuant to the requirements of subsection (c) of Section 2-110.3 and accepted by a Tier I employee, or a Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of Section Section 2-110.3.

(Source: P.A. 86-27; 86-273; 86-1028; 86-1488.)

(40 ILCS 5/2-110.3 new)

Sec. 2-110.3. Election by Tier I employees and Tier I retirees.

(a) Each Tier I employee shall make an irrevocable election either:

(1) to agree to the following:

(i) to have the amount of the automatic annual increases in his or her retirement annuity that are otherwise provided for in this Article calculated, instead, as provided in subsection (a-1) of Section 2-119.1; and

(ii) to have his or her eligibility for automatic annual increases in retirement annuity postponed as provided in subsection (a-2) of Section 2-119.1 and to relinquish the additional increases provided in subsection (b) of Section 2-119.1; or

(2) to not agree to items (i) and (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a) shall be made by each Tier I employee no earlier than January 1, 2013 and no later than May 31, 2013, except that:

(i) a person who becomes a Tier I employee under this Article after January 1, 2013 must make the election under this subsection (a) within 60 days after becoming a Tier I employee;

(ii) a person who returns to active service as a Tier I employee under this Article after January 1, 2013 and has not yet made an election under this Section must make the election under this subsection (a) within 60 days after returning to active service as a Tier I employee; and

(iii) a person who made the election under subsection (a-5) as a Tier I retiree remains bound by that election and shall not make a later election under this subsection (a).

If a Tier I employee fails for any reason to make a required election under this subsection within the time specified, then the employee shall be deemed to have made the election under paragraph (2) of this subsection.

(a-5) Each Tier I retiree shall make an irrevocable election either:

(1) to agree to the following:

(i) to have the amount of the automatic annual increases in his or her retirement annuity that are otherwise provided for in this Article calculated, instead, as provided in subsection (a-1) of Section 2-119.1; and

(ii) to have his or her eligibility for automatic annual increases in retirement annuity postponed as provided in subsection (a-2) of Section 2-119.1 and to relinquish the additional increases provided in subsection (b) of Section 2-119.1; or

(2) to not agree to items (i) and (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a-5) shall be made by each Tier I retiree no earlier than January 1, 2013 and no later than May 31, 2013, except that:

(i) a person who becomes a Tier I retiree under this Article on or after January 1, 2013 must make the election under this subsection (a-5) within 60 days after becoming a Tier I retiree; and

(ii) a person who made the election under subsection (a) as a Tier I employee remains bound by that election and shall not make a later election under this subsection (a-5).

If a Tier I retiree fails for any reason to make a required election under this subsection within the time specified, then the Tier I retiree shall be deemed to have made the election under paragraph (2) of this subsection.

(a-10) All elections under subsection (a) or (a-5) that are made or deemed to be made before June 1, 2013 shall take effect on July 1, 2013. Elections that are made or deemed to be made on or after June 1, 2013 shall take effect on the first day of the month following the month in which the election is made or deemed to be made.

(b) As adequate and legal consideration provided under this amendatory Act of the 97th General Assembly for making the election under paragraph (1) of subsection (a) of this Section, any future increases in income offered for service as a member under this Article to a Tier I employee who has made the election under paragraph (1) of subsection (a) of this Section shall be offered expressly and irrevocably as constituting salary under Section 2-108.

As adequate and legal consideration provided under this amendatory Act of the 97th General Assembly for making the election under paragraph (1) of subsection (a-5) of this Section, any future increases in income offered for service as a member under this Article to a Tier I retiree who returns to active service after having made the election under paragraph (1) of subsection (a-5) of this Section shall be offered expressly and irrevocably as constituting salary under Section 2-108.

(c) A Tier I employee who makes the election under paragraph (2) of subsection (a) of this Section shall not be subject to items (i) and (ii) set forth in paragraph (1) of subsection (a) of this Section. However, any future increases in income offered for service as a member under this Article to a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall be offered expressly and irrevocably as not constituting salary under Section 2-108, and the member may not accept any future increase in income that is offered in violation of this requirement.

A Tier I retiree who makes the election under paragraph (2) of subsection (a-5) of this Section shall not be subject to items (i) and (ii) set forth in paragraph (1) of subsection (a-5) of this Section. However,

any future increases in income offered for service as a member under this Article to a Tier I retiree who returns to active service and has made the election under paragraph (2) of subsection (a-5) of this Section shall be offered expressly and irrevocably as not constituting salary under Section 2-108, and the member may not accept any future increase in income that is offered in violation of this requirement.

(d) The System shall make a good faith effort to contact each Tier I employee and Tier I retiree subject to this Section. The System shall mail information describing the required election to each Tier I employee and Tier I retiree by United States Postal Service mail to his or her last known address on file with the System. If the Tier I employee or Tier I retiree is not responsive to other means of contact, it is sufficient for the System to publish the details of any required elections on its website or to publish those details in a regularly published newsletter or other existing public forum.

Tier I employees and Tier I retirees who are subject to this Section shall be provided with an election packet containing information regarding their options, as well as the forms necessary to make the required election. Upon request, the System shall offer Tier I employees and Tier I retirees an opportunity to receive information from the System before making the required election. The information may be provided through video materials, group presentations, individual consultation with a member or authorized representative of the System in person or by telephone or other electronic means, or any combination of those methods. The System shall not provide advice or counseling with respect to which election a Tier I employee or Tier I retiree should make or specific to the legal or tax circumstances of or consequences to the Tier I employee or Tier I retiree.

The System shall inform Tier I employees and Tier I retirees in the election packet required under this subsection that the Tier I employee or Tier I retiree may also wish to obtain information and counsel relating to the election required under this Section from any other available source, including but not limited to labor organizations and private counsel.

In no event shall the System, its staff, or the Board be held liable for any information given to a member, beneficiary, or annuitant regarding the elections under this Section. The System shall coordinate with the Illinois Department of Central Management Services and each other retirement system administering an election in accordance with this amendatory Act of the 97th General Assembly to provide information concerning the impact of the election set forth in this Section.

(e) Notwithstanding any other provision of law, any future increases in income offered for service as a member must be offered expressly and irrevocably as not constituting "salary" under Section 2-108 to any Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) or subsection (a) or (a-5) of Section 2-110.3. A Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) or subsection (a) or (a-5) of Section 2-110.3 shall not accept any future increase in income that is offered for service as a member under this Article in violation of the requirement set forth in this subsection.

(f) A member's election under this Section is not a prohibited election under subdivision (j)(1) of Section 1-119 of this Code.

(g) Qualified Plan Status. No provision of this Section shall be interpreted in a way that would cause the System to cease to be a qualified plan under section 461 (a) of the Internal Revenue Code of 1986.

(40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

Sec. 2-119.1. Automatic increase in retirement annuity.

(a) Except as provided in subsections (a-1) and (a-2), a ~~A~~ participant who retires after June 30, 1967, and who has not received an initial increase under this Section before the effective date of this amendatory Act of 1991, shall, in January or July next following the first anniversary of retirement, whichever occurs first, and in the same month of each year thereafter, but in no event prior to age 60, have the amount of the originally granted retirement annuity increased as follows: for each year through 1971, 1 1/2%; for each year from 1972 through 1979, 2%; and for 1980 and each year thereafter, 3%. Annuitants who have received an initial increase under this subsection prior to the effective date of this amendatory Act of 1991 shall continue to receive their annual increases in the same month as the initial increase.

(a-1) Notwithstanding any other provision of this Article, for a Tier I employee or Tier I retiree who made the election under paragraph (1) of subsection (a) or (a-5) of Section 2-110.3, the amount of each automatic annual increase in retirement annuity occurring on or after the effective date of that election shall be 3% or one-half of the annual unadjusted percentage increase, if any, in the Consumer Price Index-U for the 12 months ending with the preceding September, whichever is less, of the originally granted retirement annuity. 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.

(a-2) For a Tier I employee or Tier I retiree who made the election under paragraph (1) of subsection (a) or (a-5) of Section 2-110.3, the monthly retirement annuity shall first be subject to annual increases on the January 1 occurring on or next after the attainment of age 67 or the January 1 occurring on or next after the fifth anniversary of the annuity start date, whichever occurs earlier. If on the effective date of the election under paragraph (1) of subsection (a-5) of Section 2-110.3 a Tier I retiree has already received an annual increase under this Section but does not yet meet the new eligibility requirements of this subsection, the annual increases already received shall continue in force, but no additional annual increase shall be granted until the Tier I retiree meets the new eligibility requirements.

(b) Beginning January 1, 1990, for eligible participants who remain in service after attaining 20 years of creditable service, the 3% increases provided under subsection (a) shall begin to accrue on the January 1 next following the date upon which the participant (1) attains age 55, or (2) attains 20 years of creditable service, whichever occurs later, and shall continue to accrue while the participant remains in service; such increases shall become payable on January 1 or July 1, whichever occurs first, next following the first anniversary of retirement. For any person who has service credit in the System for the entire period from January 15, 1969 through December 31, 1992, regardless of the date of termination of service, the reference to age 55 in clause (1) of this subsection (b) shall be deemed to mean age 50.

This subsection (b) does not apply to any person who first becomes a member of the System after August 8, 2003 (the effective date of Public Act 93-494) or (ii) has made the election under paragraph (1) of subsection (a) or (a-5) of Section 2-110.3; except that if on the effective date of the election under paragraph (1) of subsection (a-5) of Section 2-110.3 a Tier I retiree has already received a retirement annuity based on any annual increases under this subsection, those annual increases under this subsection shall continue in force ~~this amendatory Act of the 93rd General Assembly~~.

(b-5) Notwithstanding any other provision of this Article, a participant who first becomes a participant on or after January 1, 2011 (the effective date of Public Act 96-889) shall, in January or July next following the first anniversary of retirement, whichever occurs first, and in the same month of each year thereafter, but in no event prior to age 67, have the amount of the retirement annuity then being paid increased by 3% or the annual unadjusted percentage increase in the Consumer Price Index for All Urban Consumers as determined by the Public Pension Division of the Department of Insurance under subsection (a) of Section 2-108.1, whichever is less.

(c) The foregoing provisions relating to automatic increases are not applicable to a participant who retires before having made contributions (at the rate prescribed in Section 2-126) for automatic increases for less than the equivalent of one full year. However, in order to be eligible for the automatic increases, such a participant may make arrangements to pay to the system the amount required to bring the total contributions for the automatic increase to the equivalent of one year's contributions based upon his or her last salary.

(d) A participant who terminated service prior to July 1, 1967, with at least 14 years of service is entitled to an increase in retirement annuity beginning January, 1976, and to additional increases in January of each year thereafter.

The initial increase shall be 1 1/2% of the originally granted retirement annuity multiplied by the number of full years that the annuitant was in receipt of such annuity prior to January 1, 1972, plus 2% of the originally granted retirement annuity for each year after that date. The subsequent annual increases shall be at the rate of 2% of the originally granted retirement annuity for each year through 1979 and at the rate of 3% for 1980 and thereafter.

(e) Beginning January 1, 1990, all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including previous increases granted under this Article.

(Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

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

Sec. 2-124. Contributions by State.

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

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

(c) Except as otherwise provided in this Section, for ~~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.

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

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

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to Section 2-134 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Except as otherwise provided in this Section, beginning ~~Beginning~~ in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 2-134, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued 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.

(c-1) If at least 50% of Tier I employees making an election under Section 2-110.3 before June 1, 2013 choose the option under paragraph (1) of subsection (a) of that Section, then:

(1) In lieu of the State contributions required under subsection (c), for State fiscal years 2014 through 2043 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 equal to the sum of (1) the State's portion of the projected normal cost for that fiscal year, plus (2) an amount sufficient to bring the total assets of the System up to

100% of the total actuarial liabilities of the System by the end of State fiscal year 2043. 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 2043 and shall be determined under the projected unit credit actuarial cost method.

(2) Beginning in State fiscal year 2043, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 100% of the total actuarial liabilities of the System.

(c-2) If less than 50% of Tier I employees making an election under Section 2-110.3 before June 1, 2013 choose the option under paragraph (1) of subsection (a) of that Section, then the annual required contribution to the System to be made by the State shall be determined under subsection (c) of this Section, instead of the annual required contribution otherwise specified in subsection (c-1) of this Section.

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

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

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

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; revised 4-6-11.)

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

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

(a) The Board shall certify to the Governor on or before December 15 of each year until December 15, 2011 the amount of the required State contribution to the System for the next fiscal year and shall specifically identify the System's projected State normal cost for that fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and every January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

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

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

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified

contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (d) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year. If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

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

(Source: P.A. 95-331, eff. 8-21-07; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

(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; or is the chief executive officer, chief educational officer, chief fiscal officer, or other employee of a Financial Oversight Panel established pursuant to Article 1H of the School Code, other than a superintendent or certified school business official, except that such person shall not be treated as an employee under this Section if that person has negotiated with the Financial Oversight Panel, in conjunction with the school district, a contractual agreement for exclusion from this Section.

(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 August 26, 2011 (the effective date of Public Act 97-609) ~~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 August 26, 2011 ~~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 August 26, 2011 ~~the effective date of this amendatory Act of the 97th General Assembly~~.

(d) Become an employee of any of the following participating instrumentalities on or after the effective date of this amendatory Act of the 97th General Assembly: the Illinois Municipal League; the Illinois Association of Park Districts; the Illinois Supervisors, County Commissioners and Superintendents of Highways Association; the Township School District Trustees; the United Counties Council; or the Will County Governmental League.

(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. 97-429, eff. 8-16-11; 97-609, eff. 8-26-11; revised 9-28-11.)

(40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)

Sec. 14-103.10. Compensation.

(a) For periods of service prior to January 1, 1978, the full rate of salary or wages payable to an employee for personal services performed if he worked the full normal working period for his position, subject to the following maximum amounts: (1) prior to July 1, 1951, $400 per month or $4,800 per year; (2) between July 1, 1951 and June 30, 1957 inclusive, $625 per month or $7,500 per year; (3) beginning July 1, 1957, no limitation.

In the case of service of an employee in a position involving part-time employment, compensation shall be determined according to the employees' earnings record.

(b) For periods of service on and after January 1, 1978, all remuneration for personal services performed defined as "wages" under the Social Security Enabling Act, including that part of such remuneration which is in excess of any maximum limitation provided in such Act, and including any benefits received by an employee under a sick pay plan in effect before January 1, 1981, but excluding lump sum salary payments:

(1) for vacation,

(2) for accumulated unused sick leave,

(3) upon discharge or dismissal,

(4) for approved holidays.

(c) For periods of service on or after December 16, 1978, compensation also includes any benefits, other than lump sum salary payments made at termination of employment, which an employee receives or is eligible to receive under a sick pay plan authorized by law.

(d) For periods of service after September 30, 1985, compensation also includes any remuneration for personal services not included as "wages" under the Social Security Enabling Act, which is deducted for purposes of participation in a program established pursuant to Section 125 of the Internal Revenue Code or its successor laws.

(e) For members for which Section 1-160 applies for periods of service on and after January 1, 2011, all remuneration for personal services performed defined as "wages" under the Social Security Enabling Act, excluding remuneration that is in excess of the annual earnings, salary, or wages of a member or

participant, as provided in subsection (b-5) of Section 1-160, but including any benefits received by an employee under a sick pay plan in effect before January 1, 1981. Compensation shall exclude lump sum salary payments:

(1) for vacation;

(2) for accumulated unused sick leave;

(3) upon discharge or dismissal; and

(4) for approved holidays.

(f) Notwithstanding any other provision of this Section, "compensation" does not include any future increase in income offered by a department under this Article pursuant to the requirements of subsection (c) of Section 14-106.5 that is accepted by a Tier I employee, or a Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of Section 14-106.5.

(g) Notwithstanding the other provisions of this Section, for an employee who first becomes a participant on or after the effective date of this amendatory Act of the 97th General Assembly, "compensation" does not include any payments or reimbursements for travel vouchers.

(Source: P.A. 96-1490, eff. 1-1-11.)

(40 ILCS 5/14-103.40 new)

Sec. 14-103.40. Tier I employee. "Tier I employee": An employee under this Article who first became a member or participant before January 1, 2011 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.

(40 ILCS 5/14-103.41 new)

Sec. 14-103.41. Tier I retiree. "Tier I retiree": A former Tier I employee who is receiving a retirement annuity.

(40 ILCS 5/14-103.42 new)

Sec. 14-103.42. Future increase in income. "Future increase in income": Any increase in income in any form offered by a department to an employee under this Article after June 30, 2013 that would qualify as "compensation", as defined under Section 14-103.10, but for the fact that the department offered the increase in income to the employee on the condition that it not qualify as compensation and the employee accepted the increase in income subject to that condition. The term "future increase in income" does not include an increase in income in any form that is paid to a Tier I employee under an employment contract or collective bargaining agreement that is in effect on the effective date of this Section but does include an increase in income in any form pursuant to an extension, amendment, or renewal of any such employment contract or collective bargaining agreement on or after the effective date of this amendatory Act of the 97th General Assembly.

(40 ILCS 5/14-106) (from Ch. 108 1/2, par. 14-106)

Sec. 14-106. Membership service credit.

(a) After January 1, 1944, all service of a member since he last became a member with respect to which contributions are made shall count as membership service; provided, that for service on and after July 1, 1950, 12 months of service shall constitute a year of membership service, the completion of 15 days or more of service during any month shall constitute 1 month of membership service, 8 to 15 days shall constitute 1/2 month of membership service and less than 8 days shall constitute 1/4 month of membership service. The payroll record of each department shall constitute conclusive evidence of the record of service rendered by a member.

(b) For a member who is employed and paid on an academic-year basis rather than on a 12-month annual basis, employment for a full academic year shall constitute a full year of membership service, except that the member shall not receive more than one year of membership service credit (plus any additional service credit granted for unused sick leave) for service during any 12-month period. This subsection (b) applies to all such service for which the member has not begun to receive a retirement annuity before January 1, 2001.

(c) A member who first participated in this System before the effective date of this amendatory Act of the 97th General Assembly shall be entitled to additional service credit, under rules prescribed by the Board, for accumulated unused sick leave credited to his account in the last Department on the date of withdrawal from service or for any period for which he would have been eligible to receive benefits under a sick pay plan authorized by law, if he had suffered a sickness or accident on the date of withdrawal from service. It shall be the responsibility of the last Department to certify to the Board the length of time salary or benefits would have been paid to the member based upon the accumulated unused sick leave or the applicable sick pay plan if he had become entitled thereto because of sickness on the date that his status as an employee terminated. This period of service credit granted under this paragraph shall not be considered in determining the date the retirement annuity is to begin, or final

average compensation.

Service credit is not available for unused sick leave accumulated by a person who first participates in this System on or after the effective date of this amendatory Act of the 97th General Assembly.

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

(40 ILCS 5/14-106.5 new)

Sec. 14-106.5. Election by Tier I employees and Tier I retirees.

(a) Each Tier I employee shall make an irrevocable election either:

(1) to agree to the following:

(i) to have the amount of the automatic annual increases in his or her retirement annuity that are otherwise provided for in this Article calculated, instead, as provided in subsection (a-1) of Section 14-114; and

(ii) to have his or her eligibility for automatic annual increases in retirement annuity postponed as provided in subsection (a-2) of Section 14-114; or

(2) to not agree to items (i) and (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a) shall be made by each Tier I employee no earlier than January 1, 2013 and no later than May 31, 2013, except that:

(i) a person who becomes a Tier I employee under this Article after January 1, 2013 must make the election under this subsection (a) within 60 days after becoming a Tier I employee;

(ii) a person who returns to active service as a Tier I employee under this Article after January 1, 2013 and has not yet made an election under this Section must make the election under this subsection (a) within 60 days after returning to active service as a Tier I employee; and

(iii) a person who made the election under subsection (a-5) as a Tier I retiree remains bound by that election and shall not make a later election under this subsection (a).

If a Tier I employee fails for any reason to make a required election under this subsection within the time specified, then the employee shall be deemed to have made the election under paragraph (2) of this subsection.

(a-5) Each Tier I retiree shall make an irrevocable election either:

(1) to agree to the following:

(i) to have the amount of the automatic annual increases in his or her retirement annuity that are otherwise provided for in this Article calculated, instead, as provided in subsection (a-1) of Section 14-114; and

(ii) to have his or her eligibility for automatic annual increases in retirement annuity postponed as provided in subsection (a-2) of Section 14-114; or

(2) to not agree to items (i) and (ii) as set forth in paragraph (1) of this subsection.

The election required under this subsection (a-5) shall be made by each Tier I retiree no earlier than January 1, 2013 and no later than May 31, 2013, except that:

(i) a person who becomes a Tier I retiree under this Article on or after January 1, 2013 must make the election under this subsection (a-5) within 60 days after becoming a Tier I retiree; and

(ii) a person who made the election under subsection (a) as a Tier I employee remains bound by that election and shall not make a later election under this subsection (a-5).

If a Tier I retiree fails for any reason to make a required election under this subsection within the time specified, then the Tier I retiree shall be deemed to have made the election under paragraph (2) of this subsection.

(a-10) All elections under subsection (a) or (a-5) that are made or deemed to be made before June 1, 2013 shall take effect on July 1, 2013. Elections that are made or deemed to be made on or after June 1, 2013 shall take effect on the first day of the month following the month in which the election is made or deemed to be made.

(b) As adequate and legal consideration provided under this amendatory Act of the 97th General Assembly for making the election under paragraph (1) of subsection (a) of this Section, any future increases in income offered by a department under this Article to a Tier I employee who has made the election under paragraph (1) of subsection (a) of this Section shall be offered expressly and irrevocably as constituting compensation under Section 14-103.10. In addition, a Tier I employee who has made the election under paragraph (1) of subsection (a) of this Section shall receive the right to also participate in the optional cash balance plan established under Section 1-162.

As adequate and legal consideration provided under this amendatory Act of the 97th General Assembly for making the election under paragraph (1) of subsection (a-5) of this Section, any future increases in income offered by a department under this Article to a Tier I retiree who returns to active service after having made the election under paragraph (1) of subsection (a-5) of this Section shall be offered expressly and irrevocably as constituting compensation under Section 14-103.10. In addition, a

Tier I retiree who returns to active service and has made the election under paragraph (1) of subsection (a) of this Section shall receive the right to also participate in the optional cash balance plan established under Section 1-162.

(c) A Tier I employee who makes the election under paragraph (2) of subsection (a) of this Section shall not be subject to items (i) and (ii) set forth in paragraph (1) of subsection (a) of this Section. However, any future increases in income offered by a department under this Article to a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall be offered by the department expressly and irrevocably as not constituting compensation under Section 14-103.10, and the employee may not accept any future increase in income that is offered in violation of this requirement. In addition, a Tier I employee who has made the election under paragraph (2) of subsection (a) of this Section shall not receive the right to participate in the optional cash balance plan established under Section 1-162.

A Tier I retiree who makes the election under paragraph (2) of subsection (a-5) of this Section shall not be subject to items (i) and (ii) set forth in paragraph (1) of subsection (a-5) of this Section. However, any future increases in income offered by a department under this Article to a Tier I retiree who returns to active service and has made the election under paragraph (2) of subsection (a-5) of this Section shall be offered by the department expressly and irrevocably as not constituting compensation under Section 14-103.10, and the employee may not accept any future increase in income that is offered in violation of this requirement. In addition, a Tier I retiree who returns to active service and has made the election under paragraph (2) of subsection (a) of this Section shall not receive the right to participate in the optional cash balance plan established under Section 1-162.

(d) The System shall make a good faith effort to contact each Tier I employee and Tier I retiree subject to this Section. The System shall mail information describing the required election to each Tier I employee and Tier I retiree by United States Postal Service mail to his or her last known address on file with the System. If the Tier I employee or Tier I retiree is not responsive to other means of contact, it is sufficient for the System to publish the details of any required elections on its website or to publish those details in a regularly published newsletter or other existing public forum.

Tier I employees and Tier I retirees who are subject to this Section shall be provided with an election packet containing information regarding their options, as well as the forms necessary to make the required election. Upon request, the System shall offer Tier I employees and Tier I retirees an opportunity to receive information from the System before making the required election. The information may consist of video materials, group presentations, individual consultation with a member or authorized representative of the System in person or by telephone or other electronic means, or any combination of those methods. The System shall not provide advice or counseling with respect to which election a Tier I employee or Tier I retiree should make or specific to the legal or tax circumstances of or consequences to the Tier I employee or Tier I retiree.

The System shall inform Tier I employees and Tier I retirees in the election packet required under this subsection that the Tier I employee or Tier I retiree may also wish to obtain information and counsel relating to the election required under this Section from any other available source, including but not limited to labor organizations and private counsel.

In no event shall the System, its staff, or the Board be held liable for any information given to a member, beneficiary, or annuitant regarding the elections under this Section. The System shall coordinate with the Illinois Department of Central Management Services and each other retirement system administering an election in accordance with this amendatory Act of the 97th General Assembly to provide information concerning the impact of the election set forth in this Section.

(e) Notwithstanding any other provision of law, a department under this Article is required to offer any future increases in income expressly and irrevocably as not constituting "compensation" under Section 14-103.10 to any Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of Section 14-106.5. A Tier I employee, or Tier I retiree returning to active service, who has made an election under paragraph (2) of subsection (a) or (a-5) of Section 14-106.5 shall not accept any future increase in income that is offered by an employer under this Article in violation of the requirement set forth in this subsection.

(f) A member's election under this Section is not a prohibited election under subdivision (j)(1) of Section 1-119 of this Code.

(g) An employee who has made the election under paragraph (1) of subsection (a) or (a-5) of this Section may elect to participate in the optional cash balance plan under Section 1-162.

The election to participate in the optional cash balance plan shall be made in writing, in the manner provided by the applicable retirement system.

(h) Qualified Plan Status. No provision of this Section shall be interpreted in a way that would cause

the System to cease to be a qualified plan under section 461 (a) of the Internal Revenue Code of 1986.

(40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)

Sec. 14-114. Automatic increase in retirement annuity.

(a) Subject to the provisions of subsections (a-1) and (a-2), any ~~Any~~ person receiving a retirement annuity under this Article who retires having attained age 60, or who retires before age 60 having at least 35 years of creditable service, or who retires on or after January 1, 2001 at an age which, when added to the number of years of his or her creditable service, equals at least 85, shall, on January 1 next following the first full year of retirement, have the amount of the then fixed and payable monthly retirement annuity increased 3%. Any person receiving a retirement annuity under this Article who retires before attainment of age 60 and with less than (i) 35 years of creditable service if retirement is before January 1, 2001, or (ii) the number of years of creditable service which, when added to the member's age, would equal 85, if retirement is on or after January 1, 2001, shall have the amount of the fixed and payable retirement annuity increased by 3% on the January 1 occurring on or next following (1) attainment of age 60, or (2) the first anniversary of retirement, whichever occurs later. However, for persons who receive the alternative retirement annuity under Section 14-110, references in this subsection (a) to attainment of age 60 shall be deemed to refer to attainment of age 55. For a person receiving early retirement incentives under Section 14-108.3 whose retirement annuity began after January 1, 1992 pursuant to an extension granted under subsection (e) of that Section, the first anniversary of retirement shall be deemed to be January 1, 1993. For a person who retires on or after June 28, 2001 and on or before October 1, 2001, and whose retirement annuity is calculated, in whole or in part, under Section 14-110 or subsection (g) or (h) of Section 14-108, the first anniversary of retirement shall be deemed to be January 1, 2002.

On each January 1 following the date of the initial increase under this subsection, the employee's monthly retirement annuity shall be increased by an additional 3%.

Beginning January 1, 1990 and except as provided in subsections (a-1) and (a-2), all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including previous increases granted under this Article.

(a-1) Notwithstanding any other provision of this Article, for a Tier I employee or Tier I retiree who made the election under paragraph (1) of subsection (a) or (a-5) of Section 14-106.5, the amount of each automatic annual increase in retirement annuity occurring on or after the effective date of that election shall be 3% or one-half of the annual unadjusted percentage increase, if any, in the Consumer Price Index-U for the 12 months ending with the preceding September, whichever is less, of the originally granted retirement annuity. 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.

(a-2) Notwithstanding any other provision of this Article, for a Tier I employee or Tier I retiree who made the election under paragraph (1) of subsection (a) or (a-5) of Section 14-106.5, the monthly retirement annuity shall first be subject to annual increases on the January 1 occurring on or next after either the attainment of age 67 or the January 1 occurring on or next after the fifth anniversary of the annuity start date, whichever occurs earlier. If on the effective date of the election under paragraph (1) of subsection (a-5) of Section 14-106.5 a Tier I retiree has already received an annual increase under this Section but does not yet meet the new eligibility requirements of this subsection, the annual increases already received shall continue in force, but no additional annual increase shall be granted until the Tier I retiree meets the new eligibility requirements.

(b) The provisions of subsection (a) of this Section shall be applicable to an employee only if the employee makes the additional contributions required after December 31, 1969 for the purpose of the automatic increases for not less than the equivalent of one full year. If an employee becomes an annuitant before his additional contributions equal one full year's contributions based on his salary at the date of retirement, the employee may pay the necessary balance of the contributions to the system, without interest, and be eligible for the increasing annuity authorized by this Section.

(c) The provisions of subsection (a) of this Section shall not be applicable to any annuitant who is on retirement on December 31, 1969, and thereafter returns to State service, unless the member has established at least one year of additional creditable service following reentry into service.

(d) In addition to other increases which may be provided by this Section, on January 1, 1981 any annuitant who was receiving a retirement annuity on or before January 1, 1971 shall have his retirement annuity then being paid increased $1 per month for each year of creditable service. On January 1, 1982, any annuitant who began receiving a retirement annuity on or before January 1, 1977, shall have his retirement annuity then being paid increased $1 per month for each year of creditable service.

On January 1, 1987, any annuitant who began receiving a retirement annuity on or before January 1, 1977, shall have the monthly retirement annuity increased by an amount equal to 8¢ per year of creditable service times the number of years that have elapsed since the annuity began.

(e) Every person who receives the alternative retirement annuity under Section 14-110 and who is eligible to receive the 3% increase under subsection (a) on January 1, 1986, shall also receive on that date a one-time increase in retirement annuity equal to the difference between (1) his actual retirement annuity on that date, including any increases received under subsection (a), and (2) the amount of retirement annuity he would have received on that date if the amendments to subsection (a) made by Public Act 84-162 had been in effect since the date of his retirement.

(Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01; 92-651, eff. 7-11-02.)

(40 ILCS 5/14-131)

Sec. 14-131. Contributions by State.

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

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

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

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

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

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

(c-1) Notwithstanding subsection (c) of this Section, for fiscal years 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 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 General Revenue Fund contribution as certified by 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) Except as otherwise provided in this Section, for ~~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.

Except as otherwise provided in this Section, beginning ~~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.

(e-1) If at least 50% of Tier I employees making an election under Section 14-106.5 before June 1, 2013 choose the option under paragraph (1) of subsection (a) of that Section, then:

(1) In lieu of the State contributions required under subsection (e), for State fiscal years 2014 through 2043 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 equal to the sum of (1) the State's portion of the projected normal cost for that fiscal year, plus (2) an amount sufficient to bring the total assets of the System up to 100% of the total actuarial liabilities of the System by the end of State fiscal year 2043. 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 2043 and shall be determined under the projected unit credit actuarial cost method.

(2) Beginning in State fiscal year 2044, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 100% of the total actuarial liabilities of the System.

(e-2) If less than 50% of Tier I employees making an election under Section 14-106.5 before June 1, 2013 choose the option under paragraph (1) of subsection (a) of that Section, then:

(1) Instead of the annual required contribution otherwise specified in subsection (e-1) of this Section, the annual required contribution to the System to be made by the State shall be determined under subsection (e) of this Section.

(2) As soon as possible after June 1, 2014, the Board shall recertify the annual required contribution by the State for State fiscal year 2015.

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

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

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

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

(i) 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. 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; 97-72, eff. 7-1-11.)

(40 ILCS 5/14-132) (from Ch. 108 1/2, par. 14-132)

Sec. 14-132. Obligations of State.

(a) The payment of the required department contributions, all allowances, annuities, benefits granted under this Article, and all expenses of administration of the system are obligations of the State of Illinois to the extent specified in this Article.

(b) All income of the system shall be credited to a separate account for this system in the State treasury and shall be used to pay allowances, annuities, benefits and administration expense.

(c) If the System submits a voucher for monthly contributions as required in Section 14-131 and the State fails to pay within 90 days of receipt of such a voucher, the Board shall submit a written request to the Comptroller seeking payment. A copy of the request shall be filed with the Secretary of State, and the Secretary of State shall provide copies to the Governor and General Assembly. No earlier than the 16th day after filing a request with the Secretary of State, the Board shall have the right to commence a mandamus action in the Supreme Court of Illinois to compel the Comptroller to satisfy the voucher by making payment from the General Revenue Fund. This Section constitutes an express waiver of the State's sovereign immunity solely to the extent it permits the Board to commence a mandamus action in the Illinois Supreme Court to compel the Comptroller to pay a voucher for monthly contributions as required in Section 14-131.

(Source: P.A. 80-841.)

(40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)

Sec. 14-133. Contributions on behalf of members.

(a) Each participating employee shall make contributions to the System, based on the employee's compensation, as follows:

(1) Covered employees, except as indicated below, 3.5% for retirement annuity, and 0.5% for a widow or survivors annuity;

(2) Noncovered employees, except as indicated below, 7% for retirement annuity and 1% for a widow or survivors annuity;

(3) Noncovered employees serving in a position in which "eligible creditable service" as defined in Section 14-110 may be earned, 1% for a widow or survivors annuity plus the following amount for retirement annuity: 8.5% through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5% in 2004 and thereafter;

(4) Covered employees serving in a position in which "eligible creditable service" as defined in Section 14-110 may be earned, 0.5% for a widow or survivors annuity plus the following amount for retirement annuity: 5% through December 31, 2001; 6% in 2002; 7% in 2003; and 8% in 2004 and thereafter;

(5) Each security employee of the Department of Corrections or of the Department of Human Services who is a covered employee, 0.5% for a widow or survivors annuity plus the following amount for retirement annuity: 5% through December 31, 2001; 6% in 2002; 7% in 2003; and 8% in 2004 and thereafter;

(6) Each security employee of the Department of Corrections or of the Department of Human Services who is not a covered employee, 1% for a widow or survivors annuity plus the following amount for retirement annuity: 8.5% through December 31, 2001; 9.5% in 2002; 10.5% in 2003; and 11.5% in 2004 and thereafter.

(a-1) In addition to the contributions required under subsection (a), an employee who elects to participate in the optional cash balance plan under Section 1-162 shall pay to the System for the purpose of participating in the optional cash balance plan an additional contribution of 2% of each payment of compensation received while he or she is a participant in the optional cash balance plan. These contributions shall not be used for the purpose of determining any benefit under this Article except as provided in the optional cash balance plan.

(b) Contributions shall be in the form of a deduction from compensation and shall be made notwithstanding that the compensation paid in cash to the employee shall be reduced thereby below the minimum prescribed by law or regulation. Each member is deemed to consent and agree to the deductions from compensation provided for in this Article, and shall receipt in full for salary or compensation.

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

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

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

(a) To certify to the Governor and to each department, on or before November 15 of each year until November 15, 2011, the required rate for State contributions to the System for the next State fiscal year, as determined under subsection (b) of Section 14-131. The certification to the Governor under this subsection (a) shall include a copy of the actuarial recommendations upon which the rate is based and shall specifically identify the System's projected State normal cost for that fiscal year.

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

(b) The certifications under subsections (a) and (a-5) ~~certification~~ shall include an additional amount necessary to pay all principal of and interest on those general obligation bonds due the next fiscal year authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act. For State fiscal year 2005, the Board shall make a supplemental certification of the additional amount necessary to pay all principal of and interest on those general obligation bonds due in State fiscal years 2004 and 2005 authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act, as soon as practical after the effective date of this amendatory Act of the

93rd General Assembly.

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

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

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

(40 ILCS 5/14-152.1)

Sec. 14-152.1. Application and expiration of new benefit increases.

(a) As used in this Section, "new benefit increase" means an increase in the amount of any benefit provided under this Article, or an expansion of the conditions of eligibility for any benefit under this Article, that results from an amendment to this Code that takes effect after June 1, 2005 (the effective date of Public Act 94-4). "New benefit increase", however, does not include any benefit increase resulting from the changes made to this Article or Article 1 by Public Act 96-37 or this amendatory Act of the 97th ~~96th~~ General Assembly.

(b) Notwithstanding any other provision of this Code or any subsequent amendment to this Code, every new benefit increase is subject to this Section and shall be deemed to be granted only in conformance with and contingent upon compliance with the provisions of this Section.

(c) The Public Act enacting a new benefit increase must identify and provide for payment to the System of additional funding at least sufficient to fund the resulting annual increase in cost to the System as it accrues.

Every new benefit increase is contingent upon the General Assembly providing the additional funding required under this subsection. The Commission on Government Forecasting and Accountability shall analyze whether adequate additional funding has been provided for the new benefit increase and shall report its analysis to the Public Pension Division of the Department of Financial and Professional Regulation. A new benefit increase created by a Public Act that does not include the additional funding required under this subsection is null and void. If the Public Pension Division determines that the additional funding provided for a new benefit increase under this subsection is or has become inadequate, it may so certify to the Governor and the State Comptroller and, in the absence of corrective action by the General Assembly, the new benefit increase shall expire at the end of the fiscal year in which the certification is made.

(d) Every new benefit increase shall expire 5 years after its effective date or on such earlier date as may be specified in the language enacting the new benefit increase or provided under subsection (c). This does not prevent the General Assembly from extending or re-creating a new benefit increase by law.

(e) Except as otherwise provided in the language creating the new benefit increase, a new benefit increase that expires under this Section continues to apply to persons who applied and qualified for the affected benefit while the new benefit increase was in effect and to the affected beneficiaries and alternate payees of such persons, but does not apply to any other person, including without limitation a person who continues in service after the expiration date and did not apply and qualify for the affected benefit while the new benefit increase was in effect.

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

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

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

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

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

(a-1) Annually, on or before November 15 until November 15, 2011, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification under this subsection (a-1) shall include a copy of the actuarial recommendations upon which it is based.

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

On or before July 1, 2005 ~~April 1, 2011~~, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before April 1, 2011 ~~June 15, 2010~~, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year, beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

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

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

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

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

(b-3) For State fiscal years 2012 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

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

FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is $738,014,500.

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before April 1, 2011 pursuant to subsection (a-1) of this Section and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include, in addition to the amount certified by the System, an amount necessary to meet employer contributions required by the State as an employer under paragraph (e) of this Section, which may also be used by the System for contributions required by paragraph (a) of Section 16-127.

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued 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.

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

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System.

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

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

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

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

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

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

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

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

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

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

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

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

appropriate, recalculate the amount due.

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

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

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

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

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

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

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

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

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

(1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

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

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

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

assumed rate of return.
(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; revised 4-6-11.)

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

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

(a) The Board shall certify to the Governor, on or before November 15 of each year until November 15, 2011, the amount of the required State contribution to the System for the following fiscal year and shall specifically identify the System's projected State normal cost for that fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year.

On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and every January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

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

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

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

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

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.
(Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

Section 35. The School Code is amended by changing Sections 24-1 and 24-8 as follows:

(105 ILCS 5/24-1) (from Ch. 122, par. 24-1)

Sec. 24-1. Appointment - Salaries - Payment - School month - School term.~~)~~ School boards shall appoint all teachers, determine qualifications of employment and fix the amount of their salaries subject to any limitation set forth in this Act and subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code. They shall pay the wages of teachers monthly, subject, however, to the provisions of Section 24-21. The school month shall be the same as the calendar month but by resolution the school board may adopt for its use a month of 20 days, including holidays. The school term shall consist of at least the minimum number of pupil attendance days required by Section 10-19, any additional legal

school holidays, days of teachers' institutes, or equivalent professional educational experiences, and one or two days at the beginning of the school term when used as a teachers' workshop.
(Source: P.A. 80-249.)

(105 ILCS 5/24-8) (from Ch. 122, par. 24-8)

Sec. 24-8. Minimum salary. In fixing the salaries of teachers, school boards shall pay those who serve on a full-time basis not less than a rate for the school year that is based upon training completed in a recognized institution of higher learning, as follows: for the school year beginning July 1, 1980 and thereafter, less than a bachelor's degree, $9,000; 120 semester hours or more and a bachelor's degree, $10,000; 150 semester hours or more and a master's degree, $11,000.

Based upon previous public school experience in this State or any other State, territory, dependency or possession of the United States, or in schools operated by or under the auspices of the United States, teachers who serve on a full-time basis shall have their salaries increased to at least the following amounts above the starting salary for a teacher in such district in the same classification: with less than a bachelor's degree, $750 after 5 years; with 120 semester hours or more and a bachelor's degree, $1,000 after 5 years and $1,600 after 8 years; with 150 semester hours or more and a master's degree, $1,250 after 5 years, $2,000 after 8 years and $2,750 after 13 years. However, any salary increase is subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code.

For the purpose of this Section a teacher's salary shall include any amount paid by the school district on behalf of the teacher, as teacher contributions, to the Teachers' Retirement System of the State of Illinois.

If a school board establishes a schedule for teachers' salaries based on education and experience, not inconsistent with this Section, all certificated nurses employed by that board shall be paid in accordance with the provisions of such schedule (subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code).

For purposes of this Section, a teacher who submits a certificate of completion to the school office prior to the first day of the school term shall be considered to have the degree stated in such certificate.
(Source: P.A. 83-913.)

Section 40. The State Universities Civil Service Act is amended by changing Section 36d as follows:

(110 ILCS 70/36d) (from Ch. 24 1/2, par. 38b3)

Sec. 36d. Powers and duties of the Merit Board.

The Merit Board shall have the power and duty-

(1) To approve a classification plan prepared under its direction, assigning to each class positions of substantially similar duties. The Merit Board shall have power to delegate to its Director the duty of assigning each position in the classified service to the appropriate class in the classification plan approved by the Merit Board.

(2) To prescribe the duties of each class of positions and the qualifications required by employment in that class.

(3) To prescribe the range of compensation for each class or to fix a single rate of compensation for employees in a particular class; and to establish other conditions of employment which an employer and employee representatives have agreed upon as fair and equitable. The Merit Board shall direct the payment of the "prevailing rate of wages" in those classifications in which, on January 1, 1952, any employer is paying such prevailing rate and in such other classes as the Merit Board may thereafter determine. "Prevailing rate of wages" as used herein shall be the wages paid generally in the locality in which the work is being performed to employees engaged in work of a similar character. Subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code, each ~~Each~~ employer covered by the University System shall be authorized to negotiate with representatives of employees to determine appropriate ranges or rates of compensation or other conditions of employment and may recommend to the Merit Board for establishment the rates or ranges or other conditions of employment which the employer and employee representatives have agreed upon as fair and equitable. Any rates or ranges established prior to January 1, 1952, and hereafter, shall not be changed except in accordance with the procedures herein provided.

(4) To recommend to the institutions and agencies specified in Section 36e standards for hours of work, holidays, sick leave, overtime compensation and vacation for the purpose of improving conditions of employment covered therein and for the purpose of insuring conformity with the prevailing rate principal.

(5) To prescribe standards of examination for each class, the examinations to be related to the duties of such class. The Merit Board shall have power to delegate to the Director and his staff the preparation, conduct and grading of examinations. Examinations may be written, oral, by statement of training and

experience, in the form of tests of knowledge, skill, capacity, intellect, aptitude; or, by any other method, which in the judgment of the Merit Board is reasonable and practical for any particular classification. Different examining procedures may be determined for the examinations in different classifications but all examinations in the same classification shall be uniform.

(6) To authorize the continuous recruitment of personnel and to that end, to delegate to the Director and his staff the power and the duty to conduct open and continuous competitive examinations for all classifications of employment.

(7) To cause to be established from the results of examinations registers for each class of positions in the classified service of the State Universities Civil Service System, of the persons who shall attain the minimum mark fixed by the Merit Board for the examination; and such persons shall take rank upon the registers as candidates in the order of their relative excellence as determined by examination, without reference to priority of time of examination.

(8) To provide by its rules for promotions in the classified service. Vacancies shall be filled by promotion whenever practicable. For the purpose of this paragraph, an advancement in class shall constitute a promotion.

(9) To set a probationary period of employment of no less than 6 months and no longer than 12 months for each class of positions in the classification plan, the length of the probationary period for each class to be determined by the Director.

(10) To provide by its rules for employment at regular rates of compensation of physically handicapped persons in positions in which the handicap does not prevent the individual from furnishing satisfactory service.

(11) To make and publish rules, to carry out the purpose of the State Universities Civil Service System and for examination, appointments, transfers and removals and for maintaining and keeping records of the efficiency of officers and employees and groups of officers and employees in accordance with the provisions of Sections 36b to 36q, inclusive, and said Merit Board may from time to time make changes in such rules.

(12) To appoint a Director and such assistants and other clerical and technical help as may be necessary efficiently to administer Sections 36b to 36q, inclusive. To authorize the Director to appoint an assistant resident at the place of employment of each employer specified in Section 36e and this assistant may be authorized to give examinations and to certify names from the regional registers provided in Section 36k.

(13) To submit to the Governor of this state on or before November 1 of each year prior to the regular session of the General Assembly a report of the University System's business and an estimate of the amount of appropriation from state funds required for the purpose of administering the University System.

(Source: P.A. 82-524.)

Section 45. The University of Illinois Act is amended by adding Section 80 as follows:

(110 ILCS 305/80 new)

Sec. 80. Future increases in income. The University of Illinois must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 14-106.5 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 50. The Southern Illinois University Management Act is amended by adding Section 65 as follows:

(110 ILCS 520/65 new)

Sec. 65. Future increases in income. Southern Illinois University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 14-106.5 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 55. The Chicago State University Law is amended by adding Section 5-175 as follows:

(110 ILCS 660/5-175 new)

Sec. 5-175. Future increases in income. Chicago State University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 14-106.5 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 60. The Eastern Illinois University Law is amended by adding Section 10-175 as follows:

(110 ILCS 665/10-175 new)

Sec. 10-175. Future increases in income. Eastern Illinois University must not pay, offer, or agree to

pay any future increase in income, as that term is defined in Section 14-106.5 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 65. The Governors State University Law is amended by adding Section 15-175 as follows:
(110 ILCS 670/15-175 new)
Sec. 15-175. Future increases in income. Governors State University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 14-106.5 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 70. The Illinois State University Law is amended by adding Section 20-180 as follows:
(110 ILCS 675/20-180 new)
Sec. 20-180. Future increases in income. Illinois State University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 14-106.5 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 75. The Northeastern Illinois University Law is amended by adding Section 25-175 as follows:
(110 ILCS 680/25-175 new)
Sec. 25-175. Future increases in income. Northeastern Illinois University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 14-106.5 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 80. The Northern Illinois University Law is amended by adding Section 30-185 as follows:
(110 ILCS 685/30-185 new)
Sec. 30-185. Future increases in income. Northern Illinois University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 14-106.5 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 85. The Western Illinois University Law is amended by adding Section 35-180 as follows:
(110 ILCS 690/35-180 new)
Sec. 35-180. Future increases in income. Western Illinois University must not pay, offer, or agree to pay any future increase in income, as that term is defined in Section 14-106.5 of the Illinois Pension Code, to any person in a manner that violates any of those Sections.

Section 90. The Public Community College Act is amended by changing Sections 3-26 and 3-42 as follows:
(110 ILCS 805/3-26) (from Ch. 122, par. 103-26)
Sec. 3-26. (a) To make appointments and fix the salaries of a chief administrative officer, who shall be the executive officer of the board, other administrative personnel, and all teachers, but subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code. In making these appointments and fixing the salaries, the board may make no discrimination on account of sex, race, creed, color or national origin.
(b) Upon the written request of an employee, to withhold from the compensation of that employee the membership dues of such employee payable to any specified labor organization as defined in the Illinois Educational Labor Relations Act. Under such arrangement, an amount shall be withheld for each regular payroll period which is equal to the prorata share of the annual membership dues plus any payments or contributions and the board shall pay such withholding to the specified labor organization within 10 working days from the time of the withholding.
(Source: P.A. 83-1014.)
(110 ILCS 805/3-42) (from Ch. 122, par. 103-42)
Sec. 3-42. To employ such personnel as may be needed, to establish policies governing their employment and dismissal, and to fix the amount of their compensation, subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code. In the employment, establishment of policies and fixing of compensation the board may make no discrimination on account of sex, race, creed, color or national origin.
Residence within any community college district or outside any community college district shall not be considered:
(a) in determining whether to retain or not retain any employee of a community college employed prior to July 1, 1977 or prior to the adoption by the community college board of a resolution

making residency within the community college district of some or all employees a condition of employment, whichever is later;

(b) in assigning, promoting or transferring any employee of a community college to an office or position employed prior to July 1, 1977 or prior to the adoption by the community college board of a resolution making residency within the community college district of some or all employees a condition of employment, whichever is later; or

(c) in determining the salary or other compensation of any employee of a community college.

(Source: P.A. 80-248.)

Section 95. The Illinois Educational Labor Relations Act is amended by changing Sections 4 and 17 as follows:

(115 ILCS 5/4) (from Ch. 48, par. 1704)

Sec. 4. Employer rights. Employers shall not be required to bargain over matters of inherent managerial policy, which shall include such areas of discretion or policy as the functions of the employer, standards of services, its overall budget, the organizational structure and selection of new employees and direction of employees. Employers, however, shall be required to bargain collectively with regard to policy matters directly affecting wages (but subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code), hours and terms and conditions of employment as well as the impact thereon upon request by employee representatives, but excluding the changes, the impact of changes, and the implementation of the changes set forth in this amendatory Act of the 97th General Assembly. To preserve the rights of employers and exclusive representatives which have established collective bargaining relationships or negotiated collective bargaining agreements prior to the effective date of this Act, employers shall be required to bargain collectively with regard to any matter concerning wages (but subject to subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code), hours or conditions of employment about which they have bargained for and agreed to in a collective bargaining agreement prior to the effective date of this Act, but excluding the changes, the impact of changes, and the implementation of the changes set forth in this amendatory Act of the 97th General Assembly.

(Source: P.A. 83-1014.)

(115 ILCS 5/17) (from Ch. 48, par. 1717)

Sec. 17. Effect on other laws. In case of any conflict between the provisions of this Act and any other law (other than Section 14-106.5 of the Illinois Pension Code), executive order or administrative regulation, the provisions of this Act shall prevail and control. The provisions of this Act are subject to any applicable restrictions in Section 14-106.5 of the Illinois Pension Code, as well as the changes, impact of changes, and implementation of changes set forth in this amendatory Act of the 97th General Assembly. Nothing in this Act shall be construed to replace or diminish the rights of employees established by Section 36d of "An Act to create the State Universities Civil Service System", approved May 11, 1905, as amended or modified.

(Source: P.A. 83-1014.)

Section 100. The State Mandates Act is amended by adding Section 8.36 as follows:

(30 ILCS 805/8.36 new)

Sec. 8.36. 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 105. Severability and inseverability. The provisions set forth in Sections 5, 15, 20, 25, 35 through 100, and 999 of this Act, as well as Sections 2-134, 7-109, 14-135.08, and 18-140 and subsection (a-5) of Section 16-158 of the Illinois Pension Code, as set forth in Section 30 of this Act, are severable pursuant to Section 1.31 of the Statute on Statutes, and are not mutually dependent upon the provisions set forth in any other Section of this Act.

Section 10 of this Act and the other provisions of Section 30 of this Act are mutually dependent and inseverable. If any of those provision is held invalid other than as applied to a particular person or circumstance, then all of those provisions are invalid.

Section 999. Effective date. This Act takes effect upon becoming law.".

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Cullerton offered the following amendment and moved its adoption:

**AMENDMENT NO. 3 TO HOUSE BILL 1447**

AMENDMENT NO. _3__. Amend House Bill 1447, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 2, as follows:

on page 13, in line 16, immediately after "14-152.1," by inserting "15-106, 15-107, 15-113.2, 15-163, 15-165, 16-106, 16-107"; and

on page 29, in line 6, by replacing "Section Section" with "Section"; and

by replacing line 5 on page 49 through line 25 on page 53 with the following:

"(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; or is the chief executive officer, chief educational officer, chief fiscal officer, or other employee of a Financial Oversight Panel established pursuant to Article 1H of the School Code, other than a superintendent or certified school business official, except that such person shall not be treated as an employee under this Section if that person has negotiated with the Financial Oversight Panel, in conjunction with the school district, a contractual agreement for exclusion from this Section.

(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 August 26, 2011 (the effective date of Public Act 97-609) ~~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 August 26, 2011 ~~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 August 26, 2011 ~~the effective date of this amendatory Act of the 97th General Assembly~~.

(d) Become an employee of any of the following participating instrumentalities on or after the effective date of this amendatory Act of the 97th General Assembly: the Illinois Municipal League; the Illinois Association of Park Districts; the Illinois Supervisors, County Commissioners and Superintendents of Highways Association; an association, or not-for-profit corporation, membership in which is authorized under Section 85-15 of the Township Code; the United Counties Council; or the Will County Governmental League.

(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. 97-429, eff. 8-16-11; 97-609, eff. 8-26-11; revised 9-28-11.)"; and

on page 91, immediately below line 14, by inserting the following:

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

Sec. 15-106. Employer. "Employer": The University of Illinois, Southern Illinois University, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the State Board of Higher Education, the Illinois Mathematics and Science Academy, the University Civil Service Merit Board, the Board of Trustees of the State Universities Retirement System, the Illinois Community College Board, community college boards, any association of community college boards organized under Section 3-55 of the Public Community College Act, the Board of Examiners established under the Illinois Public Accounting Act, and, only during the period for which employer contributions required under Section 15-155 are paid, the following organizations: the alumni associations, the foundations and the athletic associations which are affiliated with the universities and colleges included in this Section as employers. An individual that begins employment after the effective date of this amendatory Act of the 97th General Assembly with an entity not defined as an employer in this Section shall not be deemed an employee for the purposes of this Article with respect to that employment and shall not be eligible to participate in the System with respect to that employment; provided, however, that those individuals who are both employed and already participants in the System on the effective date of this amendatory Act of the 97th General Assembly shall be allowed to continue as participants in the System for the duration of that employment.

Notwithstanding any provision of law to the contrary, an individual who begins employment with any of the following employers on or after the effective date of this amendatory Act of the 97th General Assembly shall not be deemed an employee and shall not be eligible to participate in the System with respect to that employment: any association of community college boards organized under Section 3-55 of the Public Community College Act, the Association of Illinois Middle-Grade Schools, the Illinois Association of School Administrators, the Illinois Association for Supervision and Curriculum Development, the Illinois Principals Association, the Illinois Association of School Business Officials, or the Illinois Special Olympics; provided, however, that those individuals who are both employed and

already participants in the System on the effective date of this amendatory Act of the 97th General Assembly shall be allowed to continue as participants in the System for the duration of that employment.

A department as defined in Section 14-103.04 is an employer for any person appointed by the Governor under the Civil Administrative Code of Illinois who is a participating employee as defined in Section 15-109. The Department of Central Management Services is an employer with respect to persons employed by the State Board of Higher Education in positions with the Illinois Century Network as of June 30, 2004 who remain continuously employed after that date by the Department of Central Management Services in positions with the Illinois Century Network, the Bureau of Communication and Computer Services, or, if applicable, any successor bureau.

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

(Source: P.A. 95-369, eff. 8-23-07; 95-728, eff. 7-1-08 - See Sec. 999.)

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

Sec. 15-107. Employee.

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

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

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

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

(3) is on a military leave of absence;

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

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

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

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

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

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

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

(e) A participant is considered an employee during (1) the first 60 days of disability leave, (2) the period, not to exceed one year, in which his or her eligibility for disability benefits is being considered by the board or reviewed by the courts, and (3) the period he or she receives disability benefits under the provisions of Section 15-152, workers' compensation or occupational disease benefits, or disability income under an insurance contract financed wholly or partially by the employer.

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

(g) A staff member whose employment contract requires services during an academic term is to be considered an employee during the summer and other vacation periods, unless he or she declines an

employment contract for the succeeding academic term or his or her employment status is otherwise terminated, and he or she receives no earnings during these periods.

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

(i) An individual who is employed on a full-time basis as an officer or employee of a statewide teacher organization that serves System participants or an officer of a national teacher organization that serves System participants may participate in the System and shall be deemed an employee, provided that (1) the individual has previously earned creditable service under this Article, (2) the individual files with the System an irrevocable election to become a participant before the effective date of this amendatory Act of the 97th General Assembly, (3) the individual does not receive credit for that employment under any other Article of this Code, and (4) the individual first became a full-time employee of the teacher organization and becomes a participant before the effective date of this amendatory Act of the 97th General Assembly. An employee under this subsection (i) is responsible for paying to the System both (A) employee contributions based on the actual compensation received for service with the teacher organization and (B) employer contributions equal to the normal costs (as defined in Section 15-155) resulting from that service; all or any part of these contributions may be paid on the employee's behalf or picked up for tax purposes (if authorized under federal law) by the teacher organization.

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

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

(k) In the case of doubt as to whether any person is an employee within the meaning of this Section, the decision of the Board shall be final.

(Source: P.A. 97-651, eff. 1-5-12.)

(40 ILCS 5/15-113.2) (from Ch. 108 1/2, par. 15-113.2)

Sec. 15-113.2. Service for leaves of absence. "Service for leaves of absence" includes those periods of leaves of absence at less than 50% pay, except military leave and periods of disability leave in excess of 60 days, for which the employee pays the contributions required under Section 15-157 in accordance with rules prescribed by the board based upon the employee's basic compensation on the date the leave begins, or in the case of leave for service with a teacher organization, based upon the actual compensation received by the employee for such service after January 26, 1988, if the employee so elects within 30 days of that date or the date the leave for service with a teacher organization begins, whichever is later; provided that the employee (1) returns to employment covered by this system at the expiration of the leave, or within 30 days after the termination of a disability which occurs during the leave and continues this employment at a percentage of time equal to or greater than the percentage of time immediately preceding the leave of absence for at least 8 consecutive months or a period equal to the period of the leave, whichever is less, or (2) is precluded from meeting the foregoing conditions because of disability or death. If service credit is denied because the employee fails to meet these conditions, the contributions covering the leave of absence shall be refunded without interest. The return to employment condition does not apply if the leave of absence is for service with a teacher organization.

Service credit provided under this Section shall not exceed 3 years in any period of 10 years, unless the employee is on special leave granted by the employer for service with a teacher organization. Commencing with the fourth year in any period of 10 years, a participant on such special leave is also required to pay employer contributions equal to the normal cost as defined in Section 15-155, based upon the employee's basic compensation on the date the leave begins, or based upon the actual compensation received by the employee for service with a teacher organization if the employee has so

elected.

Notwithstanding any other provision of this Article, a participant shall not be eligible to make contributions or receive service credit for a leave of absence for service with a teacher organization if that leave of absence for service with a teacher organization begins on or after the effective date of this amendatory Act of the 97th General Assembly.

(Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97.)

(40 ILCS 5/15-163) (from Ch. 108 1/2, par. 15-163)

Sec. 15-163. To consider applications and authorize payments.

To consider and pass on all certifications of employment and applications for annuities and benefits; to authorize the granting of annuities and benefits; and to limit or suspend any payment or payments, all in accordance with this Article.

(Source: Laws 1963, p. 161.)

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

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

(a) The Board shall certify to the Governor on or before November 15 of each year until November 15, 2011 the appropriation required from State funds for the purposes of this System for the following fiscal year. The certification under this subsection (a) shall include a copy of the actuarial recommendations upon which it is based and shall specifically identify the System's projected State normal cost for that fiscal year and the projected State cost for the self-managed plan for that fiscal year.

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

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

On or before April 1, 2011, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(a-5) On or before November 1 of each year, beginning November 1, 2012, the Board shall submit to the State Actuary, the Governor, and the General Assembly a proposed certification of the amount of the required State contribution to the System for the next fiscal year, along with all of the actuarial assumptions, calculations, and data upon which that proposed certification is based. On or before January 1 of each year, beginning January 1, 2013, the State Actuary shall issue a preliminary report concerning the proposed certification and identifying, if necessary, recommended changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions. On or before January 15, 2013 and each January 15 thereafter, the Board shall certify to the Governor and the General Assembly the amount of the required State contribution for the next fiscal year. The Board's certification must note, in a written response to the State Actuary, any deviations from the State Actuary's recommended changes, the reason or reasons for not following the State Actuary's recommended changes, and the fiscal impact of not following the State Actuary's recommended changes on the required State contribution.

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

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

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

under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

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

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

(Source: P.A. 96-1497, eff. 1-14-11; 96-1511, eff. 1-27-11.)

(40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

Sec. 16-106. Teacher. "Teacher": The following individuals, provided that, for employment prior to July 1, 1990, they are employed on a full-time basis, or if not full-time, on a permanent and continuous basis in a position in which services are expected to be rendered for at least one school term:

(1) Any educational, administrative, professional or other staff employed in the public common schools included within this system in a position requiring certification under the law governing the certification of teachers;

(2) Any educational, administrative, professional or other staff employed in any facility of the Department of Children and Family Services or the Department of Human Services, in a position requiring certification under the law governing the certification of teachers, and any person who (i) works in such a position for the Department of Corrections, (ii) was a member of this System on May 31, 1987, and (iii) did not elect to become a member of the State Employees' Retirement System pursuant to Section 14-108.2 of this Code; except that "teacher" does not include any person who (A) becomes a security employee of the Department of Human Services, as defined in Section 14-110, after June 28, 2001 (the effective date of Public Act 92-14), or (B) becomes a member of the State Employees' Retirement System pursuant to Section 14-108.2c of this Code;

(3) Any regional superintendent of schools, assistant regional superintendent of schools, State Superintendent of Education; any person employed by the State Board of Education as an executive; any executive of the boards engaged in the service of public common school education in school districts covered under this system of which the State Superintendent of Education is an ex-officio member;

(4) Any employee of a school board association operating in compliance with Article 23 of the School Code who is certificated under the law governing the certification of teachers, provided that he or she becomes such an employee before the effective date of this amendatory Act of the 97th General Assembly;

(5) Any person employed by the retirement system who:

(i) was an employee of and a participant in the system on August 17, 2001 (the effective date of Public Act 92-416), or

(ii) becomes an employee of the system on or after August 17, 2001;

(6) Any educational, administrative, professional or other staff employed by and under the supervision and control of a regional superintendent of schools, provided such employment position requires the person to be certificated under the law governing the certification of teachers and is in an educational program serving 2 or more districts in accordance with a joint agreement authorized by the School Code or by federal legislation;

(7) Any educational, administrative, professional or other staff employed in an educational program serving 2 or more school districts in accordance with a joint agreement authorized by the School Code or by federal legislation and in a position requiring certification under the laws governing the certification of teachers;

(8) Any officer or employee of a statewide teacher organization or officer of a national teacher organization who is certified under the law governing certification of teachers, provided: (i) the individual had previously established creditable service under this Article, (ii) the individual files with the system an irrevocable election to become a member before the effective date of this amendatory Act of the 97th General Assembly, (iii) the individual does not receive credit for such service under any other Article of this Code, and (iv) the individual first became an officer or

employee of the teacher organization and becomes a member before the effective date of this amendatory Act of the 97th General Assembly;

(9) Any educational, administrative, professional, or other staff employed in a charter school operating in compliance with the Charter Schools Law who is certificated under the law governing the certification of teachers.

(10) Any person employed, on the effective date of this amendatory Act of the 94th General Assembly, by the Macon-Piatt Regional Office of Education in a birth-through-age-three pilot program receiving funds under Section 2-389 of the School Code who is required by the Macon-Piatt Regional Office of Education to hold a teaching certificate, provided that the Macon-Piatt Regional Office of Education makes an election, within 6 months after the effective date of this amendatory Act of the 94th General Assembly, to have the person participate in the system. Any service established prior to the effective date of this amendatory Act of the 94th General Assembly for service as an employee of the Macon-Piatt Regional Office of Education in a birth-through-age-three pilot program receiving funds under Section 2-389 of the School Code shall be considered service as a teacher if employee and employer contributions have been received by the system and the system has not refunded those contributions.

An annuitant receiving a retirement annuity under this Article or under Article 17 of this Code who is employed by a board of education or other employer as permitted under Section 16-118 or 16-150.1 is not a "teacher" for purposes of this Article. A person who has received a single-sum retirement benefit under Section 16-136.4 of this Article is not a "teacher" for purposes of this Article.

(Source: P.A. 97-651, eff. 1-5-12.)

(40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

Sec. 16-127. Computation of creditable service.

(a) Each member shall receive regular credit for all service as a teacher from the date membership begins, for which satisfactory evidence is supplied and all contributions have been paid.

(b) The following periods of service shall earn optional credit and each member shall receive credit for all such service for which satisfactory evidence is supplied and all contributions have been paid as of the date specified:

(1) Prior service as a teacher.

(2) Service in a capacity essentially similar or equivalent to that of a teacher, in the public common schools in school districts in this State not included within the provisions of this System, or of any other State, territory, dependency or possession of the United States, or in schools operated by or under the auspices of the United States, or under the auspices of any agency or department of any other State, and service during any period of professional speech correction or special education experience for a public agency within this State or any other State, territory, dependency or possession of the United States, and service prior to February 1, 1951 as a recreation worker for the Illinois Department of Public Safety, for a period not exceeding the lesser of 2/5 of the total creditable service of the member or 10 years. The maximum service of 10 years which is allowable under this paragraph shall be reduced by the service credit which is validated by other retirement systems under paragraph (i) of Section 15-113 and paragraph 1 of Section 17-133. Credit granted under this paragraph may not be used in determination of a retirement annuity or disability benefits unless the member has at least 5 years of creditable service earned subsequent to this employment with one or more of the following systems: Teachers' Retirement System of the State of Illinois, State Universities Retirement System, and the Public School Teachers' Pension and Retirement Fund of Chicago. Whenever such service credit exceeds the maximum allowed for all purposes of this Article, the first service rendered in point of time shall be considered. The changes to this subdivision (b)(2) made by Public Act 86-272 shall apply not only to persons who on or after its effective date (August 23, 1989) are in service as a teacher under the System, but also to persons whose status as such a teacher terminated prior to such effective date, whether or not such person is an annuitant on that date.

(3) Any periods immediately following teaching service, under this System or under Article 17, (or immediately following service prior to February 1, 1951 as a recreation worker for the Illinois Department of Public Safety) spent in active service with the military forces of the United States; periods spent in educational programs that prepare for return to teaching sponsored by the federal government following such active military service; if a teacher returns to teaching service within one calendar year after discharge or after the completion of the educational program, a further period, not exceeding one calendar year, between time spent in military service or in such educational programs and the return to employment as a teacher under this System; and a period of up to 2 years of active military service not immediately following employment as a teacher.

The changes to this Section and Section 16-128 relating to military service made by P.A. 87-794 shall apply not only to persons who on or after its effective date are in service as a teacher under the System, but also to persons whose status as a teacher terminated prior to that date, whether or not the person is an annuitant on that date. In the case of an annuitant who applies for credit allowable under this Section for a period of military service that did not immediately follow employment, and who has made the required contributions for such credit, the annuity shall be recalculated to include the additional service credit, with the increase taking effect on the date the System received written notification of the annuitant's intent to purchase the credit, if payment of all the required contributions is made within 60 days of such notice, or else on the first annuity payment date following the date of payment of the required contributions. In calculating the automatic annual increase for an annuity that has been recalculated under this Section, the increase attributable to the additional service allowable under P.A. 87-794 shall be included in the calculation of automatic annual increases accruing after the effective date of the recalculation.

Credit for military service shall be determined as follows: if entry occurs during the months of July, August, or September and the member was a teacher at the end of the immediately preceding school term, credit shall be granted from July 1 of the year in which he or she entered service; if entry occurs during the school term and the teacher was in teaching service at the beginning of the school term, credit shall be granted from July 1 of such year. In all other cases where credit for military service is allowed, credit shall be granted from the date of entry into the service.

The total period of military service for which credit is granted shall not exceed 5 years for any member unless the service: (A) is validated before July 1, 1964, and (B) does not extend beyond July 1, 1963. Credit for military service shall be granted under this Section only if not more than 5 years of the military service for which credit is granted under this Section is used by the member to qualify for a military retirement allotment from any branch of the armed forces of the United States. The changes to this subdivision (b)(3) made by Public Act 86-272 shall apply not only to persons who on or after its effective date (August 23, 1989) are in service as a teacher under the System, but also to persons whose status as such a teacher terminated prior to such effective date, whether or not such person is an annuitant on that date.

(4) Any periods served as a member of the General Assembly.

(5)(i) Any periods for which a teacher, as defined in Section 16-106, is granted a leave of absence, provided he or she returns to teaching service creditable under this System or the State Universities Retirement System following the leave; (ii) periods during which a teacher is involuntarily laid off from teaching, provided he or she returns to teaching following the lay-off; (iii) periods prior to July 1, 1983 during which a teacher ceased covered employment due to pregnancy, provided that the teacher returned to teaching service creditable under this System or the State Universities Retirement System following the pregnancy and submits evidence satisfactory to the Board documenting that the employment ceased due to pregnancy; and (iv) periods prior to July 1, 1983 during which a teacher ceased covered employment for the purpose of adopting an infant under 3 years of age or caring for a newly adopted infant under 3 years of age, provided that the teacher returned to teaching service creditable under this System or the State Universities Retirement System following the adoption and submits evidence satisfactory to the Board documenting that the employment ceased for the purpose of adopting an infant under 3 years of age or caring for a newly adopted infant under 3 years of age. However, total credit under this paragraph (5) may not exceed 3 years.

Any qualified member or annuitant may apply for credit under item (iii) or (iv) of this paragraph (5) without regard to whether service was terminated before the effective date of this amendatory Act of 1997. In the case of an annuitant who establishes credit under item (iii) or (iv), the annuity shall be recalculated to include the additional service credit. The increase in annuity shall take effect on the date the System receives written notification of the annuitant's intent to purchase the credit, if the required evidence is submitted and the required contribution paid within 60 days of that notification, otherwise on the first annuity payment date following the System's receipt of the required evidence and contribution. The increase in an annuity recalculated under this provision shall be included in the calculation of automatic annual increases in the annuity accruing after the effective date of the recalculation.

Optional credit may be purchased under this subsection (b)(5) for periods during which a teacher has been granted a leave of absence pursuant to Section 24-13 of the School Code. A teacher whose service under this Article terminated prior to the effective date of P.A. 86-1488 shall be eligible to purchase such optional credit. If a teacher who purchases this optional credit is already receiving a retirement annuity under this Article, the annuity shall be recalculated as if the annuitant had applied

for the leave of absence credit at the time of retirement. The difference between the entitled annuity and the actual annuity shall be credited to the purchase of the optional credit. The remainder of the purchase cost of the optional credit shall be paid on or before April 1, 1992.

The change in this paragraph made by Public Act 86-273 shall be applicable to teachers who retire after June 1, 1989, as well as to teachers who are in service on that date.

(6) Any days of unused and uncompensated accumulated sick leave earned by a teacher who first became a participant in the System before the effective date of this amendatory Act of the 97th General Assembly.

The service credit granted under this paragraph shall be the ratio of the number of unused and uncompensated accumulated sick leave days to 170 days, subject to a maximum of 2 years of service credit. Prior to the member's retirement, each former employer shall certify to the System the number of unused and uncompensated accumulated sick leave days credited to the member at the time of termination of service. The period of unused sick leave shall not be considered in determining the effective date of retirement. A member is not required to make contributions in order to obtain service credit for unused sick leave.

Credit for sick leave shall, at retirement, be granted by the System for any retiring regional or assistant regional superintendent of schools who first became a participant in this System before the effective date of this amendatory Act of the 97th General Assembly at the rate of 6 days per year of creditable service or portion thereof established while serving as such superintendent or assistant superintendent.

Service credit is not available for unused sick leave accumulated by a teacher who first becomes a participant in this System on or after the effective date of this amendatory Act of the 97th General Assembly.

(7) Periods prior to February 1, 1987 served as an employee of the Illinois Mathematics and Science Academy for which credit has not been terminated under Section 15-113.9 of this Code.

(8) Service as a substitute teacher for work performed prior to July 1, 1990.

(9) Service as a part-time teacher for work performed prior to July 1, 1990.

(10) Up to 2 years of employment with Southern Illinois University - Carbondale from September 1, 1959 to August 31, 1961, or with Governors State University from September 1, 1972 to August 31, 1974, for which the teacher has no credit under Article 15. To receive credit under this item (10), a teacher must apply in writing to the Board and pay the required contributions before May 1, 1993 and have at least 12 years of service credit under this Article.

(b-1) A member may establish optional credit for up to 2 years of service as a teacher or administrator employed by a private school recognized by the Illinois State Board of Education, provided that the teacher (i) was certified under the law governing the certification of teachers at the time the service was rendered, (ii) applies in writing on or after August 1, 2009 and on or before August 1, 2012, (iii) supplies satisfactory evidence of the employment, (iv) completes at least 10 years of contributing service as a teacher as defined in Section 16-106, and (v) pays the contribution required in subsection (d-5) of Section 16-128. The member may apply for credit under this subsection and pay the required contribution before completing the 10 years of contributing service required under item (iv), but the credit may not be used until the item (iv) contributing service requirement has been met.

(c) The service credits specified in this Section shall be granted only if: (1) such service credits are not used for credit in any other statutory tax-supported public employee retirement system other than the federal Social Security program; and (2) the member makes the required contributions as specified in Section 16-128. Except as provided in subsection (b-1) of this Section, the service credit shall be effective as of the date the required contributions are completed.

Any service credits granted under this Section shall terminate upon cessation of membership for any cause.

Credit may not be granted under this Section covering any period for which an age retirement or disability retirement allowance has been paid.

(Source: P.A. 96-546, eff. 8-17-09.)"; and

on page 113, in line 13, by changing "equitable" to "equitable, but excluding the changes, the impact of changes, and the implementation of the changes set forth in this amendatory Act of the 97th General Assembly; and

on page 123, in line 18, by replacing "35 through 100," with "40, 95, 100,"; and

on page 124, by replacing lines 2 and 3, with the following:

"Sections 10, 35, and 45 through 90 of this Act, as well as the other provisions of Section 30 of this Act, are mutually dependent and inseverable. If any".

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 Cullerton, **House Bill No. 1447** 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 30; NAYS 24; Present 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Johnson, T. | Meeks | Sandack |
| Brady | Kotowski | Mulroe | Schmidt |
| Cultra | LaHood | Muñoz | Schoenberg |
| Dillard | Landek | Murphy | Steans |
| Duffy | Link | Pankau | Syverson |
| Garrett | Maloney | Radogno | Mr. President |
| Haine | Martinez | Raoul | |
| Harmon | McGuire | Rezin | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Bivins | Holmes | Lauzen | Sandoval |
| Bomke | Hutchinson | Lightford | Silverstein |
| Collins, A. | Jacobs | Luechtefeld | Sullivan |
| Collins, J. | Johnson, C. | McCann | |
| Delgado | Jones, E. | McCarter | |
| Forby | Jones, J. | Millner | |
| Frerichs | Koehler | Righter | |

The following voted present:

Noland

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

Senator Clayborne asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the negative on **House Bill No. 1447**.

**MESSAGE FROM THE HOUSE**

A message from the House by

Mr. Mapes, Clerk:

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

SENATE BILL NO. 1566

A bill for AN ACT concerning 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. 1566

Passed the House, as amended, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**AMENDMENT NO. 2 TO SENATE BILL 1566**

AMENDMENT NO. 2. Amend Senate Bill 1566 by replacing everything after the enacting clause with the following:

"ARTICLE 90.

Section 90-5. The Department of Natural Resources Act is amended by adding Section 20-15 as follows:

(20 ILCS 801/20-15 new)

Sec. 20-15. Entrance fee. The Department may set by administrative rule an entrance fee for visitors to the Illinois State Museum. The fee assessed by this Section shall be deposited into the Illinois State Museum Fund for the Department to use to support the Illinois State Museum. The monies deposited into the Illinois State Museum Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

Section 90-10. The Department of Natural Resources (Conservation) Law of the Civil Administrative Code of Illinois is amended by changing Sections 805-70, 805-335, 805-420, and 805-435 and by adding Sections 805-555 and 805-560 as follows:

(20 ILCS 805/805-70) (was 20 ILCS 805/63b2.9)

Sec. 805-70. Grants and contracts.

(a) The Department has the power to accept, receive, expend, and administer, including by grant, agreement, or contract, those funds that are made available to the Department from the federal government and other public and private sources in the exercise of its statutory powers and duties.

(b) The Department may make grants to other State agencies, universities, not-for-profit organizations, and local governments, pursuant to an appropriation in the exercise of its statutory powers and duties.

(c) With the exception of Open Space Lands Acquisition and Development and Land and Water Conservation Fund grants, the Department may assess review and processing fees for grant program applications under the jurisdiction of the Department. The Department may, by rule, regulate the fees, methods, and programs to be charged. The income collected shall be deposited into the Park and Conservation Fund for the furtherance of the Department grant programs or for use by the Department for the ordinary and contingent expenses of the Department.

Except as otherwise provided, all revenue collected from the application fee for the State Migratory Waterfowl Stamp Fund shall be deposited into the State Migratory Waterfowl Stamp Fund.

Except as otherwise provided, all revenue collected from the application fee for the State Pheasant Fund shall be deposited into the State Pheasant Fund.

Except as otherwise provided, all revenue collected from the application fee for the Illinois Habitat Fund shall be deposited into the Illinois Habitat Fund.

Except as otherwise provided, all revenue collected from the application fee for the State Furbearer Fund shall be deposited into the State Furbearer Fund.

The monies deposited into the Park and Conservation Fund, the State Migratory Waterfowl Stamp Fund, the State Pheasant Fund, the Illinois Habitat Fund, and the State Furbearer Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(Source: P.A. 90-490, eff. 8-17-97; 91-239, eff. 1-1-00.)

(20 ILCS 805/805-335)

Sec. 805-335. Fees. The Department has the power to assess appropriate and reasonable fees for the use of concession type facilities as well as other facilities and sites under the jurisdiction of the Department, including, but not limited to, beaches, bike trails, equestrian trails, and other types of trails. The Department may regulate, by rule, the fees to be charged. The income collected shall be deposited into the State Parks Fund or Wildlife and Fish Fund depending on the classification of the State managed facility involved. The monies deposited into the State Parks Fund or the Wildlife and Fish Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by

this Act.
(Source P.A.: 90-655, eff. 7-30-98; 91-239, eff. 1-1-00.)

(20 ILCS 805/805-420) (was 20 ILCS 805/63a36)

Sec. 805-420. Appropriations from Park and Conservation Fund. The Department has the power to expend monies appropriated to the Department from the Park and Conservation Fund in the State treasury for conservation and park purposes.

Eighty percent of the ~~All~~ revenue derived from fees paid for certificates of title, duplicate certificates of title and corrected certificates of title and deposited in the Park and Conservation Fund, as provided for in Section 2-119 of the Illinois Vehicle Code, shall be expended solely by the Department pursuant to an appropriation for acquisition, development, and maintenance of bike paths, including grants for the acquisition and development of bike paths and 20% of the revenue derived from fees shall be deposited into the Illinois Fisheries Management Fund, a special fund created in the State Treasury to be used for the operation of the Division of Fisheries within the Department.

Revenue derived from fees paid for the registration of motor vehicles of the first division and deposited in the Park and Conservation Fund, as provided for in Section 3-806 of the Illinois Vehicle Code, shall be expended by the Department for the following purposes:

(A) Fifty percent of funds derived from the vehicle registration fee shall be used by the Department for normal operations.

(B) Fifty percent of funds derived from the vehicle registration fee shall be used by the Department for construction and maintenance of State owned, leased, and managed sites.

The monies deposited into the Park and Conservation Fund and the Illinois Fisheries Management Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.
(Source: P.A. 91-239, eff. 1-1-00.)

(20 ILCS 805/805-435) (was 20 ILCS 805/63b2.5)

Sec. 805-435. Office of Conservation Resource Marketing. The Department shall maintain an Office of Conservation Resource Marketing. The Office shall conduct a program for marketing and promoting the use of conservation resources in Illinois with emphasis on recreation and tourism facilities. The Office shall coordinate its tourism promotion efforts with local community events and shall include a field staff which shall work with the Department of Commerce and Economic Opportunity and local officials to coordinate State and local activities for the purpose of expanding tourism and local economies. The Office shall develop, review, and coordinate brochures and information pamphlets for promoting the use of conservation resources. The Office may charge shipping fees on the distribution of all items from the Department's Clearinghouse. The Office shall conduct marketing research to identify organizations and target populations that can be encouraged to use Illinois recreation facilities for group events and the many tourist sites.

The Director shall submit an annual report to the Governor and the General Assembly summarizing the Office's activities and including its recommendations for improving the Department's tourism promotion and marketing programs for conservation resources.
(Source: P.A. 94-793, eff. 5-19-06.)

(20 ILCS 805/805-555 new)

Sec. 805-555. Consultation fees.

(a) For the purposes of this Section, "agency" shall have the meaning assigned in Section 1-20 of the Illinois Administrative Procedure Act.

(b) The Department shall assess a $500 fee for consultations conducted under subsection (b) of Section 11 of the Illinois Endangered Species Protection Act and Section 17 of the Illinois Natural Areas Preservation Act. The Department shall not assess any fee for consultations requested by a State agency or federal agency. Any fee assessed under this Section shall be deposited into the Illinois Wildlife Preservation Fund.

(c) The Department may adopt rules to implement this Section.

(d) The monies deposited into the Illinois Wildlife Preservation Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(20 ILCS 805/805-560 new)

Sec. 805-560. Entrance fees for site visitors from other states.

(a) The General Assembly finds that a dedicated funding stream shall be established for the operation and maintenance of sites owned, managed, or leased by the Department to help ensure that these State treasures will be properly maintained and remain accessible to the public for generations to come.

(b) The Department may charge an annual vehicle access fee for access by site visitors from other states to properties owned, managed, or leased by the Department.

(c) The Department may charge a daily vehicle access fee to site visitors from other states who have not paid the current annual vehicle access fee.

(d) The Department may establish a fine for site visitors from other states who enter a site in a vehicle without paying the annual vehicle access fee or daily vehicle access fee.

(e) Revenue generated by the fees and fine assessed pursuant to this Section shall be deposited into the State Parks Fund or the Wildlife and Fish Fund, special funds in the State treasury.

(f) The Department shall adopt any and all rules necessary to implement this Section.

(g) The monies deposited into the State Parks Fund or the Wildlife and Fish Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

Section 90-15. The Recreational Trails of Illinois Act is amended by changing Sections 10 and 15 and by adding Sections 26, 28, 30, 32, 34, 36, 38, and 40 as follows:

(20 ILCS 862/10)

Sec. 10. Definitions. As used in this Act:

"Board" means the State Off-Highway Vehicle Trails Advisory Board.

"Department" means the Department of Natural Resources.

"Director" means the Director of Natural Resources.

"Fund" means the Off-Highway Vehicle Trails Fund.

"Off-highway vehicle" means a motor-driven recreational vehicle capable of cross-country travel on natural terrain without benefit of a road or trail, including an all-terrain vehicle and off-highway motorcycle as defined in the Illinois Vehicle Code. "Off-highway vehicle" does not include a snowmobile; a motorcycle; a watercraft; ~~a farm vehicle being used for farming; a vehicle used for military, fire, emergency, or law enforcement purposes; a construction or logging vehicle used in the performance of its common function; a motor vehicle owned by or operated under contract with a utility, whether publicly or privately owned, when used for work on utilities; a commercial vehicle being used for its intended purpose;~~ snow-grooming equipment when used for its intended purpose; or an aircraft.

"Recreational trail" means a thoroughfare or track across land or snow, used for recreational purposes such as bicycling, cross-country skiing, day hiking, equestrian activities, jogging or similar fitness activities, trail biking, overnight and long-distance backpacking, snowmobiling, aquatic or water activity, and vehicular travel by motorcycle or off-highway vehicles.

(Source: P.A. 90-287, eff. 1-1-98.)

(20 ILCS 862/15)

Sec. 15. Off-Highway Vehicle Trails Fund.

(a) The Off-Highway Vehicle Trails Fund is created as a special fund in the State treasury. Money from federal, State, and private sources may be deposited into the Fund. Fines assessed by the Department of Natural Resources for citations issued to off-highway vehicle operators shall be deposited into the Fund. All interest accrued on the Fund shall be deposited into the Fund.

(b) All money in the Fund shall be used, subject to appropriation, by the Department for the following purposes:

(1) Grants for construction of off-highway vehicle recreational trails on county, municipal, other units of local government, or private lands where a recreational need for the construction is shown.

(2) Grants for maintenance and construction of off-highway vehicle recreational trails on federal lands, where permitted by law.

(3) Grants for development of off-highway vehicle trail-side facilities in accordance with criteria approved by the National Recreational Trails Advisory Committee.

(4) Grants for acquisition of property from willing sellers for off-highway vehicle recreational trails when the objective of a trail cannot be accomplished by other means.

(5) Grants for development of urban off-highway vehicle trail linkages near homes and workplaces.

(6) Grants for maintenance of existing off-highway vehicle recreational trails, including the grooming and maintenance of trails across snow.

(7) Grants for restoration of areas damaged by usage of off-highway vehicle recreational trails and back country terrain.

(8) Grants for provision of features that facilitate the access and use of off-highway vehicle trails by persons with disabilities.

(9) Grants for acquisition of easements for off-highway vehicle trails or for trail corridors.

(10) Grants for a rider education and safety program.

(11) Administration, enforcement, planning, and implementation of this Act and all Sections ~~Section 11-1427~~ of the Illinois Vehicle Code which regulate the operation of off-highway vehicles as defined in this Act.

~~Of the money used from the Fund for the purposes set forth in this subsection, at least 92% shall be allocated for motorized recreation and not more than 8% shall be used by the Department for administration, enforcement, planning, and implementation of this Act or diverted from the Fund, notwithstanding any other law to the contrary adopted after the effective date of this amendatory Act of the 95th General Assembly. The Department shall establish, by rule, measures to verify that recipients of money from the Fund comply with the specified conditions for the use of the money.~~

(c) The Department may not use the money from the Fund for the following purposes:

(1) Condemnation of any kind of interest in property.

(2) Construction of any recreational trail on National Forest System land for motorized uses unless those lands have been allocated for uses other than wilderness by an approved forest land and resource management plan or have been released to uses other than wilderness by an Act of Congress, and the construction is otherwise consistent with the management direction in the approved land and resource management plan.

(3) Construction of motorized recreational trails on Department owned or managed land.

(d) The Department shall establish a program to administer grants from the Fund to units of local government, not-for-profit organizations, and other groups to operate, maintain, and acquire land for off-highway vehicle parks that are open and accessible to the public.

(e) The monies deposited into the Off-Highway Vehicle Trails Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(Source: P.A. 95-670, eff. 10-11-07; 96-279, eff. 1-1-10.)

(20 ILCS 862/26 new)

Sec. 26. Operation of off-highway vehicles without an Off-Highway Vehicle Usage Stamp. Except as hereinafter provided, no person shall, on or after July 1, 2013, operate any off-highway vehicle within the State unless the off-highway vehicle has attached an Off-Highway Vehicle Usage Stamp purchased and displayed in accordance with the provisions of this Act. The Department shall adopt rules for the purchase of Off-Highway Vehicle Usage Stamps. The fee for an Off-Highway Vehicle Usage Stamp shall be $15 annually and shall expire the March 31st following the year displayed on the Off-Highway Vehicle Usage Stamp. The Department shall deposit $5 from the sale of each Off-Highway Vehicle Usage Stamp into the Conservation Police Operations Assistance Fund. The Department shall deposit $10 from the sale of each Off-Highway Vehicle Usage Stamp into the Park and Conservation Fund. The monies deposited into the Conservation Police Operations Assistance Fund or the Park and Conservation Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(20 ILCS 862/28 new)

Sec. 28. Off-Highway Vehicle Usage Stamp display. The Department shall issue to the off-highway vehicle operator an Off-Highway Vehicle Usage Stamp in accordance with Section 26 of this Act. The owner shall prominently display the stamp on the forward half of the off-highway vehicle.

(20 ILCS 862/30 new)

Sec. 30. Owner responsibility. It shall be unlawful for the owner of any off-highway vehicle to knowingly allow any minor child to operate his or her off-highway vehicle in violation of this Act.

(20 ILCS 862/32 new)

Sec. 32. Destruction, sale, or transfer of Off-Highway Vehicle Usage Stamps. The operator of any off-highway vehicle shall be required to purchase a new Off-Highway Vehicle Usage Stamp if a previous Off-Highway Vehicle Usage Stamp is destroyed, lost, stolen, or mutilated beyond legibility. A valid Off-Highway Vehicle Usage Stamp already displayed on an off-highway vehicle that is sold or transferred shall remain valid until such time the stamp is expired.

(20 ILCS 862/34 new)

Sec. 34. Exception from display of Off-Highway Vehicle Usage Stamps. The operator of an off-highway vehicle shall not be required to display an Off-Highway Vehicle Usage Stamp if the off-highway vehicle is:

(1) owned and used by the United States, the State of Illinois, another state, or a political subdivision thereof, but these off-highway vehicles shall prominently display the name of the owner on the off-highway vehicle;

(2) operated on lands where the owner permanently resides; this exception shall not apply to clubs, associations, lands leased for hunting or recreational purposes, or to off-highway vehicles being used by outfitters as defined in the Wildlife Code as part of their outfitting business;

(3) used only on international or national competition circuits in events for which written permission has been obtained by the sponsoring or sanctioning body from the governmental unit having jurisdiction over the location of any event held in this State;

(4) while being used for activities associated with farming or livestock production operations; or

(5) while being used on an off-highway vehicle grant assisted site and the off-highway vehicle displays a Off-Highway Vehicle Access decal.

(20 ILCS 862/36 new)

Sec. 36. Falsification. No person shall falsely, alter, or change in any manner the Off-Highway Vehicle Usage Stamp issued under the provisions of this Act, or falsify any record required by this Act, or counterfeit any form of license provided for by this Act. Any person found guilty of this Section shall be guilty of a Class A misdemeanor.

(20 ILCS 862/38 new)

Sec. 38. Penalties. Except as otherwise provided in Section 36 of this Act, any person who violates any of the provisions of this Act, including administrative rules, shall be guilty of a petty offense.

(20 ILCS 862/40 new)

Sec. 40. Inspection authority. Agents of the Department or other duly authorized police officers may stop and inspect any off-highway vehicle at any time for the purposes of determining if the provisions of this Act are being complied with. If the inspecting officer or agent discovers any violation of the provisions of this Act, he or she shall issue a summons to the operator of the off-highwawy vehicle requiring that the operator appear before the circuit court for the county within which the offense was committed.

Section 90-20. The State Finance Act is amended by changing Section 6z-36 and by adding Sections 5.811 and 5.812 as follows:

(30 ILCS 105/5.811 new)

Sec. 5.811. The Illinois State Museum Fund.

(30 ILCS 105/5.812 new)

Sec. 5.812. The Illinois Fisheries Management Fund.

(30 ILCS 105/6z-36)

Sec. 6z-36. Coal Mining Regulatory Fund; uses. All moneys collected as fees and civil penalties under the Surface Coal Mining Land Conservation and Reclamation Act, collected as fees under the Coal Mining Act, and collected as fees submitted to the Department of Natural Resources' analytical laboratory shall be deposited into the Coal Mining Regulatory Fund, a special fund in the State Treasury that is hereby created. All earnings on moneys in the Fund shall be deposited into the Fund. Moneys in the Fund shall be annually appropriated to the Department of Natural Resources for the enforcement of coal mining regulatory laws and rules adopted by the Department under those laws. The monies deposited into the Coal Mining Regulatory Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(Source: P.A. 88-599; 89-445, eff. 2-7-96.)

Section 90-25. The Illinois Non-Game Wildlife Protection Act is amended by changing Section 4 as follows:

(30 ILCS 155/4) (from Ch. 61, par. 404)

Sec. 4. (a) There is created the Illinois Wildlife Preservation Fund, a special fund in the State Treasury. The Department of Revenue shall determine annually the total amount contributed to such fund pursuant to this Act and shall notify the State Comptroller and the State Treasurer of such amount to be transferred to the Illinois Wildlife Preservation Fund, and upon receipt of such notification the State Comptroller shall transfer such amount.

(b) The Department of Natural Resources shall deposit any donations including federal reimbursements received for the purposes in the Illinois Wildlife Preservation Fund.

(c) The General Assembly may appropriate annually from the Illinois Wildlife Preservation Fund such monies credited to such fund from the check-off contribution system provided in this Act and from other funds received for the purposes of this Act, to the Department of Natural Resources to be used for the purposes of preserving, protecting, perpetuating and enhancing non-game wildlife in this State. Beginning with fiscal year 2006, 5% of the Illinois Wildlife Preservation Fund must be committed to or expended on grants by the Department of Natural Resources for the maintenance of wildlife rehabilitation facilities that take care of threatened or endangered species. For purposes of calculating the 5%, the amount in the Fund is exclusive of any federal funds deposited in or credited to the Fund or any amount deposited in the Fund under subsection (b) of Section 805-555 of the Department of Natural

Resources (Conservation) Law. The Department shall establish criteria for the grants by rules adopted in accordance with the Illinois Administrative Procedure Act before January 1, 2006. However, no amount appropriated from the Illinois Wildlife Preservation Fund may be used by the Department of Natural Resources to exercise its power of eminent domain.
(Source: P.A. 94-516, eff. 8-10-05.)

Section 90-35. The Coal Mining Act is amended by changing Sections 3.02, 3.04, and 8.07 and by adding Sections 2.16 and 3.08 as follows:

(225 ILCS 705/2.16 new)

Sec. 2.16. Rules; Illinois Administrative Procedure Act. The Mining Board may adopt rules necessary for or incidental to the performance of duties or execution of powers conferred under this Act in accordance with provisions of the Illinois Administrative Procedure Act.

(225 ILCS 705/3.02) (from Ch. 96 1/2, par. 352)

Sec. 3.02. The Mining Board shall make a record of the names and addresses of all persons to whom certificates provided for in this Act ~~Article 2~~ are issued , except those issued as provided in Article 8 of this Act.
(Source: Laws 1957, p. 1558.)

(225 ILCS 705/3.04) (from Ch. 96 1/2, par. 354)

Sec. 3.04. An applicant for any certificate provided for in this Act ~~Article 2~~, except those issued as provided in Article 8, before being examined, shall register his or her name with the Mining Board and file with the Board the credentials required by this Act, to-wit: an affidavit as to all matters of fact establishing his or her right to receive the examination, and a certificate of good character and temperate habits signed by at least 10 residents of the community in which he or she resides. Each applicant shall also submit a reasonable fee as prescribed by rule, with such fee being deposited into the Coal Mining Regulatory Fund. The monies deposited into the Coal Mining Regulatory Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.
(Source: Laws 1953, p. 701.)

(225 ILCS 705/3.08 new)

Sec. 3.08. Fees for renewal. The Mining Board may establish by rule a fee for the renewal of certificates with such fee being deposited into the Coal Mining Regulatory Fund. The monies deposited into the Coal Mining Regulatory Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(225 ILCS 705/8.07) (from Ch. 96 1/2, par. 807)

Sec. 8.07. Each applicant who satisfies the requirements set forth in this Article shall receive his or her certificate of competency upon satisfactorily passing the examination and submitting a fee as prescribed by rule. All fees collected shall be deposited into the Coal Mining Regulatory Fund ~~, without the payment of fees, except that a fee of $2 shall be paid to the Department for additional copies of certificates~~. The monies deposited into the Coal Mining Regulatory Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.
(Source: P.A. 85-1333.)

Section 90-40. The Surface-Mined Land Conservation and Reclamation Act is amended by changing Sections 5 and 10 as follows:

(225 ILCS 715/5) (from Ch. 96 1/2, par. 4506)

Sec. 5. Application for permit; bond; fee; permit.

(a) Application for a permit shall be made upon a form furnished by the Department, which form shall contain a description of the tract or tracts of land and the estimated number of acres thereof to be affected by surface mining by the applicant to the tenth succeeding June 30, which description shall include the section, township, range, and county in which the land is located and shall otherwise describe the land with sufficient certainty so that it may be located and distinguished from other lands, and a statement that the applicant has the right and power by legal estate owned to mine by surface mining and to reclaim the land so described. Such application shall be accompanied by: (i) a bond or security meeting the requirements of Section 8 of this Act; and (ii) a fee of $150 ~~$100~~ for every acre and fraction of an acre of land to be permitted.

(b) An operator desiring to have a permit amended to cover additional land may file an amended application with the Department with such additional fee and bond or security as may be required under the provisions of this Act. Such amendment shall comply with all requirements of this Act.

(c) An operator may withdraw any land covered by a permit, excepting affected land, by notifying the Department thereof, in which case the penalty of the bond or security filed by such operator pursuant to

the provisions of this Act shall be reduced proportionately.

(d) (Blank).

(e) Every application, and every amendment to an application, submitted under this Act shall contain the following, except that the Director may waive the requirements of this subsection (e) for amendments if the affected acreage is similar in nature to the acreage stated in the permit to be amended:

1. a statement of the ownership of the land and of the minerals to be mined;

2. the minerals to be mined;

3. the character and composition of the vegetation and wildlife on lands to be affected;

4. the current and past uses to which the lands to be affected have been put;

5. the current assessed valuation of the lands to be affected and the assessed valuation shown by the two quadrennial assessments next preceding the currently effective assessment;

6. the nature, depth and proposed disposition of the overburden;

7. the estimated depth to which the mineral deposit will be mined;

8. the location of existing roads, and anticipated access and haulage roads planned to be used or constructed in conducting surface mining;

9. the technique to be used in surface mining;

10. the location and names of all streams, creeks, bodies of water and underground water resources within lands to be affected;

11. drainage on and away from the lands to be affected including directional flow of water, natural and artificial drainways and waterways, and streams or tributaries receiving the discharge;

12. the location of buildings and utility lines within lands to be affected;

13. the results of core drillings of consolidated materials in the overburden when required by the Department, provided that the Department may not require core drillings at the applicant's expense in excess of one core drill for every 25 acres of land to be affected;

14. a conservation and reclamation plan and map acceptable to the Department. The operator shall designate which parts of the lands to be affected are proposed to be reclaimed for forest, pasture, crop, horticultural, homesite, recreational, industrial or other uses including food, shelter and ground cover for wildlife and shall show the same by appropriate designation on a reclamation map. The plan shall:

(i) provide for timely compliance with all operator duties set forth in Section 6 of this Act by feasible and available means; and

(ii) provide for storage of all overburden and refuse.

Information respecting the minerals to be mined required by subparagraph (e)2 of this Section, respecting the estimated depth to which the mineral deposit will be mined required by subparagraph (e)7 of this Section, and respecting the results of core drillings required by subparagraph (e)13 of this Section shall be held confidential by the Department upon written request of the applicant.

(f) All information required in subsection (e) of this Section, with the exception of that information which is to be held in confidentiality by the Department shall be made available by the operator for public inspection at the county seat of each county containing land to be affected. The county board of each county containing lands to be affected may propose the use for which such lands within its county are to be reclaimed and such proposal shall be considered by the Department, provided that any such proposal must be consistent with all requirements of this Act.

Such plan shall be deposited with the county board no less than 60 days prior to any action on the plan by the Department. All actions by the county board pursuant to this Section must be taken within 45 days of receiving the plan.

If requested by a county board of a county to be affected under a proposed permit, a public hearing to be conducted by the Department shall be held in such county on the permit applicant's proposed reclamation plan. By rules and regulations the Department shall establish hearing dates which provide county boards reasonable time in which to have reviewed the proposed plans and the procedural rules for the calling and conducting of the public hearing. Such procedural rules shall include provisions for reasonable notice to all parties, including the applicant, and reasonable opportunity for all parties to respond by oral or written testimony, or both, to statements and objections made at the public hearing. County boards and the public shall present their recommendations at these hearings. A complete record of the hearings and all testimony shall be made by the Department and recorded stenographically.

(g) The Department shall approve a conservation and reclamation plan if the plan complies with this Act and completion of the plan will in fact achieve every duty of the operator required by this Act. The Department's approval of a plan shall be based upon the advice of technically trained foresters, agronomists, economists, engineers, planners and other relevant experts having experience in reclaiming

surface-mined lands, and having scientific or technical knowledge based upon research into reclaiming and utilizing surface-mined lands. The Department shall consider all testimony presented at the public hearings as provided in subsection (f) of this Section. In cases where no public hearing is held on a proposed plan, the Department shall consider written testimony from county boards when submitted no later than 45 days following filing of the proposed plan with the county board. The Department shall immediately serve copies of such written testimony on the applicant and give the applicant a reasonable opportunity to respond by written testimony. The Department shall consider the short and long term impact of the proposed mining on vegetation, wildlife, fish, land use, land values, local tax base, the economy of the region and the State, employment opportunities, air pollution, water pollution, soil contamination, noise pollution and drainage. The Department may consider feasible alternative uses for which reclamation might prepare the land to be affected and may analyze the relative costs and effects of such alternatives. Whenever the Department does not approve the operator's plan, and whenever the plan approved by the Department does not conform to the views of the county board expressed in accordance with subsection (f) of this Section, the Department shall issue a statement of its reasons for its determination and shall make such statement public. The approved plan shall be filed by the applicant with the clerk of each county containing lands to be affected and such plan shall be available for public inspection at the office of the clerk until reclamation is completed and the bond is released in accordance with the provisions of the Act.

(h) Upon receipt of a bond or security, all fees due from the operator, and approval of the conservation and reclamation plan by the Department, the Department shall issue a permit to the applicant which shall entitle him to engage thereafter in surface mining on the land therein described until the tenth succeeding June 30, the period for which such permits are issued being hereafter referred to as the "permit period".

(i) The operator may transfer any existing permit to a second operator, after first notifying the Department of the intent to transfer said permit. The Department shall transfer any existing permit to a second party upon written notification from both parties and the posting of an adequate performance bond by the new permittee.

(Source: P.A. 91-357, eff. 7-29-99; 91-938, eff. 1-11-01.)

(225 ILCS 715/10) (from Ch. 96 1/2, par. 4511)

Sec. 10. Administration.

(a) In addition to the duties and powers of the Department prescribed by the Civil Administrative Code of Illinois, it shall have full power and authority to carry out and administer the provisions of this Act. These powers shall include, but are not limited to, the imposition of the following fees to enable the Department to carry out the requirements of this Act:

(1) A registration fee of $475 ~~$300~~ assessed on July 1 of each calendar year that is due from each operator engaged in and controlling a permitted or unpermitted surface mining operation. The registration fee shall be accompanied by a registration form, provided by the Department, which shall indicate the mailing address and telephone number of the operator, the location of all mining operations controlled by the operator, the minerals being mined, and other information deemed necessary by the Department. A $475 ~~$300~~ registration fee is the maximum registration fee due from a single operator each calendar year regardless of the number of sites under the operator's control.

(2) An additional fee of $175 ~~$100~~ assessed on July 1 of each calendar year for each site that was actively being surfaced mined during the preceding 12 months that is due from the operator engaged in and controlling the permitted or unpermitted surface mining operations.

(3) An additional fee of $375 ~~$250~~ assessed on July 1 of each calendar year that is due from each operator engaged in and controlling a permitted or unpermitted surface mining operation where blasting operations occurred during the preceding 12 months.

(b) Fees shall be assessed by the Department commencing July 1, 1995 for every surface mine operator, active mining site, and active aggregate blasting operation of record as of that date and on July 1 of each year thereafter. The fees assessed under this Section are in addition to any other fees required by law.

(c) All fees assessed under this Section shall be submitted to the Department no later than 30 days from the date listed on the Department's annual fee assessment letter sent to the surface mine operator. If the operator is delinquent in the payment of the fees assessed under this Section, no further permits or certifications shall be issued to the operator until the delinquent fees have been paid. Moreover, if the operator is delinquent for more than 60 days in the payment of fees assessed under this Section, the Department shall take the action, in accordance with Section 13 of this Act, necessary to enjoin further surface mining and aggregate blasting operations until all delinquent fees are paid.

(Source: P.A. 89-26, eff. 6-23-95.)

Section 90-43. The Surface Coal Mining Land Conservation and Reclamation Act is amended by changing Section 2.05 as follows:

(225 ILCS 720/2.05) (from Ch. 96 1/2, par. 7902.05)

Sec. 2.05. Application Fee. At the time of submission to the Department, a ~~A~~ permit application shall be accompanied by a fee based on the number of surface acres of land to be affected by the proposed operation. Such fees shall be established by the Department by rule. An application for renewal of a permit under Section 2.07 may be filed without payment of an additional fee. The Department shall assess, by rule, a permit fee for a permit revision to an existing permit.

(Source: P.A. 81-1015.)

Section 90-45. The Illinois Oil and Gas Act is amended by changing Sections 14, 19.7, 21.1, 22.2, and 23.3 as follows:

(225 ILCS 725/14) (from Ch. 96 1/2, par. 5420)

Sec. 14. Each application for permit to drill, deepen, convert, or amend shall be accompanied by the required fee, not to exceed $300 ~~$100~~, which the Department shall establish by rule. A fee of $50 ~~$15~~ per well shall be paid by the new owner for each transfer of well ownership~~, except when multiple wells are acquired and transferred as a part of the same transaction, the fee shall be calculated at the rate of $15 per well for the first 50 wells, and $10 for each additional well in excess of 50~~. Except for the assessments required to be deposited in the Plugging and Restoration Fund under Section 19.7 of this Act, all fees assessed and collected under this Act shall be deposited in the Underground Resources Conservation Enforcement Fund. The monies deposited into the Plugging and Restoration Fund or the Underground Resources Conservation Enforcement Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(Source: P.A. 89-243, eff. 8-4-95.)

(225 ILCS 725/19.7) (from Ch. 96 1/2, par. 5430.2)

Sec. 19.7. The Department shall assess and collect annual well fees from each permittee in the amount of $75 per well for the first 100 wells and a $50 fee for each well in excess of 100 for which a permit is required under this Act. ~~as follows:~~

~~(a) Permittees of permits for one well shall pay an annual fee of $150.~~

~~(b) Permittees of permits for 2 through 5 wells shall pay an annual fee of $300.~~

~~(c) Permittees of permits for 6 through 25 wells shall pay an annual fee of $750.~~

~~(d) Permittees of permits for 26 through 100 wells shall pay an annual fee of $1,500.~~

~~(e) Permittees of permits for over 100 wells shall pay an annual fee of $1,500 plus an additional $12.50 for each well in excess of 100.~~

Fees shall be assessed for each calendar year commencing in 1991 for all wells of record as of July 1, 1991 and July 1 of each year thereafter. The fees assessed by the Department under this Section are in addition to any other fees required by law. All fees assessed under this Section shall be submitted to the Department no later than 30 days from the date listed on the annual fee assessment letter sent to the permittee. Of the fees assessed and collected by the Department each year under this Section, 50% shall be deposited into the Underground Resources Conservation Enforcement Fund, and 50% shall be deposited into the Plugging and Restoration Fund unless, total fees assessed and collected for any calendar year exceed $1,500,000; then, $750,000 shall be deposited into the Underground Resources Conservation Enforcement Fund and the balance of the fees assessed and collected shall be deposited into the Plugging and Restoration Fund. Upon request of the Department to the Comptroller and Treasurer, the Comptroller and Treasurer shall make any interfund transfers necessary to effect the allocations required by this Section.

The monies deposited into the Plugging and Restoration Fund or the Underground Resources Conservation Enforcement Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(Source: P.A. 87-744.)

(225 ILCS 725/21.1) (from Ch. 96 1/2, par. 5433)

Sec. 21.1. (a) The Department is authorized to issue permits for the drilling of wells and to regulate the spacing of wells for oil and gas purposes. For the prevention of waste, to protect and enforce the correlative rights of owners in the pool, and to prevent the drilling of unnecessary wells, the Department shall, upon application of any interested person and after notice and hearing, establish a drilling unit or units for the production of oil and gas or either of them for each pool, provided that no spacing regulation shall be adopted nor drilling unit established which requires the allocation of more than 40 acres of surface area nor less than 10 acres of surface area to an individual well for production of oil from a pool the top of which lies less than 4,000 feet beneath the surface (as determined by the original

or discovery well in the pool), provided, however, that the Department may permit the allocation of greater acreage to an individual well than that above specified, and provided further that the spacing of wells in any pool the top of which lies less than 4,000 feet beneath the surface (as determined by the original or discovery well in the pool) shall not include the fixing of a pattern except with respect to the 2 nearest external boundary lines of each drilling unit, and provided further that no acreage allocation shall be required for input or injection wells nor for producing wells lying within a secondary recovery unit as now or hereafter established.

(b) Drilling units shall be of approximately uniform size and shape for each entire pool, except that where circumstances reasonably require, the Department may grant exceptions to the size or shape of any drilling unit or units. Each order establishing drilling units shall specify the size and shape of the unit, which shall be such as will result in the efficient and economical development of the pool as a whole, and subject to the provisions of subsection (a) hereof the size of no drilling unit shall be smaller than the maximum area that can be efficiently and economically drained by one well. Each order establishing drilling units for a pool shall cover all lands determined or believed to be underlaid by such pool, and may be modified by the Department from time to time to include additional lands determined to be underlaid by such pool. Each order establishing drilling units may be modified by the Department to change the size thereof, or to permit the drilling of additional wells.

(b-2) Any petition requesting a drilling unit exception shall be accompanied by a non-refundable application fee in the amount of $1,500 for a Modified Drilling unit or Special Drilling Unit or a non-refundable application fee in the amount of $2,500 for a Pool-Wide Drilling Unit.

(c) Each order establishing drilling units shall prohibit the drilling of more than one well on any drilling unit for the production of oil or gas from the particular pool with respect to which the drilling unit is established and subject to the provisions of subsection (a) hereof shall specify the location for the drilling of such well thereon, in accordance with a reasonably uniform spacing pattern, with necessary exceptions for wells drilled or drilling at the time of the application. If the Department finds, after notice and hearing, that surface conditions would substantially add to the burden or hazard of drilling such well at the specified location, or for some other reason it would be inequitable or unreasonable to require a well to be drilled at the specified location, the Department may issue an order permitting the well to be drilled at a location other than that specified in the order establishing drilling units.

(d) After the date of the notice for a hearing called to establish drilling units, no additional well shall be commenced for production from the pool until the order establishing drilling units has been issued, unless the commencement of the well is authorized by order of the Department.

(e) After an order establishing a drilling unit or units has been issued by the Department, the commencement of drilling of any well or wells into the pool with regard to which such unit was established for the purpose of producing oil or gas therefrom, at a location other than that authorized by the order, or by order granting exception to the original spacing order, is hereby prohibited. The operation of any well drilled in violation of an order establishing drilling units is hereby prohibited.
(Source: P.A. 85-1334.)

(225 ILCS 725/22.2) (from Ch. 96 1/2, par. 5436)

Sec. 22.2. Integration of interests in drilling unit.

(a) As used in this Section, "owner" means any person having an interest in the right to drill into and produce oil or gas from any pool, and to appropriate the production for such owner or others.

(b) Except as provided in subsection (b-5), when 2 or more separately owned tracts of land are embraced within an established drilling unit, or when there are separately owned interests in all or a part of such units, the owners of all oil and gas interests therein may validly agree to integrate their interests and to develop their lands as a drilling unit. Where, however, such owners have not agreed to integrate their interests and where no action has been commenced seeking permission to drill pursuant to the provisions of "An Act in relation to oil and gas interests in land", approved July 1, 1939, and where at least one of the owners has drilled or has proposed to drill a well on an established drilling unit the Department on the application of an owner shall, for the prevention of waste or to avoid the drilling of unnecessary wells, require such owners to do so and to develop their lands as a drilling unit. The Department, as a part of the order integrating interests, may prescribe the terms and conditions upon which the royalty interests in the unit or units shall, in the absence of voluntary agreement, be determined to be integrated without the necessity of a subsequent separate order integrating the royalty interests. Each such integration order shall be upon terms and conditions that are just and reasonable.

(b-5) When 2 or more separately owned tracts of land are embraced within an established drilling unit, or when there are separately owned interests in all or a part of the unit, and one of the owners is the Department of Natural Resources, integration of the separate tracts shall be allowed only if, following a comprehensive environmental impact review performed by the Department, the Department determines

that no substantial or irreversible detrimental harm will occur on Department lands as a result of any proposed activities relating to mineral extraction. The environmental impact review shall include but shall not be limited to an assessment of the potential destruction or depletion of flora and fauna, wildlife and its supporting habitat, surface and subsurface water supplies, aquatic life, and recreational activities located on the land proposed to be integrated. The Department shall adopt rules necessary to implement this subsection.

(b-6) All proceeds, bonuses, rentals, royalties, and other inducements and considerations received from the integration of Department of Natural Resources lands that have not been purchased by the Department of Natural Resources with moneys appropriated from the Wildlife and Fish Fund shall be deposited as follows: at least 50% of the amounts received shall be deposited into the State Parks Fund and not more than 50% shall be deposited into the Plugging and Restoration Fund.

(c) All orders requiring such integration shall be made after notice and hearing and shall be upon terms and conditions that are just and reasonable and will afford to the owners of all oil and gas interests in each tract in the drilling unit the opportunity to recover or receive their just and equitable share of oil or gas from the drilling unit without unreasonable expense and will prevent or minimize reasonably avoidable drainage from each integrated drilling unit which is not equalized by counter drainage, but the Department may not limit the production from any well under this provision. The request shall be made by petition accompanied by a non-refundable application fee of $1,500. The fee shall be deposited into the Underground Resources Conservation Enforcement Fund. The monies deposited into the Underground Resources Conservation Enforcement Fund under this subsection shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(d) All operations, including, but not limited to, the commencement, drilling, or operation of a well upon any portion of a drilling unit shall be deemed for all purposes the conduct of such operations upon each separately owned tract in the drilling unit by the several owners thereof. That portion of the production allocated to a separately owned tract included in a drilling unit shall, when produced, be deemed, for all purposes, to have been actually produced from such tract by a well drilled thereon.

(e) In making the determination of integrating separately owned interests, and determining to whom the permit should be issued, the Department may consider:

(1) the reasons requiring the integration of separate interests;

(2) the respective interests of the parties in the drilling unit sought to be established, and the pool or pools in the field where the proposed drilling unit is located;

(3) any parties' prior or present compliance with the Act and the Department's rules; and

(4) any other information relevant to protect the correlative rights of the parties sought to be affected by the integration order.

(f) Each such integration order shall authorize the drilling, testing, completing, equipping, and operation of a well on the drilling unit; provide who may drill and operate the well; prescribe the time and manner in which all the owners in the drilling unit may elect to participate therein; and make provision for the payment by all those who elect to participate therein of the reasonable actual cost thereof, plus a reasonable charge for supervision and interest. Should an owner not elect to voluntarily participate in the risk and costs of the drilling, testing, completing and operation of a well as determined by the Department, the integration order shall provide either that:

(1) the nonparticipating owner shall surrender a leasehold interest to the participating owners on a basis and for such terms and consideration the Department finds fair and reasonable; or

(2) the nonparticipating owner shall share in a proportionate part of the production of oil and gas from the drilling unit determined by the Department, and pay a proportionate part of operation cost after the participating owners have recovered from the production of oil or gas from a well all actual costs in the drilling, testing, completing and operation of the well plus a penalty to be determined by the Department of not less than 100% nor more than 300% of such actual costs.

(g) For the purpose of this Section, the owner or owners of oil and gas rights in and under an unleased tract of land shall be regarded as a lessee to the extent of a 7/8 interest in and to said rights and a lessor to the extent of the remaining 1/8 interest therein.

(h) In the event of any dispute relative to costs and expenses of drilling, testing, equipping, completing and operating a well, the Department shall determine the proper costs after due notice to interested parties and a hearing thereon. The operator of such unit, in addition to any other right provided by the integration order of the Department, shall have a lien on the mineral leasehold estate or rights owned by the other owners therein and upon their shares of the production from such unit to the extent that costs incurred in the development and operation upon said unit are a charge against such interest by order of the Department or by operation of law. Such liens shall be separable as to each separate owner within

such unit, and shall remain liens until the owner or owners drilling or operating the well have been paid the amount due under the terms of the integration order. The Department is specifically authorized to provide that the owner or owners drilling, or paying for the drilling, or for the operation of a well for the benefit of all shall be entitled to production from such well which would be received by the owner or owners for whose benefit the well was drilled or operated, after payment of royalty, until the owner or owners drilling or operating the well have been paid the amount due under the terms of the integration order settling such dispute.

(Source: P.A. 90-490, eff. 8-17-97.)

(225 ILCS 725/23.3) (from Ch. 96 1/2, par. 5440)

Sec. 23.3. The Department, upon the petition of any interested person, shall hold a public hearing to consider the need for operating a pool, pools, or any portion thereof, as a unit to enable, authorize and require operations which will increase the ultimate recovery of oil and gas, prevent the waste of oil and gas, and protect correlative rights of the owners of the oil and gas.

(1) Such petition shall contain the following:

(a) A description of the land and pool, pools, or parts thereof, within the proposed unit area.

(b) The names of all persons owning or having an interest in the oil and gas rights in the proposed unit area as of the date of filing the petition, as disclosed by the records in the office of the recorder for the county or counties in which the unit area is situated, and their addresses, if known. If the address of any person is unknown, the petition shall so indicate.

(c) A statement of the type of operations contemplated for the unit area.

(d) A copy of a proposed plan of unitization signed by persons owning not less than 51% of the working interest underlying the surface within the area proposed to be unitized, which the petitioner considers fair, reasonable and equitable; said plan of unitization shall include (or provide in a separate unit operating agreement, if there be more than one working interest owner, a copy of which shall accompany the petition) the following:

(i) A plan for allocating to each separately owned tract in the unit area its share of the oil and gas produced from the unit area and not required or consumed in the conduct of the operation of the unit area or unavoidably lost.

(ii) A provision indicating how unit expense shall be determined and charged to the several owners, including a provision for carrying or otherwise financing any working interest owner who has not executed the proposed plan of unitization and who elects to be carried or otherwise financed, and allowing the unit operator, for the benefit of those working interest owners who have paid the development and operating costs, the recovery of not more than 150% of such person's actual share of development costs of the unit plus operating costs, with interest. Recovery of the money advanced to owners wishing to be financed, for development and operating costs of the unit, together with such other sums provided for herein, shall only be recoverable from such owner's share of unit production from the unit area.

(iii) A procedure and basis upon which wells, equipment, and other properties of the several working interest owners within the unit area are to be taken over and used for unit operations, including the method of arriving at the compensation therefor.

(iv) A plan for maintaining effective supervision and conduct of unit operations, in respect to which each working interest owner shall have a vote with a value corresponding to the percentage of unit expense chargeable against the interest of such owner.

(e) A non-refundable application fee in the amount of $2,500.

(2) Concurrently with the filing of the petition with the Department, the petitioner may file or cause to be filed, in the office of the recorder for the county or counties in which the affected lands sought to be unitized are located, a notice setting forth:

(a) The type of proceedings before the Department and a general statement of the purpose of such proceedings.

(b) A legal description of the lands, oil and gas lease or leases, and other oil and gas property interests, which may be affected by the proposed unitization.

(3) Upon the filing of such notice:

(a) All transfers of title to oil and gas rights shall thereafter be subject to the final order of the Department in such proceedings, and

(b) Such notice shall be constructive notification to every person subsequently acquiring an interest in or a lien on any of the property affected thereby, and every person whose interest or lien is not shown of record at the time of filing such notice shall, for the purpose of this Act, be deemed a subsequent purchaser and shall be bound by the proceedings before the Department

to the same extent and in the same manner as if he were a party thereto.
(Source: P.A. 89-243, eff. 8-4-95.)

Section 90-50. The Fish and Aquatic Life Code is amended by changing Sections 20-45 and 20-55 as follows:

(515 ILCS 5/20-45) (from Ch. 56, par. 20-45)

(Text of Section before amendment by P.A. 97-498)

Sec. 20-45. License fees for residents. Fees for licenses for residents of the State of Illinois shall be as follows:

(a) Except as otherwise provided in this Section, for sport fishing devices as defined in Section 10-95 or spearing devices as defined in Section 10-110 the fee is $14.50 for individuals 16 to 64 years old, and one-half of the current fishing license fee for individuals age 65 or older, commencing with the 1994 license year.

(b) All residents before using any commercial fishing device shall obtain a commercial fishing license, the fee for which shall be $60 and a resident fishing license, the fee for which is $14.50 ~~$35~~. Each and every commercial device used shall be licensed by a resident commercial fisherman as follows:

(1) For each 100 lineal yards, or fraction thereof, of seine the fee is $18. For each minnow seine, minnow trap, or net for commercial purposes the fee is $20.

(2) For each device to fish with a 100 hook trot line device, basket trap, hoop net, or dip net the fee is $3.

(3) When used in the waters of Lake Michigan, for the first 2000 lineal feet, or fraction thereof, of gill net the fee is $10; and for each 1000 additional lineal feet, or fraction thereof, the fee is $10. These fees shall apply to all gill nets in use in the water or on drying reels on the shore.

(4) For each 100 lineal yards, or fraction thereof, of gill net or trammel net the fee is $18.

(c) Residents of the State of Illinois may obtain a sportsmen's combination license that shall entitle the holder to the same non-commercial fishing privileges as residents holding a license as described in subsection (a) of this Section and to the same hunting privileges as residents holding a license to hunt all species as described in Section 3.1 of the Wildlife Code. No sportsmen's combination license shall be issued to any individual who would be ineligible for either the fishing or hunting license separately. The sportsmen's combination license fee shall be $25.50. For residents age 65 or older, the fee is one-half of the fee charged for a sportsmen's combination license.

(d) For 24 hours of fishing by sport fishing devices as defined in Section 10-95 or by spearing devices as defined in Section 10-110 the fee is $5. This license exempts the licensee from the requirement for a salmon or inland trout stamp. The licenses provided for by this subsection are not required for residents of the State of Illinois who have obtained the license provided for in subsection (a) of this Section.

(e) All residents before using any commercial mussel device shall obtain a commercial mussel license, the fee for which shall be $50.

(f) Residents of this State, upon establishing residency as required by the Department, may obtain a lifetime hunting or fishing license or lifetime sportsmen's combination license which shall entitle the holder to the same non-commercial fishing privileges as residents holding a license as described in paragraph (a) of this Section and to the same hunting privileges as residents holding a license to hunt all species as described in Section 3.1 of the Wildlife Code. No lifetime sportsmen's combination license shall be issued to or retained by any individual who would be ineligible for either the fishing or hunting license separately, either upon issuance, or in any year a violation would subject an individual to have either or both fishing or hunting privileges rescinded. The lifetime hunting and fishing license fees shall be as follows:

(1) Lifetime fishing: 30 x the current fishing license fee.

(2) Lifetime hunting: 30 x the current hunting license fee.

(3) Lifetime sportsmen's combination license: 30 x the current sportsmen's combination license fee.

Lifetime licenses shall not be refundable. A $10 fee shall be charged for reissuing any lifetime license. The Department may establish rules and regulations for the issuance and use of lifetime licenses and may suspend or revoke any lifetime license issued under this Section for violations of those rules or regulations or other provisions under this Code or the Wildlife Code. Individuals under 16 years of age who possess a lifetime hunting or sportsmen's combination license shall have in their possession, while

in the field, a certificate of competency as required under Section 3.2 of the Wildlife Code. Any lifetime license issued under this Section shall not exempt individuals from obtaining additional stamps or permits required under the provisions of this Code or the Wildlife Code. Individuals required to purchase additional stamps shall sign the stamps and have them in their possession while fishing or hunting with a lifetime license. All fees received from the issuance of lifetime licenses shall be deposited in the Fish and Wildlife Endowment Fund.

Except for licenses issued under subsection (e) of this Section, all licenses provided for in this Section shall expire on March 31 of each year, except that the license provided for in subsection (d) of this Section shall expire 24 hours after the effective date and time listed on the face of the license.

All individuals required to have and failing to have the license provided for in subsection (a) or (d) of this Section shall be fined according to the provisions of Section 20-35 of this Code.

All individuals required to have and failing to have the licenses provided for in subsections (b) and (e) of this Section shall be guilty of a Class B misdemeanor.
(Source: P.A. 96-831, eff. 1-1-10.)

(Text of Section after amendment by P.A. 97-498)

Sec. 20-45. License fees for residents. Fees for licenses for residents of the State of Illinois shall be as follows:

(a) Except as otherwise provided in this Section, for sport fishing devices as defined in Section 10-95 or spearing devices as defined in Section 10-110, the fee is $14.50 for individuals 16 to 64 years old, one-half of the current fishing license fee for individuals age 65 or older, and, commencing with the 2012 license year, one-half of the current fishing license fee for resident veterans of the United States Armed Forces after returning from service abroad or mobilization by the President of the United States. Veterans must provide, to the Department at one of the Department's 5 regional offices, verification of their service. The Department shall establish what constitutes suitable verification of service for the purpose of issuing fishing licenses to resident veterans at a reduced fee.

(b) All residents before using any commercial fishing device shall obtain a commercial fishing license, the fee for which shall be $60 and a resident fishing license, the fee for which is $14.50 ~~$35~~. Each and every commercial device used shall be licensed by a resident commercial fisherman as follows:

(1) For each 100 lineal yards, or fraction thereof, of seine the fee is $18. For each minnow seine, minnow trap, or net for commercial purposes the fee is $20.

(2) For each device to fish with a 100 hook trot line device, basket trap, hoop net, or dip net the fee is $3.

(3) When used in the waters of Lake Michigan, for the first 2000 lineal feet, or fraction thereof, of gill net the fee is $10; and for each 1000 additional lineal feet, or fraction thereof, the fee is $10. These fees shall apply to all gill nets in use in the water or on drying reels on the shore.

(4) For each 100 lineal yards, or fraction thereof, of gill net or trammel net the fee is $18.

(c) Residents of the State of Illinois may obtain a sportsmen's combination license that shall entitle the holder to the same non-commercial fishing privileges as residents holding a license as described in subsection (a) of this Section and to the same hunting privileges as residents holding a license to hunt all species as described in Section 3.1 of the Wildlife Code. No sportsmen's combination license shall be issued to any individual who would be ineligible for either the fishing or hunting license separately. The sportsmen's combination license fee shall be $25.50. For residents age 65 or older, the fee is one-half of the fee charged for a sportsmen's combination license. For resident veterans of the United States Armed Forces after returning from service abroad or mobilization by the President of the United States, the fee, commencing with the 2012 license year, is one-half of the fee charged for a sportsmen's combination license. Veterans must provide to the Department, at one of the Department's 5 regional offices, verification of their service. The Department shall establish what constitutes suitable verification of service for the purpose of issuing sportsmen's combination licenses to resident veterans at a reduced fee.

(d) For 24 hours of fishing by sport fishing devices as defined in Section 10-95 or by spearing devices as defined in Section 10-110 the fee is $5. This license does not exempt ~~exempts~~ the licensee from the requirement for a salmon or inland trout stamp. The licenses provided for by this subsection are not required for residents of the State of Illinois who have obtained the license provided for in subsection (a) of this Section.

(e) All residents before using any commercial mussel device shall obtain a commercial

mussel license, the fee for which shall be $50.

(f) Residents of this State, upon establishing residency as required by the Department, may obtain a lifetime hunting or fishing license or lifetime sportsmen's combination license which shall entitle the holder to the same non-commercial fishing privileges as residents holding a license as described in paragraph (a) of this Section and to the same hunting privileges as residents holding a license to hunt all species as described in Section 3.1 of the Wildlife Code. No lifetime sportsmen's combination license shall be issued to or retained by any individual who would be ineligible for either the fishing or hunting license separately, either upon issuance, or in any year a violation would subject an individual to have either or both fishing or hunting privileges rescinded. The lifetime hunting and fishing license fees shall be as follows:

(1) Lifetime fishing: 30 x the current fishing license fee.

(2) Lifetime hunting: 30 x the current hunting license fee.

(3) Lifetime sportsmen's combination license: 30 x the current sportsmen's combination license fee.

Lifetime licenses shall not be refundable. A $10 fee shall be charged for reissuing any lifetime license. The Department may establish rules and regulations for the issuance and use of lifetime licenses and may suspend or revoke any lifetime license issued under this Section for violations of those rules or regulations or other provisions under this Code or the Wildlife Code. Individuals under 16 years of age who possess a lifetime hunting or sportsmen's combination license shall have in their possession, while in the field, a certificate of competency as required under Section 3.2 of the Wildlife Code. Any lifetime license issued under this Section shall not exempt individuals from obtaining additional stamps or permits required under the provisions of this Code or the Wildlife Code. Individuals required to purchase additional stamps shall sign the stamps and have them in their possession while fishing or hunting with a lifetime license. All fees received from the issuance of lifetime licenses shall be deposited in the Fish and Wildlife Endowment Fund.

Except for licenses issued under subsection (e) of this Section, all licenses provided for in this Section shall expire on March 31 of each year, except that the license provided for in subsection (d) of this Section shall expire 24 hours after the effective date and time listed on the face of the license.

All individuals required to have and failing to have the license provided for in subsection (a) or (d) of this Section shall be fined according to the provisions of Section 20-35 of this Code.

All individuals required to have and failing to have the licenses provided for in subsections (b) and (e) of this Section shall be guilty of a Class B misdemeanor.

(Source: P.A. 96-831, eff. 1-1-10; 97-498, eff. 4-1-12.)

(515 ILCS 5/20-55) (from Ch. 56, par. 20-55)

Sec. 20-55. License fees for non-residents. Fees for licenses for non-residents of the State of Illinois are as follows:

(a) For sport fishing devices as defined by Section 10-95, or spearing devices as defined in Section 10-110, non-residents age 16 or older shall be charged $31 for a fishing license to fish. For sport fishing devices as defined by Section 10-95, or spearing devices as defined in Section 10-110, for a period not to exceed 3 ~~10~~ consecutive days fishing in the State of Illinois the fee is $15.00 ~~$19.50~~.

For sport fishing devices as defined in Section 10-95, or spearing devices as defined in Section 10-110, for 24 hours of fishing the fee is $10 ~~$5~~. This license does not exempt ~~exempts~~ the licensee from the salmon or inland trout stamp requirement.

(b) All non-residents before using any commercial fishing device shall obtain a non-resident commercial fishing license, the fee for which shall be $300 and a non-resident fishing licensing ~~$150~~. Each and every commercial device shall be licensed by a non-resident commercial fisherman as follows:

(1) For each 100 lineal yards, or fraction thereof, of seine (excluding minnow seines) the fee is $36.

(2) For each device to fish with a 100 hook trot line device, basket trap, hoop net, or dip net the fee is $6.

(3) For each 100 lineal yards, or fraction thereof, of trammel net the fee is $36.

(4) For each 100 lineal yards, or fraction thereof, of gill net the fee is $36.

All persons required to have and failing to have the license provided for in subsection (a) of this Section shall be fined under Section 20-35 of this Code. Each person required to have and failing to have the licenses required under subsection (b) of this Section shall be guilty of a Class B misdemeanor.

All licenses provided for in this Section shall expire on March 31 of each year; except that the 24-hour license for sport fishing devices or spearing devices shall expire 24 hours after the effective date and time listed on the face of the license and licenses for sport fishing devices or spearing devices for a period not to exceed 3 ~~10~~ consecutive days fishing in the State of Illinois as provided in subsection (a) of

this Section shall expire at midnight on the tenth day after issued, not counting the day issued.
(Source: P.A. 96-831, eff. 1-1-10.)

Section 90-55. The Wildlife Code is amended by changing Sections 2.4 and 3.22 as follows:

(520 ILCS 5/2.4) (from Ch. 61, par. 2.4)

Sec. 2.4. The term birds of prey shall include all species of owls, falcons, hawks, kites, harriers, ospreys and eagles. It shall be unlawful for any person, organization or institution to take or possess a bird of prey (raptor) without first obtaining a license or appropriate permit from the Department. All applicants must be at least 14 years of age. Regulations for the capture, use, possession and transportation of birds of prey for falconry or captive propagation purposes are provided by administrative rule. The fee for a falconry license is $200 ~~$75~~ for 5 ~~3~~ years and must be renewed every 5 ~~3~~ years. The fee for a captive propagation permit is $200 ~~$75~~ for 5 ~~3~~ years and must be renewed every 5 ~~3~~ years. The fee for a raptor capture permit for a resident of the State of Illinois is $50 ~~$30~~ per year. The fee for a non-resident raptor capture permit is $100 ~~$50~~ per year. A Scientific Collectors Permit, available ~~at no charge~~ to qualified individuals as provided in Section 3.22 of this Act, may be obtained from the Department for scientific, educational or zoological purposes. No person may have in their possession Bald Eagle, Haliaeetus leucocephalus; Osprey, Pandion haliaeetus; or Barn Owl, Tyto alba. All captive-held birds of prey must be permanently marked as provided by administrative rule. The use of birds of prey for the hunting of game birds, migratory birds, game mammals, and furbearing mammals shall be lawful during falconry seasons, which shall be set by administrative rule.
(Source: P.A. 86-1046; 87-298.)

(520 ILCS 5/3.22) (from Ch. 61, par. 3.22)

Sec. 3.22. Issuance of scientific and special purpose permits. Scientific permits may be granted by the Department to any properly accredited person at least 18 years of age, permitting the capture, marking, handling, banding, or collecting (including fur, hide, skin, teeth, feathers, claws, nests, eggs, or young), for strictly scientific purposes, of any of the fauna now protected under this Code. A special purpose permit may be granted to qualified individuals for the purpose of salvaging dead, sick, orphaned, or crippled wildlife species protected by this Act for permanent donation to bona fide public or state scientific, educational or zoological institutions or, for the purpose of rehabilitation and subsequent release to the wild, or other disposal as directed by the Department. Private educational organizations may be granted a special purpose permit to possess wildlife or parts thereof for educational purposes. A special purpose permit is required prior to treatment, administration, or both of any wild fauna protected by this Code that is captured, handled, or both in the wild or will be released to the wild with any type of chemical or other compound (including but not limited to vaccines, inhalants, medicinal agents requiring oral or dermal application) regardless of means of delivery, except that individuals and organizations removing or destroying wild birds and wild mammals under Section 2.37 of this Code or releasing game birds under Section 3.23 of this Code are not required to obtain those special purpose permits. Treatment under this special purpose permit means to effect a cure or physiological change within the animal. The criteria, definitions, application process, fees, and standards for a scientific or special purpose permit shall be provided by administrative rule. The annual fee for a scientific or special purpose permit shall not exceed $100. The Department shall set forth applicable regulations in an administrative rule covering qualifications and facilities needed to obtain both a scientific and a special purpose permit. The application for these permits shall be approved by the Department to determine if a permit should be issued. Disposition of fauna taken under the authority of this Section shall be specified by the Department.

The holder of each such scientific or special purpose permit shall make to the Department a report in writing upon blanks furnished by the Department. Such reports shall be made (i) annually if the permit is granted for a period of more than one year or (ii) within 30 days after the expiration of the permit if the permit is granted for a period of one year or less. Such reports shall include information which the Department may consider necessary.
(Source: P.A. 96-979, eff. 7-2-10.)

Section 90-57. The Illinois Natural Areas Preservation Act is amended by changing Section 6.01 as follows:

(525 ILCS 30/6.01) (from Ch. 105, par. 706.01)

Sec. 6.01. To compile and maintain inventories, registers and records of nature preserves, other natural areas and features, and species of plants and animals and their habitats and establish a fee, by rule, to be collected to recover the actual cost of collecting, storing, managing, compiling, and providing access to such inventories, registers, and records. All fees collected under this Section shall be deposited

into the Natural Areas Acquisition Fund. The monies deposited into the Natural Areas Acquisition Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.
(Source: P.A. 82-445.)

Section 90-60. The Rivers, Lakes, and Streams Act is amended by adding Section 35 as follows:
(615 ILCS 5/35 new)
Sec. 35. Permit fees. The Department of Natural Resources shall collect a fee of up to $5,000 per application for permits issued under this Act. The Department of Natural Resources shall set the specific fee applicable to different permits issued under this Act by administrative rule, provided that no fee exceeds $5,000. All fees collected pursuant to this Section shall be deposited in the State Boating Act Fund for use by the Department of Natural Resources for the ordinary and contingent expenses of the Department of the Natural Resources. No permit application shall be processed until the application fee is paid to the Department of Natural Resources. The monies deposited into the State Boating Act Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

Section 90-80. The Illinois Vehicle Code is amended by changing Sections 2-119, 3-806, and 3-815 as follows:
(625 ILCS 5/2-119) (from Ch. 95 1/2, par. 2-119)
Sec. 2-119. Disposition of fees and taxes.
(a) All moneys received from Salvage Certificates shall be deposited in the Common School Fund in the State Treasury.
(b) Beginning January 1, 1990 and concluding December 31, 1994, of the money collected for each certificate of title, duplicate certificate of title and corrected certificate of title, $0.50 shall be deposited into the Used Tire Management Fund. Beginning January 1, 1990 and concluding December 31, 1994, of the money collected for each certificate of title, duplicate certificate of title and corrected certificate of title, $1.50 shall be deposited in the Park and Conservation Fund.
Beginning January 1, 1995, of the money collected for each certificate of title, duplicate certificate of title and corrected certificate of title, $3.25 ~~$2~~ shall be deposited in the Park and Conservation Fund. The moneys deposited in the Park and Conservation Fund pursuant to this Section shall be used for the acquisition and development of bike paths as provided for in Section 805-420 of the Department of Natural Resources (Conservation) Law (20 ILCS 805/805-420). The monies deposited into the Park and Conservation Fund under this subsection shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.
Beginning January 1, 2000, of the moneys collected for each certificate of title, duplicate certificate of title, and corrected certificate of title, $48 shall be deposited into the Road Fund and $4 shall be deposited into the Motor Vehicle License Plate Fund, except that if the balance in the Motor Vehicle License Plate Fund exceeds $40,000,000 on the last day of a calendar month, then during the next calendar month the $4 shall instead be deposited into the Road Fund.
Beginning January 1, 2005, of the moneys collected for each delinquent vehicle registration renewal fee, $20 shall be deposited into the General Revenue Fund.
Except as otherwise provided in this Code, all remaining moneys collected for certificates of title, and all moneys collected for filing of security interests, shall be placed in the General Revenue Fund in the State Treasury.
(c) All moneys collected for that portion of a driver's license fee designated for driver education under Section 6-118 shall be placed in the Driver Education Fund in the State Treasury.
(d) Beginning January 1, 1999, of the monies collected as a registration fee for each motorcycle, motor driven cycle and moped, 27% of each annual registration fee for such vehicle and 27% of each semiannual registration fee for such vehicle is deposited in the Cycle Rider Safety Training Fund.
(e) Of the monies received by the Secretary of State as registration fees or taxes or as payment of any other fee, as provided in this Act, except fees received by the Secretary under paragraph (7) of subsection (b) of Section 5-101 and Section 5-109 of this Code, 37% shall be deposited into the State Construction Fund.
(f) Of the total money collected for a CDL instruction permit or original or renewal issuance of a commercial driver's license (CDL) pursuant to the Uniform Commercial Driver's License Act (UCDLA): (i) $6 of the total fee for an original or renewal CDL, and $6 of the total CDL instruction permit fee when such permit is issued to any person holding a valid Illinois driver's license, shall be paid into the CDLIS/AAMVAnet Trust Fund (Commercial Driver's License Information System/American

Association of Motor Vehicle Administrators network Trust Fund) and shall be used for the purposes provided in Section 6z-23 of the State Finance Act and (ii) $20 of the total fee for an original or renewal CDL or commercial driver instruction permit shall be paid into the Motor Carrier Safety Inspection Fund, which is hereby created as a special fund in the State Treasury, to be used by the Department of State Police, subject to appropriation, to hire additional officers to conduct motor carrier safety inspections pursuant to Chapter 18b of this Code.

(g) All remaining moneys received by the Secretary of State as registration fees or taxes or as payment of any other fee, as provided in this Act, except fees received by the Secretary under paragraph (7)(A) of subsection (b) of Section 5-101 and Section 5-109 of this Code, shall be deposited in the Road Fund in the State Treasury. Moneys in the Road Fund shall be used for the purposes provided in Section 8.3 of the State Finance Act.

(h) (Blank).

(i) (Blank).

(j) (Blank).

(k) There is created in the State Treasury a special fund to be known as the Secretary of State Special License Plate Fund. Money deposited into the Fund shall, subject to appropriation, be used by the Office of the Secretary of State (i) to help defray plate manufacturing and plate processing costs for the issuance and, when applicable, renewal of any new or existing registration plates authorized under this Code and (ii) for grants made by the Secretary of State to benefit Illinois Veterans Home libraries.

On or before October 1, 1995, the Secretary of State shall direct the State Comptroller and State Treasurer to transfer any unexpended balance in the Special Environmental License Plate Fund, the Special Korean War Veteran License Plate Fund, and the Retired Congressional License Plate Fund to the Secretary of State Special License Plate Fund.

(l) The Motor Vehicle Review Board Fund is created as a special fund in the State Treasury. Moneys deposited into the Fund under paragraph (7) of subsection (b) of Section 5-101 and Section 5-109 shall, subject to appropriation, be used by the Office of the Secretary of State to administer the Motor Vehicle Review Board, including without limitation payment of compensation and all necessary expenses incurred in administering the Motor Vehicle Review Board under the Motor Vehicle Franchise Act.

(m) Effective July 1, 1996, there is created in the State Treasury a special fund to be known as the Family Responsibility Fund. Moneys deposited into the Fund shall, subject to appropriation, be used by the Office of the Secretary of State for the purpose of enforcing the Family Financial Responsibility Law.

(n) The Illinois Fire Fighters' Memorial Fund is created as a special fund in the State Treasury. Moneys deposited into the Fund shall, subject to appropriation, be used by the Office of the State Fire Marshal for construction of the Illinois Fire Fighters' Memorial to be located at the State Capitol grounds in Springfield, Illinois. Upon the completion of the Memorial, moneys in the Fund shall be used in accordance with Section 3-634.

(o) Of the money collected for each certificate of title for all-terrain vehicles and off-highway motorcycles, $17 shall be deposited into the Off-Highway Vehicle Trails Fund.

(p) For audits conducted on or after July 1, 2003 pursuant to Section 2-124(d) of this Code, 50% of the money collected as audit fees shall be deposited into the General Revenue Fund.

(Source: P.A. 96-554, eff. 1-1-10.)

(625 ILCS 5/3-806) (from Ch. 95 1/2, par. 3-806)

Sec. 3-806. Registration Fees; Motor Vehicles of the First Division. Every owner of any other motor vehicle of the first division, except as provided in Sections 3-804, 3-804.01, 3-805, 3-806.3, 3-806.7, and 3-808, and every second division vehicle weighing 8,000 pounds or less, shall pay the Secretary of State an annual registration fee at the following rates:

SCHEDULE OF REGISTRATION FEES
REQUIRED BY LAW
Beginning with the 2010 registration year

| | Annual Fee |
|---|---|
| Motor vehicles of the first division other than Motorcycles, Motor Driven Cycles and Pedalcycles | $98 |
| Motorcycles, Motor Driven Cycles and Pedalcycles | 38 |

Beginning with the 2010 registration year a $1 surcharge shall be collected in addition to the above fees for motor vehicles of the first division, motorcycles, motor driven cycles, and pedalcycles to be deposited into the State Police Vehicle Fund.

All of the proceeds of the additional fees imposed by Public Act 96-34 shall be deposited into the Capital Projects Fund.

Beginning with the 2014 registration year, a $2 surcharge shall be collected in addition to the above fees for motor vehicles of the first division, motorcycles, motor driven cycles, and pedalcycles to be deposited into the Park and Conservation Fund for the Department of Natural Resources to use for conservation efforts. The monies deposited into the Park and Conservation Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(Source: P.A. 96-34, eff. 7-13-09; 96-747, eff. 1-1-10; 96-1000, eff. 7-2-10; 97-412, eff. 1-1-12.)

(625 ILCS 5/3-815) (from Ch. 95 1/2, par. 3-815)

Sec. 3-815. Flat weight tax; vehicles of the second division.

(a) Except as provided in Section 3-806.3, every owner of a vehicle of the second division registered under Section 3-813, and not registered under the mileage weight tax under Section 3-818, shall pay to the Secretary of State, for each registration year, for the use of the public highways, a flat weight tax at the rates set forth in the following table, the rates including the $10 registration fee:

SCHEDULE OF FLAT WEIGHT TAX
REQUIRED BY LAW

| Gross Weight in Lbs. Including Vehicle and Maximum Load | Class | Total Fees each Fiscal year |
|---|---|---|
| 8,000 lbs. and less | B | $98 |
| 8,001 lbs. to 12,000 lbs. | D | 138 |
| 12,001 lbs. to 16,000 lbs. | F | 242 |
| 16,001 lbs. to 26,000 lbs. | H | 490 |
| 26,001 lbs. to 28,000 lbs. | J | 630 |
| 28,001 lbs. to 32,000 lbs. | K | 842 |
| 32,001 lbs. to 36,000 lbs. | L | 982 |
| 36,001 lbs. to 40,000 lbs. | N | 1,202 |
| 40,001 lbs. to 45,000 lbs. | P | 1,390 |
| 45,001 lbs. to 50,000 lbs. | Q | 1,538 |
| 50,001 lbs. to 54,999 lbs. | R | 1,698 |
| 55,000 lbs. to 59,500 lbs. | S | 1,830 |
| 59,501 lbs. to 64,000 lbs. | T | 1,970 |
| 64,001 lbs. to 73,280 lbs. | V | 2,294 |
| 73,281 lbs. to 77,000 lbs. | X | 2,622 |
| 77,001 lbs. to 80,000 lbs. | Z | 2,790 |

Beginning with the 2010 registration year a $1 surcharge shall be collected for vehicles registered in the 8,000 lbs. and less flat weight plate category above to be deposited into the State Police Vehicle Fund.

Beginning with the 2014 registration year, a $2 surcharge shall be collected in addition to the above fees for vehicles registered in the 8,000 lb. and less flat weight plate category as described in this subsection (a) to be deposited into the Park and Conservation Fund for the Department of Natural Resources to use for conservation efforts. The monies deposited into the Park and Conservation Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

All of the proceeds of the additional fees imposed by this amendatory Act of the 96th General Assembly shall be deposited into the Capital Projects Fund.

(a-1) A Special Hauling Vehicle is a vehicle or combination of vehicles of the second division registered under Section 3-813 transporting asphalt or concrete in the plastic state or a vehicle or combination of vehicles that are subject to the gross weight limitations in subsection (a) of Section 15-111 for which the owner of the vehicle or combination of vehicles has elected to pay, in addition to the registration fee in subsection (a), $125 to the Secretary of State for each registration year. The Secretary shall designate this class of vehicle as a Special Hauling Vehicle.

(b) Except as provided in Section 3-806.3, every camping trailer, motor home, mini motor home, travel trailer, truck camper or van camper used primarily for recreational purposes, and not used commercially, nor for hire, nor owned by a commercial business, may be registered for each registration

year upon the filing of a proper application and the payment of a registration fee and highway use tax, according to the following table of fees:

MOTOR HOME, MINI MOTOR HOME, TRUCK CAMPER OR VAN CAMPER

| Gross Weight in Lbs. Including Vehicle and Maximum Load | Total Fees Each Calendar Year |
|---|---|
| 8,000 lbs and less | $78 |
| 8,001 Lbs. to 10,000 Lbs | 90 |
| 10,001 Lbs. and Over | 102 |

CAMPING TRAILER OR TRAVEL TRAILER

| Gross Weight in Lbs. Including Vehicle and Maximum Load | Total Fees Each Calendar Year |
|---|---|
| 3,000 Lbs. and Less | $18 |
| 3,001 Lbs. to 8,000 Lbs. | 30 |
| 8,001 Lbs. to 10,000 Lbs. | 38 |
| 10,001 Lbs. and Over | 50 |

Every house trailer must be registered under Section 3-819.

(c) Farm Truck. Any truck used exclusively for the owner's own agricultural, horticultural or livestock raising operations and not-for-hire only, or any truck used only in the transportation for-hire of seasonal, fresh, perishable fruit or vegetables from farm to the point of first processing, may be registered by the owner under this paragraph in lieu of registration under paragraph (a), upon filing of a proper application and the payment of the $10 registration fee and the highway use tax herein specified as follows:

SCHEDULE OF FEES AND TAXES

| Gross Weight in Lbs. Including Truck and Maximum Load | Class | Total Amount for each Fiscal Year |
|---|---|---|
| 16,000 lbs. or less | VF | $150 |
| 16,001 to 20,000 lbs. | VG | 226 |
| 20,001 to 24,000 lbs. | VH | 290 |
| 24,001 to 28,000 lbs. | VJ | 378 |
| 28,001 to 32,000 lbs. | VK | 506 |
| 32,001 to 36,000 lbs. | VL | 610 |
| 36,001 to 45,000 lbs. | VP | 810 |
| 45,001 to 54,999 lbs. | VR | 1,026 |
| 55,000 to 64,000 lbs. | VT | 1,202 |
| 64,001 to 73,280 lbs. | VV | 1,290 |
| 73,281 to 77,000 lbs. | VX | 1,350 |
| 77,001 to 80,000 lbs. | VZ | 1,490 |

In the event the Secretary of State revokes a farm truck registration as authorized by law, the owner shall pay the flat weight tax due hereunder before operating such truck.

Any combination of vehicles having 5 axles, with a distance of 42 feet or less between extreme axles, that are subject to the weight limitations in subsection (a) of Section 15-111 for which the owner of the combination of vehicles has elected to pay, in addition to the registration fee in subsection (c), $125 to the Secretary of State for each registration year shall be designated by the Secretary as a Special Hauling Vehicle.

(d) The number of axles necessary to carry the maximum load provided shall be determined from Chapter 15 of this Code.

(e) An owner may only apply for and receive 5 farm truck registrations, and only 2 of those 5 vehicles shall exceed 59,500 gross weight in pounds per vehicle.

(f) Every person convicted of violating this Section by failure to pay the appropriate flat weight tax to the Secretary of State as set forth in the above tables shall be punished as provided for in Section 3-401. (Source: P.A. 96-34, eff. 7-13-09; 97-201, eff. 1-1-12.)

Section 90-85. The Snowmobile Registration and Safety Act is amended by changing Sections 1-2.02, 3-2, and 3-6 as follows:

(625 ILCS 40/1-2.02) (from Ch. 95 1/2, par. 601-2.02)

Sec. 1-2.02.

"Dealer" means <u>any person who engages in the business of manufacturing, selling, or dealing in, on</u>

consignment or otherwise, any number of new snowmobiles, or 5 or more used snowmobiles of any make during the year, including any watercraft or off-highway vehicle dealer or a person licensed as a new or used vehicle dealer who also sells or deals in, on consignment or otherwise, any number of snowmobiles as defined by this Act ~~a person, partnership, or corporation engaged in the business of manufacturing, selling, or leasing snowmobiles at wholesale or retail~~.

(Source: P.A. 78-856.)

(625 ILCS 40/3-2) (from Ch. 95 1/2, par. 603-2)

Sec. 3-2. Identification Number Application. The owner of each snowmobile requiring numbering by this State shall file an application for number with the Department on forms approved by it. The application shall be signed by the owner of the snowmobile and shall be accompanied by a fee of $30. When a snowmobile dealer sells a snowmobile the dealer shall, at the time of sale, require the buyer to complete an application for the registration certificate, collect the required fee and mail the application and fee to the Department no later than 15 ~~14~~ days after the date of sale. Combination application-receipt forms shall be provided by the Department and the dealer shall furnish the buyer with the completed receipt showing that application for registration has been made. This completed receipt shall be in the possession of the user of the snowmobile until the registration certificate is received. No snowmobile dealer may charge an additional fee to the buyer for performing this service required under this subsection. However, no purchaser exempted under Section 3-11 of this Act shall be charged any fee or be subject to the other requirements of this Section. The application form shall so state in clear language the requirements of this Section and the penalty for violation near the place on the application form provided for indicating the intention to register in another jurisdiction. Each dealer shall maintain, for one year, a record in a form prescribed by the Department for each snowmobile sold. These records shall be open to inspection by the Department. Upon receipt of the application in approved form the Department shall enter the same upon the records of its office and issue to the applicant a certificate of number stating the number awarded to the snowmobile and the name and address of the owner.

For the registration years beginning on or after January 1, 2017, the application shall be signed by the owner of the snowmobile and shall be accompanied by a fee of $45.

(Source: P.A. 96-1291, eff. 4-1-11.)

(625 ILCS 40/3-6) (from Ch. 95 1/2, par. 603-6)

Sec. 3-6. Loss of certificate.

Should a certificate of number or registration expiration decal become lost, destroyed, or mutilated beyond legibility, the owner of the snowmobile shall make application to the Department for the replacement of the certificate or decal, giving his name, address, and the number of his snowmobile and shall at the same time pay to the Department a fee of $5 ~~$1~~.

(Source: P.A. 77-1312.)

Section 90-90. The Boat Registration and Safety Act is amended by changing Sections 1-2, 3-1, 3-2, 3-3, 3-4, 3-5, 3-9, 3-11, 3-12, and 3A-16 and by adding Sections 3-1.5 and 3-7.5 as follows:

(625 ILCS 45/1-2) (from Ch. 95 1/2, par. 311-2)

Sec. 1-2. Definitions. As used in this Act, unless the context clearly requires a different meaning:

"Vessel" or "Watercraft" means every description of watercraft used or capable of being used as a means of transportation on water, except a seaplane on the water, ~~innertube,~~ air mattress or similar device, and boats used for concession rides in artificial bodies of water designed and used exclusively for such concessions.

"Motorboat" means any vessel propelled by machinery, whether or not such machinery is the principal source of propulsion, but does not include a vessel which has a valid marine document issued by the Bureau of Customs of the United States Government or any Federal agency successor thereto.

"Non-powered watercraft" means any canoe, kayak, kiteboard, paddleboard, float tube, or watercraft not propelled by sail, canvas, or machinery of any sort.

"Sailboat" means any watercraft propelled by sail or canvas, including sailboards. For the purposes of this Act, any watercraft propelled by both sail or canvas and machinery of any sort shall be deemed a motorboat when being so propelled.

"Airboat" means any boat (but not including airplanes or hydroplanes) propelled by machinery applying force against the air rather than the water as a means of propulsion.

"Dealer" means any person who engages in the business of manufacturing, selling, or dealing in, on consignment or otherwise, any number of new watercraft, or 5 or more used watercraft of any make during the year, including any off-highway vehicle dealer or snowmobile dealer or a person licensed as a new or used vehicle dealer who also sells or deals in, on consignment or otherwise, any number of watercraft as defined in this Act.

"Lifeboat" means a small boat kept on board a larger boat for use in emergency.

"Owner" means a person, other than lien holder, having title to a motorboat. The term includes a person entitled to the use or possession of a motorboat subject to an interest in another person, reserved or created by agreement and securing payment of performance of an obligation, but the term excludes a lessee under a lease not intended as security.

"Waters of this State" means any water within the jurisdiction of this State.

"Person" means an individual, partnership, firm, corporation, association, or other entity.

"Operate" means to navigate or otherwise use a motorboat or vessel.

"Department" means the Department of Natural Resources.

"Competent" means capable of assisting a skier in case of injury or accident.

"Personal flotation device" or "PFD" means a device that is approved by the Commandant, U.S. Coast Guard, under Part 160 of Title 46 of the Code of Federal Regulations.

"Recreational boat" means any vessel manufactured or used primarily for noncommercial use; or leased, rented or chartered to another for noncommercial use.

"Personal watercraft" means a vessel that uses an inboard motor powering a water jet pump as its primary source of motor power and that is designed to be operated by a person sitting, standing, or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel, and includes vessels that are similar in appearance and operation but are powered by an outboard or propeller drive motor.

"Specialty prop-craft" means a vessel that is similar in appearance and operation to a personal watercraft but that is powered by an outboard or propeller driven motor.

"Underway" applies to a vessel or watercraft at all times except when it is moored at a dock or anchorage area.

"Use" applies to all vessels on the waters of this State, whether moored or underway.

(Source: P.A. 89-445, eff. 2-7-96.)

(625 ILCS 45/3-1) (from Ch. 95 1/2, par. 313-1)

Sec. 3-1. Unlawful operation of unnumbered watercraft. Every watercraft other than non-powered watercraft ~~sailboards,~~ on waters within the jurisdiction of this State shall be numbered. No person may operate or give permission for the operation of any such watercraft on such waters unless the watercraft is numbered in accordance with this Act, or in accordance with applicable Federal law, or in accordance with a Federally-approved numbering system of another State, and unless (1) the certificate of number awarded to such watercraft is in full force and effect, and (2) the identifying number set forth in the certificate of number is displayed on each side of the bow of such watercraft.

(Source: P.A. 85-149.)

(625 ILCS 45/3-1.5 new)

Sec. 3-1.5. Water usage stamp. Any person using a non-powered watercraft on the waters of this State shall have a valid water usage stamp affixed to an area easily visible either on the exterior or interior of the device. The Department shall establish rules and regulations for the purchase of water usage stamps. Each water usage stamp shall bear the calendar year the stamp is in effect. The fee for a water usage stamp is $6 per stamp for the first 3 stamps. Any person who purchases more than 3 water usage stamps receives each subsequent stamp for $3 each.

(625 ILCS 45/3-2) (from Ch. 95 1/2, par. 313-2)

Sec. 3-2. Identification number application. The owner of each watercraft requiring numbering by this State shall file an application for number with the Department on forms approved by it. The application shall be signed by the owner of the watercraft and shall be accompanied by a fee as follows:

A. (Blank). ~~Class A (all canoes, kayaks, and non-motorized paddle boats)~~ ~~$6~~

B. Class 1 (all watercraft less than 16 feet in length, except non-powered watercraft. ~~canoes, kayaks, and non-motorized paddle boats~~)..... $18 ~~$15~~

C. Class 2 (all watercraft 16 feet or more but less than 26 feet in length except canoes, kayaks, and non-motorized paddle boats)..... $50 ~~$45~~

D. Class 3 (all watercraft 26 feet or more but less than 40 feet in length)..... $150 ~~$75~~

E. Class 4 (all watercraft 40 feet in length or more)..... $200 ~~$100~~

Upon receipt of the application in approved form, and when satisfied that no tax imposed pursuant to the "Municipal Use Tax Act" or the "County Use Tax Act" is owed, or that such tax has been paid, the

Department shall enter the same upon the records of its office and issue to the applicant a certificate of number stating the number awarded to the watercraft and the name and address of the owner.

The Department shall deposit 20% of all money collected from watercraft registrations into the Conservation Police Operations Assistance Fund. The monies deposited into the Conservation Police Operations Assistance Fund under this Section shall not be subject to administrative charges or chargebacks unless otherwise authorized by this Act.

(Source: P.A. 93-32, eff. 7-1-03; 94-45, eff. 1-1-06.)

(625 ILCS 45/3-3) (from Ch. 95 1/2, par. 313-3)

Sec. 3-3. Identification number display.

A. The owner shall paint on or attach to both sides of the bow (front) of a watercraft the identification number, which shall be of block characters at least 3 inches in height. The figures shall read from left to right, be of contrasting color to their background, and be maintained in a legible condition. No other number shall be displayed on the bow of the boat. In affixing the number to the boat, a space or a hyphen shall be provided between the IL and the number and another space or hyphen between the number and the letters which follow. On vessels of unconventional design or constructed so that it is impractical or impossible to display identification numbers in a prominent position on the forward half of their hulls or permanent substructures, numbers may be displayed in brackets or fixtures firmly attached to the vessel. Exact positioning of the numbers in brackets or protruding fixtures shall be discretionary with vessel owners, providing the numbers are placed on the forward half of the vessel and meet the standard requirements for legibility, size, style and contrast with the background.

B. A watercraft already covered by a number in full force and effect which has been awarded to it pursuant to Federal law is exempt from number display as prescribed by this Section.

C. All non-powered watercraft ~~canoes and kayaks~~ are exempt from number display as prescribed by this Section.

(Source: P.A. 87-391.)

(625 ILCS 45/3-4) (from Ch. 95 1/2, par. 313-4)

Sec. 3-4. Destruction, sale, transfer or abandonment. The owner of any watercraft shall within 15 days notify the Department if the watercraft is destroyed or abandoned, or is sold or transferred either wholly or in part to another person or persons. In sale or transfer cases, the notice shall be accompanied by a surrender of the certificate of number. In destruction or abandonment cases, the notice shall be accompanied by a surrender of the certificate of title. When the surrender of the certificate is by reason of the watercraft being destroyed or abandoned, the Department shall cancel the certificate and enter such fact in its records. The Department shall be notified in writing of any change of address. Should the owner desire a new certificate of number, showing the new address, he shall surrender his old certificate and notify the Department of the new address, remitting $1 to cover the issuance of a new certificate of number. If the surrender is by reason of a sale or transfer either wholly or in part to another person or persons, the owner surrendering the certificate shall state to the Department, under oath, the name of the purchaser or transferee.

Non-powered watercraft are exempt from this Section.

(Source: P.A. 85-149.)

(625 ILCS 45/3-5) (from Ch. 95 1/2, par. 313-5)

Sec. 3-5. Transfer of Identification Number. The purchaser of a watercraft shall, within 15 days after acquiring same, make application to the Department for transfer to him of the certificate of number issued to the watercraft giving his name, address and the number of the boat. The purchaser shall apply for a transfer-renewal for a fee as prescribed under Section 3-2 of this Act for approximately 3 years. All transfers will bear June 30 expiration dates in the calendar year of expiration. Upon receipt of the application and fee, together with proof that any tax imposed under the Municipal Use Tax Act or County Use Tax Act has been paid or that no such tax is owed, the Department shall transfer the certificate of number issued to the watercraft to the new owner.

Unless the application is made and fee paid, and proof of payment of municipal use tax or county use tax or nonliability therefor is made, within 30 days, the watercraft shall be deemed to be without certificate of number and it shall be unlawful for any person to operate the watercraft until the certificate is issued.

Non-powered watercraft are exempt from this Section.

(Source: P.A. 87-1109.)

(625 ILCS 45/3-7.5 new)

Sec. 3-7.5. Replacement water usage sticker. If a water usage sticker is lost, destroyed, or mutilated beyond legibility, a new water usage sticker shall be required before the non-powered watercraft is used on the waters of this State.

(625 ILCS 45/3-9) (from Ch. 95 1/2, par. 313-9)

Sec. 3-9. Certificate of Number. Every certificate of number awarded pursuant to this Act shall continue in full force and effect for approximately 3 years unless sooner terminated or discontinued in accordance with this Act. All new certificates issued will bear June 30 expiration dates in the calendar year 3 years after the issuing date. Provided however, that the Department may, for purposes of implementing this Section, adopt rules for phasing in the issuance of new certificates and provide for 1, 2 or 3 year expiration dates and pro-rated payments or charges for each registration.

All certificates shall be renewed for 3 years from the nearest June 30 for a fee as prescribed in Section 3-2 of this Act. All certificates will be invalid after July 15 of the year of expiration. All certificates expiring in a given year shall be renewed between January 1 and June 30 of that year, in order to allow sufficient time for processing.

The Department shall issue "registration expiration decals" with all new certificates of number, all certificates of number transferred and renewed and all certificates of number renewed. The decals issued for each year shall be of a different and distinct color from the decals of each other year currently displayed. The decals shall be affixed to each side of the bow of the watercraft, except for federally documented vessels, in the manner prescribed by the rules and regulations of the Department. Federally documented vessels shall have decals affixed to the watercraft on each side of the federally documented name of the vessel in the manner prescribed by the rules and regulations of the Department.

The Department shall fix a day and month of the year on which certificates of number due to expire shall lapse and no longer be of any force and effect unless renewed pursuant to this Act.

No number or registration expiration decal other than the number awarded or the registration expiration decal issued to a watercraft or granted reciprocity pursuant to this Act shall be painted, attached, or otherwise displayed on either side of the bow of such watercraft. A person engaged in the operation of a licensed boat livery shall pay a fee as prescribed under Section 3-2 of this Act for each watercraft used in the livery operation.

A person engaged in the manufacture or sale of watercraft of a type otherwise required to be numbered hereunder, upon application to the Department upon forms prescribed by it, may obtain certificates of number for use in the testing or demonstrating of such watercraft upon payment of $10 for each registration. Certificates of number so issued may be used by the applicant in the testing or demonstrating of watercraft by temporary placement of the numbers assigned by such certificates on the watercraft so tested or demonstrated.

Non-powered watercraft are exempt from this Section.

(Source: P.A. 87-798.)

(625 ILCS 45/3-11) (from Ch. 95 1/2, par. 313-11)

Sec. 3-11. Penalty. No person shall at any time falsely alter or change in any manner a certificate of number or water usage stamp issued under the provisions hereof, or falsify any record required by this Act, or counterfeit any form of license provided for by this Act.

(Source: P.A. 82-783.)

(625 ILCS 45/3-12) (from Ch. 95 1/2, par. 313-12)

Sec. 3-12. Exemption from numbering provisions of this Act. A watercraft shall not be required to be numbered under this Act if it is:

A. A watercraft which has a valid marine document issued by the United States Coast Guard, provided the owner of any such vessel used upon the waters of this State for more than 60 days in any calendar year shall be required to comply with the registration requirements of Section 3-9 of this Act.

B. Already covered by a number in full force and effect which has been awarded to it pursuant to Federal law or a Federally-approved numbering system of another State, if such boat will not be within this State for a period in excess of 60 consecutive days.

C. A watercraft from a country other than the United States temporarily using the waters of this State.

D. A watercraft whose owner is the United States, a State or a subdivision thereof, and used solely for official purposes and clearly identifiable.

E. A vessel used exclusively as a ship's lifeboat.

F. A watercraft belonging to a class of boats which has been exempted from numbering by the Department after such agency has found that an agency of the Federal Government has a numbering system applicable to the class of watercraft to which the watercraft in question belongs and would be exempt from numbering if it were subject to the Federal law.

G. Watercraft while competing in any race approved by the Department under the provisions of Section 5-15 of this Act or if the watercraft is designed and intended solely for racing while engaged in navigation that is incidental to preparation of the watercraft for the race. Preparation of the watercraft for the race may be accomplished only after obtaining the written authorization of the Department.

H. Non-powered, owned and operated on water completely impounded on land belonging to the owner of the watercraft. This Section does not apply to water controlled by a club or association.

I. A non-powered watercraft. ~~A canoe or kayak which is owned by an organization which is organized and conducted on a not for profit basis with no personal profit inuring to anyone as a result of the operation.~~

(Source: P.A. 88-524.)

(625 ILCS 45/3A-16) (from Ch. 95 1/2, par. 313A-16)

Sec. 3A-16. Fees. Fees shall be paid according to the following schedule:

| | |
|---|---|
| Certificate of title..... | $10 ~~$ 7~~ |
| Duplicate certificate of title..... | 7 ~~5~~ |
| Corrected certificate of title..... | 7 ~~5~~ |
| Search..... | 7 ~~5~~ |

(Source: P.A. 85-149.)

ARTICLE 95-95.

Section 95-95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Section 95-97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

ARTICLE 99.

Section 99-99. Effective date. This Act takes effect January 1, 2013.".

Under the rules, the foregoing **Senate Bill No. 1566**, with House Amendment No. 2, 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 Amendment 2 to Senate Bill 1566

At the hour of 9:27 o'clock p.m., the Chair announced that the Senate stand at ease.

**AT EASE**

At the hour of 9:30 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, 2012 meeting, reported the following Joint Action Motion has been assigned to the indicated Standing Committee of the Senate:

Financial Institutions: **Motion to Concur in House Amendment 2 to Senate Bill 1566**

**COMMITTEE MEETING ANNOUNCEMENT**

The Chair announced the following committee to meet at 10:30 o'clock p.m.:

Financial Institutions in Room 400

**CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK**

On motion of Senator Harmon, **Senate Bill No. 38**, with House Amendment No. 5 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 56; NAYS None; Present 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Harmon | Luechtefeld | Rezin |
| Bivins | Holmes | Maloney | Righter |
| Bomke | Hunter | Martinez | Sandack |
| Brady | Hutchinson | McCann | Schmidt |
| Clayborne | Jacobs | McCarter | Schoenberg |
| Collins, J. | Johnson, C. | McGuire | Silverstein |
| Crotty | Johnson, T. | Meeks | Steans |
| Cultra | Jones, E. | Millner | Sullivan |
| Delgado | Jones, J. | Mulroe | Syverson |
| Dillard | Koehler | Muñoz | Trotter |
| Duffy | Kotowski | Murphy | Mr. President |
| Forby | LaHood | Noland | |
| Frerichs | Lauzen | Pankau | |
| Garrett | Lightford | Radogno | |
| Haine | Link | Raoul | |

The following voted present:

Sandoval

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 5 to **Senate Bill No. 38**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Clayborne, **Senate Bill No. 179**, with House Amendments numbered 1 and 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 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 | Harmon | Link | Raoul |
| Bivins | Holmes | Luechtefeld | Rezin |
| Bomke | Hunter | Maloney | Righter |
| Brady | Hutchinson | Martinez | Sandack |
| Clayborne | Jacobs | McCann | Sandoval |
| Collins, J. | Johnson, C. | McCarter | Schmidt |

| | | | |
|---|---|---|---|
| Crotty | Johnson, T. | McGuire | Schoenberg |
| Cultra | Jones, E. | Meeks | Silverstein |
| Delgado | Jones, J. | Millner | Steans |
| Dillard | Koehler | Mulroe | Sullivan |
| Duffy | Kotowski | Muñoz | Syverson |
| Forby | LaHood | Murphy | Trotter |
| Frerichs | Landek | Noland | Mr. President |
| Garrett | Lauzen | Pankau | |
| Haine | Lightford | Radogno | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 179**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Clayborne, **Senate Bill No. 549**, 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 42; NAYS 16.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Harmon | Maloney | Sandoval |
| Bomke | Holmes | Martinez | Schmidt |
| Clayborne | Hunter | McGuire | Schoenberg |
| Collins, A. | Hutchinson | Meeks | Silverstein |
| Collins, J. | Jacobs | Millner | Steans |
| Crotty | Johnson, T. | Mulroe | Sullivan |
| Delgado | Koehler | Muñoz | Syverson |
| Forby | Kotowski | Noland | Trotter |
| Frerichs | Landek | Pankau | Mr. President |
| Garrett | Lightford | Raoul | |
| Haine | Link | Sandack | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Bivins | Johnson, C. | McCann | Righter |
| Brady | Jones, J. | McCarter | |
| Cultra | LaHood | Murphy | |
| Dillard | Lauzen | Radogno | |
| Duffy | Luechtefeld | Rezin | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 549**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Link, **Senate Bill No. 1900**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAY 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Harmon | Link | Righter |
| Bomke | Holmes | Luechtefeld | Sandoval |
| Brady | Hunter | Maloney | Schmidt |
| Clayborne | Hutchinson | Martinez | Schoenberg |
| Collins, J. | Jacobs | McCann | Silverstein |
| Crotty | Johnson, C. | McGuire | Steans |
| Cultra | Johnson, T. | Meeks | Sullivan |
| Delgado | Jones, E. | Millner | Syverson |
| Dillard | Koehler | Mulroe | Trotter |
| Duffy | Kotowski | Muñoz | Mr. President |
| Forby | LaHood | Noland | |
| Frerichs | Landek | Pankau | |
| Garrett | Lauzen | Radogno | |
| Haine | Lightford | Raoul | |

The following voted in the negative:

Bivins

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1900**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Steans, **Senate Bill No. 3262**, with House Amendment No. 1 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 48; NAYS 8.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Harmon | Luechtefeld | Righter |
| Bivins | Holmes | Maloney | Sandoval |
| Bomke | Hunter | Martinez | Schmidt |
| Clayborne | Hutchinson | McGuire | Schoenberg |
| Collins, A. | Jacobs | Meeks | Silverstein |
| Collins, J. | Johnson, T. | Millner | Steans |
| Crotty | Jones, E. | Mulroe | Syverson |
| Delgado | Jones, J. | Muñoz | Trotter |
| Dillard | Koehler | Murphy | Mr. President |
| Forby | Kotowski | Noland | |
| Frerichs | Landek | Pankau | |
| Garrett | Lightford | Radogno | |
| Haine | Link | Raoul | |

The following voted in the negative:

| | | |
|---|---|---|
| Cultra | LaHood | McCarter |
| Duffy | Lauzen | Rezin |
| Johnson, C. | McCann | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3262**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Maloney, **Senate Bill No. 3428**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Maloney 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 | Harmon | Luechtefeld | Rezin |
| Bivins | Holmes | Maloney | Righter |
| Bomke | Hunter | Martinez | Sandack |
| Brady | Hutchinson | McCann | Sandoval |
| Clayborne | Jacobs | McCarter | Schmidt |
| Collins, J. | Johnson, C. | McGuire | 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 | Mr. President |
| Frerichs | Lauzen | Pankau | |
| Garrett | Lightford | Radogno | |
| Haine | Link | Raoul | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 3428**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Martinez, **Senate Bill No. 3514**, with House Amendments numbered 1, 2 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 55; NAY 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Haine | Luechtefeld | Raoul |
| Bivins | Holmes | Maloney | Rezin |
| Bomke | Hunter | Martinez | Righter |
| Brady | Hutchinson | McCann | Sandack |
| Clayborne | Jacobs | McCarter | Sandoval |
| Collins, A. | Johnson, C. | McGuire | Schmidt |
| Collins, J. | Johnson, T. | Meeks | Schoenberg |
| Crotty | Jones, E. | Millner | Silverstein |
| Cultra | Koehler | Mulroe | Steans |
| Delgado | Kotowski | Muñoz | Sullivan |
| Duffy | LaHood | Murphy | Syverson |
| Forby | Landek | Noland | Trotter |
| Frerichs | Lightford | Pankau | Mr. President |
| Garrett | Link | Radogno | |

The following voted in the negative:

Dillard

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. 3514**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Trotter, **Senate Bill No. 3766**, with House Amendment No. 1 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 35; NAYS 16.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Bomke | Jones, J. | Martinez | Sandoval |
| Brady | Koehler | McCann | Schoenberg |
| Collins, A. | Kotowski | McGuire | Silverstein |
| Collins, J. | Landek | Meeks | Steans |
| Crotty | Lauzen | Millner | Sullivan |
| Delgado | Lightford | Mulroe | Syverson |
| Harmon | Link | Muñoz | Trotter |
| Hunter | Luechtefeld | Noland | Mr. President |
| Hutchinson | Maloney | Raoul | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Johnson, C. | Pankau | Schmidt |
| Bivins | Johnson, T. | Radogno | |
| Cultra | LaHood | Rezin | |
| Duffy | McCarter | Righter | |
| Haine | Murphy | Sandack | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3766**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Forby asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the affirmative on **Senate Bill No. 3766**.

Senator E. Jones III asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the affirmative on **Senate Bill No. 3766**.

On motion of Senator Silverstein, **Senate Bill No. 2537**, with House Amendments numbered 1, 2, 3 and 5 on the Secretary's Desk, was taken up for immediate consideration.

Senator Silverstein moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 38; NAYS 11.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Harmon | Link | Radogno |
| Bomke | Holmes | Luechtefeld | Righter |
| Brady | Hunter | Maloney | Sandoval |
| Clayborne | Hutchinson | McCarter | Schoenberg |
| Collins, A. | Johnson, C. | McGuire | Silverstein |

| | | | |
|---|---|---|---|
| Collins, J. | Jones, E. | Meeks | Sullivan |
| Crotty | Koehler | Mulroe | Trotter |
| Dillard | Kotowski | Muñoz | Mr. President |
| Frerichs | LaHood | Noland | |
| Garrett | Lightford | Pankau | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Cultra | Haine | McCann | Raoul |
| Delgado | Johnson, T. | Millner | Sandack |
| Duffy | Lauzen | Murphy | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2, 3 and 5 to **Senate Bill No. 2537**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Silverstein, **Senate Bill No. 3592**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Silverstein moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 30; NAYS 26; Present 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Clayborne | Hutchinson | Martinez | Schoenberg |
| Collins, A. | Jacobs | McGuire | Silverstein |
| Collins, J. | Jones, E. | Meeks | Steans |
| Crotty | Koehler | Mulroe | Sullivan |
| Forby | Kotowski | Muñoz | Trotter |
| Garrett | Lightford | Noland | Mr. President |
| Harmon | Link | Raoul | |
| Hunter | Maloney | Sandoval | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Haine | Luechtefeld | Rezin |
| Bivins | Johnson, C. | McCann | Righter |
| Bomke | Johnson, T. | McCarter | Sandack |
| Brady | Jones, J. | Millner | Schmidt |
| Cultra | LaHood | Murphy | Syverson |
| Dillard | Landek | Pankau | |
| Duffy | Lauzen | Radogno | |

The following voted present:

Holmes

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. 3592**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Frerichs, **Senate Bill No. 3616**, 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 59; NAYS None.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Haine | Lightford | Radogno |
| Bivins | Harmon | Link | Raoul |
| Bomke | Holmes | Luechtefeld | Rezin |
| Brady | Hunter | Maloney | Righter |
| Clayborne | Hutchinson | Martinez | Sandack |
| Collins, A. | Jacobs | McCann | Sandoval |
| Collins, J. | Johnson, C. | McCarter | Schmidt |
| Crotty | Johnson, T. | McGuire | Schoenberg |
| Cultra | Jones, E. | Meeks | Silverstein |
| Delgado | Jones, J. | Millner | Steans |
| Dillard | Koehler | Mulroe | Sullivan |
| Duffy | Kotowski | Muñoz | Syverson |
| Forby | LaHood | Murphy | Trotter |
| Frerichs | Landek | Noland | Mr. President |
| Garrett | Lauzen | Pankau | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3616**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Delgado, **Senate Bill No. 3621**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Delgado moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 59; NAYS None.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Haine | Lightford | Radogno |
| Bivins | Harmon | Link | Raoul |
| Bomke | Holmes | Luechtefeld | Rezin |
| Brady | Hunter | Maloney | Righter |
| Clayborne | Hutchinson | Martinez | Sandack |
| Collins, A. | Jacobs | McCann | Sandoval |
| Collins, J. | Johnson, C. | McCarter | Schmidt |
| Crotty | Johnson, T. | McGuire | Schoenberg |
| Cultra | Jones, E. | Meeks | Silverstein |
| Delgado | Jones, J. | Millner | Steans |
| Dillard | Koehler | Mulroe | Sullivan |
| Duffy | Kotowski | Muñoz | Syverson |
| Forby | LaHood | Murphy | Trotter |
| Frerichs | Landek | Noland | Mr. President |
| Garrett | Lauzen | Pankau | |

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3621**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Link, **Senate Bill No. 1849**, with House Amendments numbered 2 and 3 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 26; Present 3.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Bomke | Hutchinson | Martinez | Silverstein |
| Collins, J. | Jones, E. | Mulroe | Steans |
| Crotty | Koehler | Muñoz | Sullivan |
| Delgado | Landek | Murphy | Syverson |
| Frerichs | Lightford | Pankau | Trotter |
| Haine | Link | Raoul | Mr. President |
| Harmon | Luechtefeld | Sandack | |
| Hunter | Maloney | Sandoval | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Holmes | Lauzen | Radogno |
| Bivins | Jacobs | McCann | Rezin |
| Clayborne | Johnson, C. | McCarter | Righter |
| Collins, A. | Johnson, T. | McGuire | Schmidt |
| Cultra | Jones, J. | Meeks | Schoenberg |
| Duffy | Kotowski | Millner | |
| Garrett | LaHood | Noland | |

The following voted present:

Brady
Dillard
Forby

This roll call verified.

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 2 and 3 to **Senate Bill No. 1849**.

Ordered that the Secretary inform the House of Representatives thereof.

Senator J. Collins asked and obtained unanimous consent for the Journal to reflect her intention to have voted in the negative on **Senate Bill No. 1849**.

## CONSIDERATION OF SENATE AMENDMENTS TO HOUSE BILLS ON SECRETARY'S DESK

On motion of Senator Brady, **House Bill No. 4692**, with Senate Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Brady moved that the Senate recede from its Amendment No. 1 to **House Bill No. 4692**.

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 | Luechtefeld | Rezin |
| Bivins | Holmes | Maloney | Righter |
| Bomke | Hunter | Martinez | Sandack |

| | | | |
|---|---|---|---|
| Brady | Hutchinson | McCann | Sandoval |
| Collins, A. | Jacobs | McCarter | Schmidt |
| Collins, J. | Johnson, C. | McGuire | Schoenberg |
| Crotty | Johnson, T. | Meeks | Silverstein |
| Cultra | Jones, E. | Millner | Steans |
| Delgado | Koehler | Mulroe | Sullivan |
| Dillard | Kotowski | Muñoz | Trotter |
| Duffy | LaHood | Murphy | Mr. President |
| Forby | Landek | Noland | |
| Frerichs | Lauzen | Pankau | |
| Garrett | Lightford | Radogno | |
| Haine | Link | Raoul | |

The motion prevailed.

And the Senate receded from their Amendment No. 1 to **House Bill No. 4692**.

Ordered that the Secretary inform the House of Representatives thereof.

## HOUSE BILL RECALLED

On motion of Senator Kotowski, **House Bill No. 1489** was recalled from the order of third reading to the order of second reading.

Senate Floor Amendment No. 3 was postponed in the Committee on Executive.

Senator Kotowski offered the following amendment and moved its adoption:

## AMENDMENT NO. 4 TO HOUSE BILL 1489

AMENDMENT NO. 4. Amend House Bill 1489, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Department of Human Services Act is amended by adding Section 1-55 as follows:
(20 ILCS 1305/1-55 new)

Sec. 1-55. Contract performance metrics.

(a) Consistent with the objectives of budgeting for outcomes, as soon as practicable after the effective date of this amendatory Act of the 97th General Assembly, the Department of Human Services, in coordination with the Governor's Office of Management and Budget, shall undertake a review of the Department's contracts and grants to assess which contracts and grants, and categories thereof, are appropriate candidates for the implementation of a performance-based contract evaluation model.

(b) The Department shall refine current performance metrics and develop new metrics for programs, including contracts and grants that fall within the categories determined to be appropriate by the Governor's Office of Management and Budget and the Department under subsection (a). Performance metrics may be based on required program components and a methodology that incorporates the reasonable costs of the required program components.

(c) The Department shall ensure that service contracts and agreements, as deemed appropriate under subsection (a), include performance reporting requirements. Starting in State Fiscal Year 2014, Community Services Agreements shall explicitly outline performance reporting requirements, detailing the specific performance metrics to be reported, the method for submitting metrics, and the frequency of the metrics reporting.

(d) The Department shall enhance its processes to monitor and address noncompliance with reporting requirements and with program performance standards. Where applicable, the process may include a corrective action plan. The monitoring process shall include a plan for tracking and documenting performance-based contracting decisions.

(e) Notwithstanding any other provision of this Section, the provisions of this Section shall be applicable to all contracts and grants funded by the Department in an estimated amount in excess of $100,000.

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

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Kotowski offered the following amendment and moved its adoption:

**AMENDMENT NO. 5 TO HOUSE BILL 1489**

AMENDMENT NO. 5. Amend House Bill 1489, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 4, on page 3, by inserting immediately below line 1 the following:

"Section 10. The Juvenile Court Act of 1987 is amended by changing Section 2-4 as follows:
(705 ILCS 405/2-4) (from Ch. 37, par. 802-4)
Sec. 2-4. Dependent minor.
(1) Those who are dependent include any minor under 18 years of age:
(a) who is without a parent, guardian or legal custodian;
(b) who is without proper care because of the physical or mental disability of his parent, guardian or custodian;
(c) who is without proper medical or other remedial care recognized under State law or other care necessary for his or her well being through no fault, neglect or lack of concern by his parents, guardian or custodian, provided that no order may be made terminating parental rights, nor may a minor be removed from the custody of his or her parents for longer than 6 months, pursuant to an adjudication as a dependent minor under this subdivision (c), unless it is found to be in his or her best interest by the court or the case automatically closes as provided under Section 2-31 of this Act; or
(d) who has a parent, guardian or legal custodian who with good cause wishes to be relieved of all residual parental rights and responsibilities, guardianship or custody, and who desires the appointment of a guardian of the person with power to consent to the adoption of the minor under Section 2-29.
(1.5) Those who are dependent include any person under 21 years of age:
(a) who was previously a ward of the court and under guardianship of the Department of Children and Family Services Guardianship Administrator and wardship and guardianship were vacated under:
(i) an order entered under subsection (2) of Section 2-31 in the case of a minor over the age of 18;
(ii) closure of a case under subsection (2) of Section 2-31 in the case of a minor under the age of 18 who has been partially or completely emancipated in accordance with the Emancipation of Minors Act; or
(iii) an order entered under subsection (3) of Section 2-31 based on the minor's attaining the age of 19 years;
(b) who is not presently a ward of the court under Article II of this Act and where there is no supplemental petition to reinstate wardship pending on behalf of the minor; and
(c) in whose best interest that wardship be reinstated.
(2) This Section does not apply to a minor who would be included herein solely for the purpose of qualifying for financial assistance for himself, his parent or parents, guardian or custodian or to a minor solely because his or her parent or parents or guardian has left the minor for any period of time in the care of an adult relative, who the parent or parents or guardian know is both a mentally capable adult relative and physically capable adult relative, as defined by this Act.
(Source: P.A. 96-168, eff. 8-10-09.)".

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 Kotowski, **House Bill No. 1489** 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 58; NAYS None.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Haine | Link | Raoul |
| Bivins | Harmon | Luechtefeld | Rezin |
| Bomke | Holmes | Maloney | Righter |
| Brady | Hunter | Martinez | Sandack |
| Clayborne | Hutchinson | McCann | Sandoval |
| Collins, A. | Jacobs | McCarter | Schmidt |
| Collins, J. | Johnson, C. | McGuire | Schoenberg |
| Crotty | Johnson, T. | Meeks | Silverstein |
| Cultra | Jones, E. | Millner | Steans |
| Delgado | Koehler | Mulroe | Sullivan |
| Dillard | Kotowski | Muñoz | Syverson |
| Duffy | LaHood | Murphy | Trotter |
| Forby | Landek | Noland | Mr. President |
| Frerichs | Lauzen | Pankau | |
| Garrett | Lightford | 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).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

On motion of Senator Muñoz, **House Bill No. 4320** 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 43; NAYS 8.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Harmon | Maloney | Righter |
| Bivins | Holmes | Martinez | Sandack |
| Bomke | Hunter | McGuire | Sandoval |
| Clayborne | Hutchinson | Millner | Schmidt |
| Collins, A. | Jacobs | Mulroe | Schoenberg |
| Crotty | Johnson, T. | Muñoz | Silverstein |
| Delgado | Jones, E. | Murphy | Steans |
| Dillard | Koehler | Noland | Sullivan |
| Forby | Landek | Pankau | Trotter |
| Frerichs | Lightford | Radogno | Mr. President |
| Haine | Link | Raoul | |

The following voted in the negative:

| | | |
|---|---|---|
| Cultra | LaHood | McCarter |
| Johnson, C. | Luechtefeld | Rezin |
| Jones, J. | McCann | |

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.

**MOTION**

Having voted on the prevailing side, Senator Frerichs moved to reconsider the vote by which **Senate Bill No. 1849** passed.

Senator Link moved that the motion to reconsider be ordered to lie on the table.

The motion to table prevailed.

At the hour of 10:54 o'clock p.m., Senator Harmon, presiding.

At the hour of 11:00 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 12:07 o'clock a.m., the Senate resumed consideration of business.

Senator Sullivan, presiding.

**LEGISLATIVE MEASURE FILED**

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

Senate Floor Amendment No. 1 to Senate Bill 3111

**HOUSE BILL RECALLED**

On motion of Senator Hutchinson, **House Bill No. 1076** was recalled from the order of third reading to the order of second reading.

Senator Hutchinson offered the following amendment and moved its adoption:

**AMENDMENT NO. 2 TO HOUSE BILL 1076**

AMENDMENT NO. _2__. Amend House Bill 1076, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The County Economic Development Project Area Property Tax Allocation Act is amended by changing Section 3 as follows:

(55 ILCS 85/3) (from Ch. 34, par. 7003)

Sec. 3. Definitions. In this Act, words or terms shall have the following meanings unless the context 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 county 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 county 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 the economic development plan, (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 county to fair employment practices and an affirmative action plan with respect to any economic development program to be undertaken by the county. The economic development plan for an economic development project area authorized by subsection (a-15) of Section 4 of this Act must additionally include (1) evidence indicating that the redevelopment project area on the

whole has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be subject to such growth and development without the assistance provided through the implementation of the economic development plan and (2) evidence that portions of the economic development project area have 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 project area.

(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 is located within the corporate limits of a county and which (1) is within the unincorporated area of such county, or, with the consent of any affected municipality, is located partially within the unincorporated area of such county and partially within one or more municipalities, (2) is contiguous, (3) is not less in the aggregate than 100 acres and, for an economic development project area authorized by subsection (a-15) of Section 4 of this Act, not more than 2,000 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 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 certified by the Department pursuant to this Act.

(e) "Economic development project costs" means and includes the sum total of all reasonable or necessary costs incurred by a county 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, sheriff, fire, public works or other services, provided that no charges for professional services may be based on a percentage of incremental tax revenue;

(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 non-governmental persons as reimbursement for property assembly costs incurred by such developer or other non-governmental 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; site improvement addressing ground level or below ground environmental contamination; 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 non-governmental persons as reimbursement for site preparation costs incurred by such developer or non-governmental 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 non-governmental persons as reimbursement for such costs incurred by such developer or non-governmental person;

(5) Costs of construction within an economic development project area of public improvements, including but not limited to, buildings, structures, works, improvements, 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 county by written agreement accepts, approves and agrees to incur or to reimburse such costs;

(8) Relocation costs to the extent that a county 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 county 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 county not adopted property tax 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 county of property tax 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 that area;

(10) Costs of rebating ad valorem taxes paid by any developer or other nongovernmental person in whose name the general taxes were paid for the last preceding year on any lot, block, tract or parcel of land in the economic development project area, provided that:

(i) such economic development project area is located in an enterprise zone created pursuant to the Illinois Enterprise Zone Act. This provision does not apply to economic development project areas that are located in Grundy County;

(ii) such ad valorem taxes shall be rebated only in such amounts and for such tax year or years as the county and any one or more affected taxing districts shall have agreed by prior written agreement. This provision does not apply to economic development project areas that are located in Grundy County;

(iii) any amount of rebate of taxes shall not exceed the portion, if any, of taxes levied by the county or such taxing district or districts 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 existing at the time property tax allocation financing was adopted for said economic development project area; and

(iv) costs of rebating ad valorem taxes shall be paid by a county solely from the special tax allocation fund established pursuant to this Act and shall be paid from the proceeds of any obligations issued by a county.

(11) Costs of job training, advanced vocational education or career education programs, 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 county, they shall be set forth in a written agreement by or among the county 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 Section 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 10-22.20 and 10-23.3a of the School Code;

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

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

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

(C) private financing costs shall be paid or reimbursed by a county 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 county;

(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 private financing

costs remaining to be paid or reimbursed by a county 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 county of private financing costs in its consideration of the impact on the revenues of the county and the affected taxing districts of the use of property tax allocation financing.

(f) "Obligations" means any instrument evidencing the obligation of a county 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.

(g) "Taxing districts" means municipalities, townships, counties, and school, road, park, sanitary, mosquito abatement, forest preserve, public health, fire protection, river conservancy, tuberculosis sanitarium and any other county corporations or districts with the power to levy taxes on real property.
(Source: P.A. 96-1262, eff. 7-26-10.)

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 BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME**

On motion of Senator Hutchinson, **House Bill No. 1076** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, “Shall this bill pass?” it was decided in the affirmative by the following vote:

YEAS 49; NAYS 2.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Haine | Luechtefeld | Rezin |
| Bivins | Harmon | Martinez | Righter |
| Bomke | Holmes | McCann | Sandoval |
| Clayborne | Hunter | McCarter | Schmidt |
| Collins, J. | Hutchinson | McGuire | Silverstein |
| Crotty | Johnson, C. | Meeks | Steans |
| Cultra | Jones, E. | Millner | Sullivan |
| Delgado | Jones, J. | Mulroe | Syverson |
| Dillard | Koehler | Muñoz | Trotter |
| Duffy | Kotowski | Murphy | Mr. President |
| Forby | LaHood | Noland | |
| Frerichs | Lightford | Pankau | |
| Garrett | Link | Raoul | |

The following voted in the negative:

Radogno
Schoenberg

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 Haine, **House Bill No. 4239** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 56; NAYS None.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Holmes | Maloney | Righter |
| Bivins | Hunter | Martinez | Sandack |
| Bomke | Hutchinson | McCann | Sandoval |
| Brady | Jacobs | McCarter | Schmidt |
| Clayborne | Johnson, C. | McGuire | Schoenberg |
| Collins, A. | Jones, E. | Meeks | Silverstein |
| Crotty | Jones, J. | Millner | Steans |
| Cultra | Koehler | Mulroe | Sullivan |
| Delgado | Kotowski | Muñoz | Syverson |
| Dillard | LaHood | Murphy | Trotter |
| Duffy | Landek | Noland | Mr. President |
| Forby | Lauzen | Pankau | |
| Frerichs | Lightford | Radogno | |
| Haine | Link | Raoul | |
| Harmon | Luechtefeld | 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.

On motion of Senator LaHood, **House Bill No. 5865** 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 54; NAYS 2; Present 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Harmon | Luechtefeld | Rezin |
| Bivins | Holmes | Maloney | Righter |
| Bomke | Hunter | McCann | Sandack |
| Brady | Hutchinson | McCarter | Sandoval |
| Collins, A. | Jacobs | McGuire | Schmidt |
| Collins, J. | Johnson, C. | Meeks | Schoenberg |
| Crotty | Jones, E. | Millner | Silverstein |
| Cultra | Koehler | Mulroe | Steans |
| Delgado | Kotowski | Muñoz | Sullivan |
| Dillard | LaHood | Murphy | Syverson |
| Duffy | Landek | Noland | Trotter |
| Forby | Lauzen | Pankau | Mr. President |
| Garrett | Lightford | Radogno | |
| Haine | Link | Raoul | |

The following voted in the negative:

Clayborne
Martinez

The following voted present:

Frerichs

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

Senator Delgado asked and obtained unanimous consent for the Journal to reflect his intention to have voted present on **House Bill No. 5865**.

## REPORT FROM STANDING COMMITTEE

Senator J. Collins, Chairperson of the Committee on Financial Institutions, 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 2 to Senate Bill 1566; Motion to Concur in House Amendments 1 and 2 to Senate Bill 3522

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

## CONSIDERATION OF HOUSE AMENDMENT TO SENATE BILL ON SECRETARY'S DESK

On motion of Senator Link, **Senate Bill No. 3442**, 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 38; NAYS 15; Present 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Holmes | McCarter | Raoul |
| Bivins | Hunter | McGuire | Sandoval |
| Bomke | Jones, E. | Meeks | Silverstein |
| Brady | Kotowski | Millner | Steans |
| Clayborne | Lightford | Mulroe | Sullivan |
| Collins, A. | Link | Muñoz | Syverson |
| Crotty | Luechtefeld | Murphy | Trotter |
| Cultra | Maloney | Noland | Mr. President |
| Forby | Martinez | Pankau | |
| Haine | McCann | Radogno | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Duffy | Johnson, C. | Landek | Sandack |
| Frerichs | Jones, J. | Lauzen | Schmidt |
| Garrett | Koehler | Rezin | Schoenberg |
| Hutchinson | LaHood | Righter | |

The following voted present:

Delgado

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3442**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

Senator Steans asked and obtained unanimous consent for the Journal to reflect her intention to have voted present on **Senate Bill No. 3442.**

Senator Trotter asked and obtained unanimous consent for the Journal to reflect his intention to have voted in the negative on **Senate Bill No. 3442.**

## READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Hutchinson, **House Bill No. 5192** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 56; NAYS None.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Haine | Maloney | Righter |
| Bivins | Harmon | Martinez | Sandack |
| Bomke | Holmes | McCann | Sandoval |
| Brady | Hunter | McCarter | Schmidt |
| Clayborne | Hutchinson | McGuire | Schoenberg |
| Collins, A. | Johnson, C. | Meeks | Silverstein |
| Collins, J. | Jones, J. | Millner | Steans |
| Crotty | Koehler | Mulroe | Sullivan |
| Cultra | Kotowski | Muñoz | Syverson |
| Delgado | LaHood | Murphy | Trotter |
| Dillard | Landek | Noland | Mr. President |
| Duffy | Lauzen | Pankau | |
| Forby | Lightford | Radogno | |
| Frerichs | Link | Raoul | |
| Garrett | Luechtefeld | 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.

## HOUSE BILL RECALLED

On motion of Senator Noland, **House Bill No. 1263** was recalled from the order of third reading to the order of second reading.

Senator Noland offered the following amendment and moved its adoption:

### AMENDMENT NO. 4 TO HOUSE BILL 1263

AMENDMENT NO. 4. Amend House Bill 1263, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The State Police Act is amended by changing Section 14 as follows:

(20 ILCS 2610/14) (from Ch. 121, par. 307.14)

Sec. 14. Except as is otherwise provided in this Act, no Department of State Police officer shall be removed, demoted or suspended except for cause, upon written charges filed with the Board by the Director and a hearing before the Board thereon upon not less than 10 days' notice at a place to be

designated by the chairman thereof. At such hearing, the accused shall be afforded full opportunity to be heard in his or her own defense and to produce proof in his or her defense. Anyone filing a complaint against a State Police Officer must have the complaint supported by a sworn affidavit. Any such complaint, having been supported by a sworn affidavit, and having been found, in total or in part, to contain false information, shall be presented to the appropriate State's Attorney for a determination of prosecution. If a recorded conversation authorized under subsection (q) of Section 14-3 of the Criminal Code of 1961 is used by the complainant as part of the evidence of misconduct against the officer and is found to have been intentionally altered by or at the direction of the complainant to inaccurately reflect the incident at issue, it must be presented to the appropriate State's Attorney for a determination of prosecution.

Before any such officer may be interrogated or examined by or before the Board, or by a departmental agent or investigator specifically assigned to conduct an internal investigation, the results of which hearing, interrogation or examination may be the basis for filing charges seeking his or her suspension for more than 15 days or his or her removal or discharge, he or she shall be advised in writing as to what specific improper or illegal act he or she is alleged to have committed; he or she shall be advised in writing that his or her admissions made in the course of the hearing, interrogation or examination may be used as the basis for charges seeking his or her suspension, removal or discharge; and he or she shall be advised in writing that he or she has a right to counsel of his or her choosing, who may be present to advise him or her at any hearing, interrogation or examination. A complete record of any hearing, interrogation or examination shall be made, and a complete transcript or electronic recording thereof shall be made available to such officer without charge and without delay.

The Board shall have the power to secure by its subpoena both the attendance and testimony of witnesses and the production of books and papers in support of the charges and for the defense. Each member of the Board or a designated hearing officer shall have the power to administer oaths or affirmations. If the charges against an accused are established by a preponderance of evidence, the Board shall make a finding of guilty and order either removal, demotion, suspension for a period of not more than 180 days, or such other disciplinary punishment as may be prescribed by the rules and regulations of the Board which, in the opinion of the members thereof, the offense merits. Thereupon the Director shall direct such removal or other punishment as ordered by the Board and if the accused refuses to abide by any such disciplinary order, the Director shall remove him or her forthwith.

If the accused is found not guilty or has served a period of suspension greater than prescribed by the Board, the Board shall order that the officer receive compensation for the period involved. The award of compensation shall include interest at the rate of 7% per annum.

The Board may include in its order appropriate sanctions based upon the Board's rules and regulations. If the Board finds that a party has made allegations or denials without reasonable cause or has engaged in frivolous litigation for the purpose of delay or needless increase in the cost of litigation, it may order that party to pay the other party's reasonable expenses, including costs and reasonable attorney's fees. The State of Illinois and the Department shall be subject to these sanctions in the same manner as other parties.

In case of the neglect or refusal of any person to obey a subpoena issued by the Board, any circuit court, upon application of any member of the Board, may order such person to appear before the Board and give testimony or produce evidence, and any failure to obey such order is punishable by the court as a contempt thereof.

The provisions of the Administrative Review Law, and all amendments and modifications thereof, and the rules adopted pursuant thereto, shall apply to and govern all proceedings for the judicial review of any order of the Board rendered pursuant to the provisions of this Section.

Notwithstanding the provisions of this Section, a policy making officer, as defined in the Employee Rights Violation Act, of the Department of State Police shall be discharged from the Department of State Police as provided in the Employee Rights Violation Act, enacted by the 85th General Assembly.
(Source: P.A. 96-891, eff. 5-10-10.)

Section 10. The Uniform Peace Officers' Disciplinary Act is amended by changing Section 3.8 as follows:

(50 ILCS 725/3.8) (from Ch. 85, par. 2561)

Sec. 3.8. Admissions; counsel; verified complaint.

(a) No officer shall be interrogated without first being advised in writing that admissions made in the course of the interrogation may be used as evidence of misconduct or as the basis for charges seeking suspension, removal, or discharge; and without first being advised in writing that he or she has the right to counsel of his or her choosing who may be present to advise him or her at any stage of any

interrogation.

(b) Anyone filing a complaint against a sworn peace officer must have the complaint supported by a sworn affidavit. Any complaint, having been supported by a sworn affidavit, and having been found, in total or in part, to contain knowingly false material information, shall be presented to the appropriate State's Attorney for a determination of prosecution. If a recorded conversation authorized under subsection (q) of Section 14-3 of the Criminal Code of 1961 is used by the complainant as part of the evidence of misconduct against the officer and is found to have been intentionally altered by or at the direction of the complainant to inaccurately reflect the incident at issue, it must be presented to the appropriate State's Attorney for a determination of prosecution.

(Source: P.A. 97-472, eff. 8-22-11.)

Section 15. The Criminal Code of 1961 is amended by changing Section 14-3 as follows:

(720 ILCS 5/14-3)

Sec. 14-3. Exemptions. The following activities shall be exempt from the provisions of this Article:

(a) Listening to radio, wireless and television communications of any sort where the same are publicly made;

(b) Hearing conversation when heard by employees of any common carrier by wire incidental to the normal course of their employment in the operation, maintenance or repair of the equipment of such common carrier by wire so long as no information obtained thereby is used or divulged by the hearer;

(c) Any broadcast by radio, television or otherwise whether it be a broadcast or recorded for the purpose of later broadcasts of any function where the public is in attendance and the conversations are overheard incidental to the main purpose for which such broadcasts are then being made;

(d) Recording or listening with the aid of any device to any emergency communication made in the normal course of operations by any federal, state or local law enforcement agency or institutions dealing in emergency services, including, but not limited to, hospitals, clinics, ambulance services, fire fighting agencies, any public utility, emergency repair facility, civilian defense establishment or military installation;

(e) Recording the proceedings of any meeting required to be open by the Open Meetings Act, as amended;

(f) Recording or listening with the aid of any device to incoming telephone calls of phone lines publicly listed or advertised as consumer "hotlines" by manufacturers or retailers of food and drug products. Such recordings must be destroyed, erased or turned over to local law enforcement authorities within 24 hours from the time of such recording and shall not be otherwise disseminated. Failure on the part of the individual or business operating any such recording or listening device to comply with the requirements of this subsection shall eliminate any civil or criminal immunity conferred upon that individual or business by the operation of this Section;

(g) With prior notification to the State's Attorney of the county in which it is to occur, recording or listening with the aid of any device to any conversation where a law enforcement officer, or any person acting at the direction of law enforcement, is a party to the conversation and has consented to it being intercepted or recorded under circumstances where the use of the device is necessary for the protection of the law enforcement officer or any person acting at the direction of law enforcement, in the course of an investigation of a forcible felony, a felony offense of involuntary servitude, involuntary sexual servitude of a minor, or trafficking in persons for forced labor or services under Section 10-9 of this Code, an offense involving prostitution, solicitation of a sexual act, or pandering, a felony violation of the Illinois Controlled Substances Act, a felony violation of the Cannabis Control Act, a felony violation of the Methamphetamine Control and Community Protection Act, any "streetgang related" or "gang-related" felony as those terms are defined in the Illinois Streetgang Terrorism Omnibus Prevention Act, or any felony offense involving any weapon listed in paragraphs (1) through (11) of subsection (a) of Section 24-1 of this Code. Any recording or evidence derived as the result of this exemption shall be inadmissible in any proceeding, criminal, civil or administrative, except (i) where a party to the conversation suffers great bodily injury or is killed during such conversation, or (ii) when used as direct impeachment of a witness concerning matters contained in the interception or recording. The Director of the Department of State Police shall issue regulations as are necessary concerning the use of devices, retention of tape recordings, and reports regarding their use;

(g-5) With approval of the State's Attorney of the county in which it is to occur, recording or listening with the aid of any device to any conversation where a law enforcement officer, or any person acting at the direction of law enforcement, is a party to the conversation and has consented to it being intercepted or recorded in the course of an investigation of any offense defined in Article 29D of this Code. In all such cases, an application for an order approving the previous or continuing use of an eavesdropping

device must be made within 48 hours of the commencement of such use. In the absence of such an order, or upon its denial, any continuing use shall immediately terminate. The Director of State Police shall issue rules as are necessary concerning the use of devices, retention of tape recordings, and reports regarding their use.

Any recording or evidence obtained or derived in the course of an investigation of any offense defined in Article 29D of this Code shall, upon motion of the State's Attorney or Attorney General prosecuting any violation of Article 29D, be reviewed in camera with notice to all parties present by the court presiding over the criminal case, and, if ruled by the court to be relevant and otherwise admissible, it shall be admissible at the trial of the criminal case.

This subsection (g-5) is inoperative on and after January 1, 2005. No conversations recorded or monitored pursuant to this subsection (g-5) shall be inadmissible in a court of law by virtue of the repeal of this subsection (g-5) on January 1, 2005;

(g-6) With approval of the State's Attorney of the county in which it is to occur, recording or listening with the aid of any device to any conversation where a law enforcement officer, or any person acting at the direction of law enforcement, is a party to the conversation and has consented to it being intercepted or recorded in the course of an investigation of involuntary servitude, involuntary sexual servitude of a minor, trafficking in persons for forced labor or services, child pornography, aggravated child pornography, indecent solicitation of a child, child abduction, luring of a minor, sexual exploitation of a child, predatory criminal sexual assault of a child, aggravated criminal sexual abuse in which the victim of the offense was at the time of the commission of the offense under 18 years of age, criminal sexual abuse by force or threat of force in which the victim of the offense was at the time of the commission of the offense under 18 years of age, or aggravated criminal sexual assault in which the victim of the offense was at the time of the commission of the offense under 18 years of age. In all such cases, an application for an order approving the previous or continuing use of an eavesdropping device must be made within 48 hours of the commencement of such use. In the absence of such an order, or upon its denial, any continuing use shall immediately terminate. The Director of State Police shall issue rules as are necessary concerning the use of devices, retention of recordings, and reports regarding their use. Any recording or evidence obtained or derived in the course of an investigation of involuntary servitude, involuntary sexual servitude of a minor, trafficking in persons for forced labor or services, child pornography, aggravated child pornography, indecent solicitation of a child, child abduction, luring of a minor, sexual exploitation of a child, predatory criminal sexual assault of a child, aggravated criminal sexual abuse in which the victim of the offense was at the time of the commission of the offense under 18 years of age, criminal sexual abuse by force or threat of force in which the victim of the offense was at the time of the commission of the offense under 18 years of age, or aggravated criminal sexual assault in which the victim of the offense was at the time of the commission of the offense under 18 years of age shall, upon motion of the State's Attorney or Attorney General prosecuting any case involving involuntary servitude, involuntary sexual servitude of a minor, trafficking in persons for forced labor or services, child pornography, aggravated child pornography, indecent solicitation of a child, child abduction, luring of a minor, sexual exploitation of a child, predatory criminal sexual assault of a child, aggravated criminal sexual abuse in which the victim of the offense was at the time of the commission of the offense under 18 years of age, criminal sexual abuse by force or threat of force in which the victim of the offense was at the time of the commission of the offense under 18 years of age, or aggravated criminal sexual assault in which the victim of the offense was at the time of the commission of the offense under 18 years of age, be reviewed in camera with notice to all parties present by the court presiding over the criminal case, and, if ruled by the court to be relevant and otherwise admissible, it shall be admissible at the trial of the criminal case. Absent such a ruling, any such recording or evidence shall not be admissible at the trial of the criminal case;

(h) Recordings made simultaneously with the use of an in-car video camera recording of an oral conversation between a uniformed peace officer, who has identified his or her office, and a person in the presence of the peace officer whenever (i) an officer assigned a patrol vehicle is conducting an enforcement stop; or (ii) patrol vehicle emergency lights are activated or would otherwise be activated if not for the need to conceal the presence of law enforcement.

For the purposes of this subsection (h), "enforcement stop" means an action by a law enforcement officer in relation to enforcement and investigation duties, including but not limited to, traffic stops, pedestrian stops, abandoned vehicle contacts, motorist assists, commercial motor vehicle stops, roadside safety checks, requests for identification, or responses to requests for emergency assistance;

(h-5) Recordings of utterances made by a person while in the presence of a uniformed peace officer and while an occupant of a police vehicle including, but not limited to, (i) recordings made simultaneously with the use of an in-car video camera and (ii) recordings made in the presence of the

peace officer utilizing video or audio systems, or both, authorized by the law enforcement agency;

(h-10) Recordings made simultaneously with a video camera recording during the use of a taser or similar weapon or device by a peace officer if the weapon or device is equipped with such camera;

(h-15) Recordings made under subsection (h), (h-5), or (h-10) shall be retained by the law enforcement agency that employs the peace officer who made the recordings for a storage period of 90 days, unless the recordings are made as a part of an arrest or the recordings are deemed evidence in any criminal, civil, or administrative proceeding and then the recordings must only be destroyed upon a final disposition and an order from the court. Under no circumstances shall any recording be altered or erased prior to the expiration of the designated storage period. Upon completion of the storage period, the recording medium may be erased and reissued for operational use;

(i) Recording of a conversation made by or at the request of a person, not a law enforcement officer or agent of a law enforcement officer, who is a party to the conversation, under reasonable suspicion that another party to the conversation is committing, is about to commit, or has committed a criminal offense against the person or a member of his or her immediate household, and there is reason to believe that evidence of the criminal offense may be obtained by the recording;

(j) The use of a telephone monitoring device by either (1) a corporation or other business entity engaged in marketing or opinion research or (2) a corporation or other business entity engaged in telephone solicitation, as defined in this subsection, to record or listen to oral telephone solicitation conversations or marketing or opinion research conversations by an employee of the corporation or other business entity when:

(i) the monitoring is used for the purpose of service quality control of marketing or opinion research or telephone solicitation, the education or training of employees or contractors engaged in marketing or opinion research or telephone solicitation, or internal research related to marketing or opinion research or telephone solicitation; and

(ii) the monitoring is used with the consent of at least one person who is an active party to the marketing or opinion research conversation or telephone solicitation conversation being monitored.

No communication or conversation or any part, portion, or aspect of the communication or conversation made, acquired, or obtained, directly or indirectly, under this exemption (j), may be, directly or indirectly, furnished to any law enforcement officer, agency, or official for any purpose or used in any inquiry or investigation, or used, directly or indirectly, in any administrative, judicial, or other proceeding, or divulged to any third party.

When recording or listening authorized by this subsection (j) on telephone lines used for marketing or opinion research or telephone solicitation purposes results in recording or listening to a conversation that does not relate to marketing or opinion research or telephone solicitation; the person recording or listening shall, immediately upon determining that the conversation does not relate to marketing or opinion research or telephone solicitation, terminate the recording or listening and destroy any such recording as soon as is practicable.

Business entities that use a telephone monitoring or telephone recording system pursuant to this exemption (j) shall provide current and prospective employees with notice that the monitoring or recordings may occur during the course of their employment. The notice shall include prominent signage notification within the workplace.

Business entities that use a telephone monitoring or telephone recording system pursuant to this exemption (j) shall provide their employees or agents with access to personal-only telephone lines which may be pay telephones, that are not subject to telephone monitoring or telephone recording.

For the purposes of this subsection (j), "telephone solicitation" means a communication through the use of a telephone by live operators:

(i) soliciting the sale of goods or services;

(ii) receiving orders for the sale of goods or services;

(iii) assisting in the use of goods or services; or

(iv) engaging in the solicitation, administration, or collection of bank or retail credit accounts.

For the purposes of this subsection (j), "marketing or opinion research" means a marketing or opinion research interview conducted by a live telephone interviewer engaged by a corporation or other business entity whose principal business is the design, conduct, and analysis of polls and surveys measuring the opinions, attitudes, and responses of respondents toward products and services, or social or political issues, or both;

(k) Electronic recordings, including but not limited to, a motion picture, videotape, digital, or other visual or audio recording, made of a custodial interrogation of an individual at a police station or other

place of detention by a law enforcement officer under Section 5-401.5 of the Juvenile Court Act of 1987 or Section 103-2.1 of the Code of Criminal Procedure of 1963;

(l) Recording the interview or statement of any person when the person knows that the interview is being conducted by a law enforcement officer or prosecutor and the interview takes place at a police station that is currently participating in the Custodial Interview Pilot Program established under the Illinois Criminal Justice Information Act;

(m) An electronic recording, including but not limited to, a motion picture, videotape, digital, or other visual or audio recording, made of the interior of a school bus while the school bus is being used in the transportation of students to and from school and school-sponsored activities, when the school board has adopted a policy authorizing such recording, notice of such recording policy is included in student handbooks and other documents including the policies of the school, notice of the policy regarding recording is provided to parents of students, and notice of such recording is clearly posted on the door of and inside the school bus.

Recordings made pursuant to this subsection (m) shall be confidential records and may only be used by school officials (or their designees) and law enforcement personnel for investigations, school disciplinary actions and hearings, proceedings under the Juvenile Court Act of 1987, and criminal prosecutions, related to incidents occurring in or around the school bus;

(n) Recording or listening to an audio transmission from a microphone placed by a person under the authority of a law enforcement agency inside a bait car surveillance vehicle while simultaneously capturing a photographic or video image;

(o) The use of an eavesdropping camera or audio device during an ongoing hostage or barricade situation by a law enforcement officer or individual acting on behalf of a law enforcement officer when the use of such device is necessary to protect the safety of the general public, hostages, or law enforcement officers or anyone acting on their behalf; ~~and~~

(p) Recording or listening with the aid of any device to incoming telephone calls of phone lines publicly listed or advertised as the "CPS Violence Prevention Hotline", but only where the notice of recording is given at the beginning of each call as required by Section 34-21.8 of the School Code. The recordings may be retained only by the Chicago Police Department or other law enforcement authorities, and shall not be otherwise retained or disseminated; and ~~.~~

(q) A person may record the conversation of a law enforcement officer who is performing a public duty in a public place and any other person who is having a conversation with that law enforcement officer if:

(1) the conversation is at a volume audible to the unassisted ear of the person who is making the recording;

(2) there is no reasonable expectation of privacy; and

(3) if the person recording is a law enforcement officer, the person must notify the parties that the conversation is being recorded.

For purposes of this subsection (q), "public place" means any place to which the public has access and includes, but is not limited to, streets, sidewalks, parks, and highways (including inside motor vehicles), and the common areas of public and private facilities and buildings.

(Source: P.A. 96-425, eff. 8-13-09; 96-547, eff. 1-1-10; 96-643, eff. 1-1-10; 96-670, eff. 8-25-09; 96-1000, eff. 7-2-10; 96-1425, eff. 1-1-11; 96-1464, eff. 8-20-10; 97-333, eff. 8-12-11.)

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.

**SENATE BILL RECALLED**

On motion of Senator Koehler, Senate Bill No. **184** 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 SENATE BILL 184**

AMENDMENT NO. 1. Amend Senate Bill 184 by replacing everything after the enacting clause with the following:

"Section 5. The Economic Development for a Growing Economy Tax Credit Act is amended by changing Sections 5-5, 5-15, and 5-45 as follows:

(35 ILCS 10/5-5)

Sec. 5-5. Definitions. As used in this Act:

"Agreement" means the Agreement between a Taxpayer and the Department under the provisions of Section 5-50 of this Act.

"Applicant" means a Taxpayer that is operating a business located or that the Taxpayer plans to locate within the State of Illinois and that is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, assembling, warehousing, or distributing products, conducting research and development, providing tourism services, or providing services in interstate commerce, office industries, or agricultural processing, but excluding retail, retail food, health, or professional services. "Applicant" does not include a Taxpayer who closes or substantially reduces an operation at one location in the State and relocates substantially the same operation to another location in the State. This does not prohibit a Taxpayer from expanding its operations at another location in the State, provided that existing operations of a similar nature located within the State are not closed or substantially reduced. This also does not prohibit a Taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation provided that the Department determines that expansion cannot reasonably be accommodated within the municipality in which the business is located, or in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Committee" means the Illinois Business Investment Committee created under Section 5-25 of this Act within the Illinois Economic Development Board.

"Credit" means the amount agreed to between the Department and Applicant under this Act~~, but not to exceed the Incremental Income Tax attributable to the Applicant's project~~.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of Commerce and Economic Opportunity.

"Full-time Employee" means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. An individual for whom a W-2 is issued by a Professional Employer Organization (PEO) is a full-time employee if employed in the service of the Applicant for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment to Applicant.

"Incremental Income Tax" means the total amount withheld during the taxable year from the compensation of New Employees under Article 7 of the Illinois Income Tax Act arising from employment at a project that is the subject of an Agreement.

"New Employee" means:

(a) A Full-time Employee first employed by a Taxpayer in the project that is the subject of an Agreement and who is hired after the Taxpayer enters into the tax credit Agreement.

(b) The term "New Employee" does not include:

(1) an employee of the Taxpayer who performs a job that was previously performed by another employee, if that job existed for at least 6 months before hiring the employee;

(2) an employee of the Taxpayer who was previously employed in Illinois by a Related Member of the Taxpayer and whose employment was shifted to the Taxpayer after the Taxpayer entered into the tax credit Agreement; or

(3) a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or an indirect ownership interest of at least 5% in the profits, capital, or value of the Taxpayer.

(c) Notwithstanding paragraph (1) of subsection (b), an employee may be considered a New Employee under the Agreement if the employee performs a job that was previously performed by an employee who was:

(1) treated under the Agreement as a New Employee; and

(2) promoted by the Taxpayer to another job.

(d) Notwithstanding subsection (a), the Department may award Credit to an Applicant with respect to an employee hired prior to the date of the Agreement if:

(1) the Applicant is in receipt of a letter from the Department stating an intent to enter into a credit Agreement;

(2) the letter described in paragraph (1) is issued by the Department not later than 15 days after the effective date of this Act; and

(3) the employee was hired after the date the letter described in paragraph (1) was issued.

"Noncompliance Date" means, in the case of a Taxpayer that is not complying with the requirements of the Agreement or the provisions of this Act, the day following the last date upon which the Taxpayer was in compliance with the requirements of the Agreement and the provisions of this Act, as determined by the Director, pursuant to Section 5-65.

"Pass Through Entity" means an entity that is exempt from the tax under subsection (b) or (c) of Section 205 of the Illinois Income Tax Act.

"Professional Employer Organization" (PEO) means an employee leasing company, as defined in Section 206.1(A)(2) of the Illinois Unemployment Insurance Act.

"Related Member" means a person that, with respect to the Taxpayer during any portion of the taxable year, is any one of the following:

(1) An individual stockholder, if the stockholder and the members of the stockholder's family (as defined in Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the Taxpayer's outstanding stock.

(2) A partnership, estate, or trust and any partner or beneficiary, if the partnership, estate, or trust, and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the Taxpayer.

(3) A corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the Taxpayer owns directly, indirectly, beneficially, or constructively at least 50% of the value of the corporation's outstanding stock.

(4) A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own in the aggregate at least 50% of the profits, capital, stock, or value of the Taxpayer.

(5) A person to or from whom there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code, except, for purposes of determining whether a person is a Related Member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.

"Taxpayer" means an individual, corporation, partnership, or other entity that has any Illinois Income Tax liability.

(Source: P.A. 94-793, eff. 5-19-06; 95-375, eff. 8-23-07.)

(35 ILCS 10/5-15)

(Text of Section before amendment by P.A. 97-636)

Sec. 5-15. Tax Credit Awards. Subject to the conditions set forth in this Act, a Taxpayer is entitled to a Credit against or, as described in subsection (g) of this Section, a payment towards taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act that may be imposed on the Taxpayer for a taxable year beginning on or after January 1, 1999, if the Taxpayer is awarded a Credit by the Department under this Act for that taxable year.

(a) The Department shall make Credit awards under this Act to foster job creation and retention in Illinois.

(b) A person that proposes a project to create new jobs in Illinois must enter into an Agreement with the Department for the Credit under this Act.

(c) The Credit shall be claimed for the taxable years specified in the Agreement.

(d) Except as provided in subsection (d-1), the ~~The~~ Credit shall not exceed the Incremental Income Tax attributable to the project that is the subject of the Agreement.

(d-1) In the case of a Taxpayer who applies for an Agreement on or after the effective date of this amendatory Act of the 97th General Assembly and prior to December 31, 2012, and who makes a capital investment of at least $1,000,000,000 in this State in connection with the project that is the subject of the Agreement, the Credit may exceed the Incremental Income Tax but shall not exceed 1% of the capital investment attributable to the project that is the subject of the Agreement.

(e) Nothing herein shall prohibit a Tax Credit Award to an Applicant that uses a PEO if all other award criteria are satisfied.

(f) In lieu of the Credit allowed under this Act against the taxes imposed pursuant to subsections (a)

and (b) of Section 201 of the Illinois Income Tax Act for any taxable year ending on or after December 31, 2009, the Taxpayer may elect to claim the Credit against its obligation to pay over withholding under Section 704A of the Illinois Income Tax Act.

(1) The election under this subsection (f) may be made only by a Taxpayer that (i) is primarily engaged in one of the following business activities: water purification and treatment, motor vehicle metal stamping, automobile manufacturing, automobile and light duty motor vehicle manufacturing, motor vehicle manufacturing, light truck and utility vehicle manufacturing, heavy duty truck manufacturing, motor vehicle body manufacturing, cable television infrastructure design or manufacturing, or wireless telecommunication or computing terminal device design or manufacturing for use on public networks and (ii) meets the following criteria:

(A) the Taxpayer (i) had an Illinois net loss or an Illinois net loss deduction under Section 207 of the Illinois Income Tax Act for the taxable year in which the Credit is awarded, (ii) employed a minimum of 1,000 full-time employees in this State during the taxable year in which the Credit is awarded, (iii) has an Agreement under this Act on December 14, 2009 (the effective date of Public Act 96-834), and (iv) is in compliance with all provisions of that Agreement;

(B) the Taxpayer (i) had an Illinois net loss or an Illinois net loss deduction under Section 207 of the Illinois Income Tax Act for the taxable year in which the Credit is awarded, (ii) employed a minimum of 1,000 full-time employees in this State during the taxable year in which the Credit is awarded, and (iii) has applied for an Agreement within 365 days after December 14, 2009 (the effective date of Public Act 96-834);

(C) the Taxpayer (i) had an Illinois net operating loss carryforward under Section 207 of the Illinois Income Tax Act in a taxable year ending during calendar year 2008, (ii) has applied for an Agreement within 150 days after June 4, 2010 (the effective date of Public Act 96-905) ~~this amendatory Act of the 96th General Assembly~~, (iii) creates at least 400 new jobs in Illinois, (iv) retains at least 2,000 jobs in Illinois that would have been at risk of relocation out of Illinois over a 10-year period, and (v) makes a capital investment of at least $75,000,000;

(D) the Taxpayer (i) had an Illinois net operating loss carryforward under Section 207 of the Illinois Income Tax Act in a taxable year ending during calendar year 2009, (ii) has applied for an Agreement within 150 days after March 4, 2011 (the effective date of Public Act 96-1534) ~~this amendatory Act of the 96th General Assembly~~, (iii) creates at least 150 new jobs, (iv) retains at least 1,000 jobs in Illinois that would have been at risk of relocation out of Illinois over a 10-year period, and (v) makes a capital investment of at least $57,000,000; or

(E) the Taxpayer (i) employed at least 2,500 full-time employees in the State during the year in which the Credit is awarded, (ii) commits to make at least $500,000,000 in combined capital improvements and project costs under the Agreement, (iii) applies for an Agreement between January 1, 2011 and June 30, 2011, (iv) executes an Agreement for the Credit during calendar year 2011, and (v) was incorporated no more than 5 years before the filing of an application for an Agreement.

(1.5) The election under this subsection (f) may also be made by a Taxpayer for any Credit awarded pursuant to an agreement that was executed between January 1, 2011 and June 30, 2011, if the Taxpayer (i) is primarily engaged in the manufacture of inner tubes or tires, or both, from natural and synthetic rubber, (ii) employs a minimum of 2,400 full-time employees in Illinois at the time of application, (iii) creates at least 350 full-time jobs and retains at least 250 full-time jobs in Illinois that would have been at risk of being created or retained outside of Illinois, and (iv) makes a capital investment of at least $200,000,000 at the project location.

(2) An election under this subsection shall allow the credit to be taken against payments otherwise due under Section 704A of the Illinois Income Tax Act during the first calendar year beginning after the end of the taxable year in which the credit is awarded under this Act.

(3) The election shall be made in the form and manner required by the Illinois Department of Revenue and, once made, shall be irrevocable.

(4) If a Taxpayer who meets the requirements of subparagraph (A) of paragraph (1) of this subsection (f) elects to claim the Credit against its withholdings as provided in this subsection (f), then, on and after the date of the election, the terms of the Agreement between the Taxpayer and the Department may not be further amended during the term of the Agreement.

(g) A pass-through entity that has been awarded a credit under this Act, its shareholders, or its partners may treat some or all of the credit awarded pursuant to this Act as a tax payment for purposes of the Illinois Income Tax Act. The term "tax payment" means a payment as described in Article 6 or Article 8 of the Illinois Income Tax Act or a composite payment made by a pass-through entity on behalf of any

of its shareholders or partners to satisfy such shareholders' or partners' taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act. In no event shall the amount of the award credited pursuant to this Act exceed the Illinois income tax liability of the pass-through entity or its shareholders or partners for the taxable year.
(Source: P.A. 96-834, eff. 12-14-09; 96-836, eff. 12-16-09; 96-905, eff. 6-4-10; 96-1000, eff. 7-2-10; 96-1534, eff. 3-4-11; 97-2, eff. 5-6-11.)

(Text of Section after amendment by P.A. 97-636)

Sec. 5-15. Tax Credit Awards. Subject to the conditions set forth in this Act, a Taxpayer is entitled to a Credit against or, as described in subsection (g) of this Section, a payment towards taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act that may be imposed on the Taxpayer for a taxable year beginning on or after January 1, 1999, if the Taxpayer is awarded a Credit by the Department under this Act for that taxable year.

(a) The Department shall make Credit awards under this Act to foster job creation and retention in Illinois.

(b) A person that proposes a project to create new jobs in Illinois must enter into an Agreement with the Department for the Credit under this Act.

(c) The Credit shall be claimed for the taxable years specified in the Agreement.

(d) Except as provided in subsection (d-1), the ~~The~~ Credit shall not exceed the Incremental Income Tax attributable to the project that is the subject of the Agreement.

(d-1) In the case of a Taxpayer who applies for an Agreement on or after the effective date of this amendatory Act of the 97th General Assembly and prior to December 31, 2012, and who makes a capital investment of at least $1,000,000,000 in this State in connection with the project that is the subject of the Agreement, the Credit may exceed the Incremental Income Tax but shall not exceed 1% of the capital investment attributable to the project that is the subject of the Agreement.

(e) Nothing herein shall prohibit a Tax Credit Award to an Applicant that uses a PEO if all other award criteria are satisfied.

(f) In lieu of the Credit allowed under this Act against the taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for any taxable year ending on or after December 31, 2009, the Taxpayer may elect to claim the Credit against its obligation to pay over withholding under Section 704A of the Illinois Income Tax Act.

(1) The election under this subsection (f) may be made only by a Taxpayer that (i) is primarily engaged in one of the following business activities: water purification and treatment, motor vehicle metal stamping, automobile manufacturing, automobile and light duty motor vehicle manufacturing, motor vehicle manufacturing, light truck and utility vehicle manufacturing, heavy duty truck manufacturing, motor vehicle body manufacturing, cable television infrastructure design or manufacturing, or wireless telecommunication or computing terminal device design or manufacturing for use on public networks and (ii) meets the following criteria:

(A) the Taxpayer (i) had an Illinois net loss or an Illinois net loss deduction under Section 207 of the Illinois Income Tax Act for the taxable year in which the Credit is awarded, (ii) employed a minimum of 1,000 full-time employees in this State during the taxable year in which the Credit is awarded, (iii) has an Agreement under this Act on December 14, 2009 (the effective date of Public Act 96-834), and (iv) is in compliance with all provisions of that Agreement;

(B) the Taxpayer (i) had an Illinois net loss or an Illinois net loss deduction under Section 207 of the Illinois Income Tax Act for the taxable year in which the Credit is awarded, (ii) employed a minimum of 1,000 full-time employees in this State during the taxable year in which the Credit is awarded, and (iii) has applied for an Agreement within 365 days after December 14, 2009 (the effective date of Public Act 96-834);

(C) the Taxpayer (i) had an Illinois net operating loss carryforward under Section 207 of the Illinois Income Tax Act in a taxable year ending during calendar year 2008, (ii) has applied for an Agreement within 150 days after June 4, 2010 (the effective date of Public Act 96-905) ~~this amendatory Act of the 96th General Assembly~~, (iii) creates at least 400 new jobs in Illinois, (iv) retains at least 2,000 jobs in Illinois that would have been at risk of relocation out of Illinois over a 10-year period, and (v) makes a capital investment of at least $75,000,000;

(D) the Taxpayer (i) had an Illinois net operating loss carryforward under Section 207 of the Illinois Income Tax Act in a taxable year ending during calendar year 2009, (ii) has applied for an Agreement within 150 days after March 4, 2011 (the effective date of Public Act 96-1534) ~~this amendatory Act of the 96th General Assembly~~, (iii) creates at least 150 new jobs, (iv)

retains at least 1,000 jobs in Illinois that would have been at risk of relocation out of Illinois over a 10-year period, and (v) makes a capital investment of at least $57,000,000; or

(E) the Taxpayer (i) employed at least 2,500 full-time employees in the State during the year in which the Credit is awarded, (ii) commits to make at least $500,000,000 in combined capital improvements and project costs under the Agreement, (iii) applies for an Agreement between January 1, 2011 and June 30, 2011, (iv) executes an Agreement for the Credit during calendar year 2011, and (v) was incorporated no more than 5 years before the filing of an application for an Agreement.

(1.5) The election under this subsection (f) may also be made by a Taxpayer for any Credit awarded pursuant to an agreement that was executed between January 1, 2011 and June 30, 2011, if the Taxpayer (i) is primarily engaged in the manufacture of inner tubes or tires, or both, from natural and synthetic rubber, (ii) employs a minimum of 2,400 full-time employees in Illinois at the time of application, (iii) creates at least 350 full-time jobs and retains at least 250 full-time jobs in Illinois that would have been at risk of being created or retained outside of Illinois, and (iv) makes a capital investment of at least $200,000,000 at the project location.

(1.6) The election under this subsection (f) may also be made by a Taxpayer for any Credit awarded pursuant to an agreement that was executed within 150 days after June 1, 2012 (the effective date of Public Act 97-636) ~~this amendatory Act of the 97th General Assembly~~, if the Taxpayer (i) is primarily engaged in the operation of a discount department store, (ii) maintains its corporate headquarters in Illinois, (iii) employs a minimum of 4,250 full-time employees at its corporate headquarters in Illinois at the time of application, (iv) retains at least 4,250 full-time jobs in Illinois that would have been at risk of being relocated outside of Illinois, (v) had a minimum of $40,000,000,000 in total revenue in 2010, and (vi) makes a capital investment of at least $300,000,000 at the project location.

(1.7) Notwithstanding any other provision of law, the election under this subsection (f) may also be made by a Taxpayer for any Credit awarded pursuant to an agreement that was executed or applied for on or after July 1, 2011 and on or before March 31, 2012, if the Taxpayer is primarily engaged in the manufacture of original and aftermarket filtration parts and products for automobiles, motor vehicles, light duty motor vehicles, light trucks and utility vehicles, and heavy duty trucks, (ii) employs a minimum of 1,000 full-time employees in Illinois at the time of application, (iii) creates at least 250 full-time jobs in Illinois, (iv) relocates its corporate headquarters to Illinois from another state, and (v) makes a capital investment of at least $4,000,000 at the project location.

(2) An election under this subsection shall allow the credit to be taken against payments otherwise due under Section 704A of the Illinois Income Tax Act during the first calendar year beginning after the end of the taxable year in which the credit is awarded under this Act.

(3) The election shall be made in the form and manner required by the Illinois Department of Revenue and, once made, shall be irrevocable.

(4) If a Taxpayer who meets the requirements of subparagraph (A) of paragraph (1) of this subsection (f) elects to claim the Credit against its withholdings as provided in this subsection (f), then, on and after the date of the election, the terms of the Agreement between the Taxpayer and the Department may not be further amended during the term of the Agreement.

(g) A pass-through entity that has been awarded a credit under this Act, its shareholders, or its partners may treat some or all of the credit awarded pursuant to this Act as a tax payment for purposes of the Illinois Income Tax Act. The term "tax payment" means a payment as described in Article 6 or Article 8 of the Illinois Income Tax Act or a composite payment made by a pass-through entity on behalf of any of its shareholders or partners to satisfy such shareholders' or partners' taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act. In no event shall the amount of the award credited pursuant to this Act exceed the Illinois income tax liability of the pass-through entity or its shareholders or partners for the taxable year.

(Source: P.A. 96-834, eff. 12-14-09; 96-836, eff. 12-16-09; 96-905, eff. 6-4-10; 96-1000, eff. 7-2-10; 96-1534, eff. 3-4-11; 97-2, eff. 5-6-11; 97-636, eff. 6-1-12.)

(35 ILCS 10/5-45)

Sec. 5-45. Amount and duration of the credit.

(a) The Department shall determine the amount and duration of the credit awarded under this Act. The duration of the credit may not exceed 10 taxable years. The credit may be stated as a percentage of the Incremental Income Tax or, in the case of an applicant that qualifies under subsection (d-1) of Section 5-15, of the capital investment attributable to the applicant's project and may include a fixed dollar limitation.

(b) Notwithstanding subsection (a), and except as the credit may be applied in a carryover year

pursuant to Section 211(4) of the Illinois Income Tax Act, the credit may be applied against the State income tax liability in more than 10 taxable years but not in more than 15 taxable years for an eligible business that (i) qualifies under this Act and the Corporate Headquarters Relocation Act and has in fact undertaken a qualifying project within the time frame specified by the Department of Commerce and Economic Opportunity under that Act, and (ii) applies against its State income tax liability, during the entire 15-year period, no more than 60% of the maximum credit per year that would otherwise be available under this Act.
(Source: P.A. 94-793, eff. 5-19-06.)

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

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

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

**READING BILL OF THE SENATE A THIRD TIME**

On motion of Senator Koehler, **Senate Bill No. 184** having been transcribed and typed and all amendments adopted thereto having been printed, 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 | Rezin |
| Bivins | Harmon | Maloney | Righter |
| Bomke | Holmes | Martinez | Sandack |
| Brady | Hunter | McCann | Sandoval |
| Clayborne | Hutchinson | McCarter | Schmidt |
| Collins, A. | Johnson, C. | McGuire | Schoenberg |
| Collins, J. | Jones, E. | Meeks | Silverstein |
| Crotty | Jones, J. | Millner | Steans |
| Cultra | Koehler | Mulroe | Sullivan |
| Delgado | Kotowski | Muñoz | Syverson |
| Dillard | LaHood | Murphy | Trotter |
| Duffy | Landek | Noland | Mr. President |
| Forby | Lauzen | Pankau | |
| Frerichs | Lightford | Radogno | |
| Garrett | Link | 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 therein.

**CONSIDERATION OF HOUSE AMENDMENT TO SENATE BILL ON SECRETARY’S DESK**

On motion of Senator Hutchinson, **Senate Bill No. 1566**, with House Amendment No. 2 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 33; NAYS 21; Present 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Bomke | Hunter | McGuire | Schmidt |
| Clayborne | Hutchinson | Meeks | Schoenberg |
| Collins, A. | Johnson, C. | Millner | Silverstein |
| Collins, J. | Jones, E. | Mulroe | Steans |
| Crotty | Koehler | Muñoz | Trotter |
| Delgado | Landek | Noland | Mr. President |
| Frerichs | Lightford | Raoul | |
| Garrett | Link | Sandack | |
| Harmon | Martinez | Sandoval | |

The following voted in the negative:

| | | | |
|---|---|---|---|
| Althoff | Forby | Maloney | Rezin |
| Bivins | Haine | McCann | Righter |
| Brady | Jones, J. | McCarter | Syverson |
| Cultra | LaHood | Murphy | |
| Dillard | Lauzen | Pankau | |
| Duffy | Luechtefeld | Radogno | |

The following voted present:

Sullivan

The motion lost.

And the Senate nonconcurred with the House in the adoption of their Amendment No. 2 to **Senate Bill No. 1566**.

Ordered that the Secretary inform the House of Representatives thereof.

## CONSIDERATION OF RESOLUTIONS ON SECRETARY'S DESK

Senator Kotowski moved that **Senate Resolution No. 752**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Kotowski moved that Senate Resolution No. 752 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Hunter moved that **Senate Resolution No. 773**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Hunter moved that Senate Resolution No. 773 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Brady moved that **Senate Resolution No. 788**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Brady moved that Senate Resolution No. 788 be adopted.

And on that motion, a call of the roll was had resulting as follows:

YEAS 47; NAYS 3.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Hutchinson | Maloney | Raoul |
| Brady | Johnson, C. | McCann | Rezin |
| Clayborne | Jones, E. | McCarter | Righter |
| Collins, A. | Jones, J. | McGuire | Sandack |
| Crotty | Koehler | Meeks | Schoenberg |
| Dillard | Kotowski | Millner | Silverstein |
| Duffy | LaHood | Mulroe | Steans |
| Frerichs | Landek | Muñoz | Sullivan |
| Garrett | Lauzen | Murphy | Syverson |
| Haine | Lightford | Noland | Trotter |
| Harmon | Link | Pankau | Mr. President |
| Holmes | Luechtefeld | Radogno | |

The following voted in the negative:

Hunter
Martinez
Sandoval

The motion prevailed.
And the resolution was adopted.

Senator Harmon moved that **Senate Resolution No. 811**, on the Secretary's Desk, be taken up for immediate consideration.
The motion prevailed.
Senator Harmon moved that Senate Resolution No. 811 be adopted.
The motion prevailed.
And the resolution was adopted.
Ordered that the Secretary inform the House of Representatives thereof.

Senator Jones, E. III moved that **House Joint Resolution No. 79**, on the Secretary's Desk, be taken up for immediate consideration.
The motion prevailed.
Senator Jones, E. III moved that House Joint Resolution No. 79 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 | Hunter | Martinez | Righter |
| Brady | Hutchinson | McCann | Sandack |
| Clayborne | Johnson, C. | McCarter | Sandoval |
| Collins, A. | Jones, E. | McGuire | Schmidt |
| Collins, J. | Jones, J. | Meeks | Schoenberg |
| Crotty | Koehler | Millner | Silverstein |
| Delgado | Kotowski | Mulroe | Steans |
| Dillard | LaHood | Muñoz | Sullivan |
| Duffy | Landek | Murphy | Syverson |
| Frerichs | Lauzen | Noland | Mr. President |
| Garrett | Lightford | Pankau | |
| Haine | Link | Radogno | |
| Harmon | Luechtefeld | Raoul | |

| | | |
|---|---|---|
| Holmes | Maloney | Rezin |

The motion prevailed.
And the resolution was adopted.
Ordered that the Secretary inform the House of Representatives thereof.

Senator McCann moved that **House Joint Resolution No. 88**, on the Secretary's Desk, be taken up for immediate consideration.
The motion prevailed.
Senator McCann moved that House Joint Resolution No. 88 be adopted.
And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Holmes | Maloney | Rezin |
| Bivins | Hunter | Martinez | Righter |
| Brady | Hutchinson | McCann | Sandack |
| Clayborne | Johnson, C. | McCarter | Sandoval |
| Collins, A. | Jones, E. | McGuire | Schmidt |
| Collins, J. | Jones, J. | Meeks | Schoenberg |
| Crotty | Koehler | Millner | Silverstein |
| Delgado | Kotowski | Mulroe | Steans |
| Dillard | LaHood | Muñoz | Sullivan |
| Duffy | Landek | Murphy | Syverson |
| Frerichs | Lauzen | Noland | Trotter |
| Garrett | Lightford | Pankau | Mr. President |
| Haine | Link | Radogno | |
| Harmon | Luechtefeld | Raoul | |

The motion prevailed.
And the resolution was adopted.
Ordered that the Secretary inform the House of Representatives thereof.

Senator Harmon moved that **House Joint Resolution No. 93**, on the Secretary's Desk, be taken up for immediate consideration.
The motion prevailed.
Senator Harmon moved that House Joint Resolution No. 93 be adopted.
And on that motion, a call of the roll was had resulting as follows:

YEAS 51; NAYS None; Present 1.

The following voted in the affirmative:

| | | | |
|---|---|---|---|
| Althoff | Harmon | Maloney | Raoul |
| Bivins | Holmes | Martinez | Rezin |
| Brady | Hunter | McCann | Righter |
| Clayborne | Johnson, C. | McCarter | Sandack |
| Collins, A. | Jones, E. | McGuire | Schmidt |
| Collins, J. | Jones, J. | Meeks | Schoenberg |
| Crotty | Koehler | Millner | Silverstein |
| Delgado | Kotowski | Mulroe | Steans |
| Dillard | LaHood | Muñoz | Sullivan |
| Duffy | Landek | Murphy | Syverson |
| Frerichs | Lightford | Noland | Trotter |
| Garrett | Link | Pankau | Mr. President |
| Haine | Luechtefeld | Radogno | |

The following voted present:

Sandoval

The motion prevailed.
And the resolution was adopted.
Ordered that the Secretary inform the House of Representatives thereof.

**RESOLUTIONS CONSENT CALENDAR**

**SENATE RESOLUTION NO. 797**
Offered by Senator Haine and all Senators:
Mourns the death of Dale Shannon Dawdy of Godfrey.

**SENATE RESOLUTION NO. 798**
Offered by Senator Harmon and all Senators:
Mourns the death of Iola McGowan of Chicago.

**SENATE RESOLUTION NO. 799**
Offered by Senator Holmes and all Senators:
Mourns the death of Kim Presbrey of Aurora.

**SENATE RESOLUTION NO. 800**
Offered by Senator McCann and all Senators:
Mourns the death of Robert L. "Sonny" Albertine of Carlinville.

**SENATE RESOLUTION NO. 801**
Offered by Senator McCann and all Senators:
Mourns the death of Bobby Lee Weatherford of Litchfield.

**SENATE RESOLUTION NO. 802**
Offered by Senator Lauzen and all Senators:
Mourns the death of James J. Goodreau.

**SENATE RESOLUTION NO. 803**
Offered by Senator Lauzen and all Senators:
Mourns the death of Alice Suzanne Goodreau.

**SENATE RESOLUTION NO. 804**
Offered by Senator Lauzen and all Senators:
Mourns the death of Corporal Alex Martinez of the U.S. Marine Corps.

**SENATE RESOLUTION NO. 805**
Offered by Senator LaHood and all Senators:
Mourns the death of Neil L. Pobanz of Varna, formerly of East Moline.

**SENATE RESOLUTION NO. 808**
Offered by Senator Link and all Senators:
Mourns the death of David M. Sarich of Hawthorn Woods.

**SENATE RESOLUTION NO. 809**
Offered by Senator Frerichs and all Senators:
Mourns the death of Beatrice Freese of Royal.

**SENATE RESOLUTION NO. 810**
Offered by Senator Lightford and all Senators:
Mourns the death of Mary L. McCoy.

**SENATE RESOLUTION NO. 812**

Offered by Senator Duffy and all Senators:
Mourns the death of William Louis Mueller of Indian Head Park, formerly of Westchester.

**SENATE RESOLUTION NO. 813**

Offered by Senator Hunter and all Senators:
Mourns the death of Annie Jean Cobbins of Madison, formerly of Chicago.

The Chair moved the adoption of the Resolutions Consent Calendar. The motion prevailed, and the resolutions were adopted.

## MESSAGE FROM THE HOUSE

A message from the House by
Mr. Mapes, 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. 94**

**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 Thursday, May 31, 2012, the House of Representatives stands adjourned until Wednesday, November 14, 2012, in perfunctory session, or until the call of the Speaker and when it adjourns on that day, it stands adjourned until Tuesday, November 27, 2012 at 12:00 o'clock noon, or until the call of the Speaker; and the Senate stands adjourned until Wednesday, November 14, 2012, in perfunctory session, or until the call of the President; and when it adjourns on that day, it stands adjourned until Tuesday, November 27, 2012, or until the call of the President.

Adopted by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

By unanimous consent, on motion of Senator Crotty, the foregoing message reporting House Joint Resolution No. 94 was taken up for immediate consideration.

Senator Crotty 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. Mapes, 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. 62**

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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. 63**

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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. 69**

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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. 73**

Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 3779

A bill for AN ACT concerning State government.
Which amendments are as follows:
Senate Amendment No. 2 to HOUSE BILL NO. 3779
Senate Amendment No. 5 to HOUSE BILL NO. 3779
Senate Amendment No. 6 to HOUSE BILL NO. 3779
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 3801

A bill for AN ACT concerning criminal law.
Which amendments are as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 3801
Senate Amendment No. 2 to HOUSE BILL NO. 3801
Senate Amendment No. 3 to HOUSE BILL NO. 3801
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 3881

A bill for AN ACT concerning regulation.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 3881
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 3892

A bill for AN ACT concerning local government.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 3892
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 4568

A bill for AN ACT concerning finance.
Which amendment is as follows:
Senate Amendment No. 2 to HOUSE BILL NO. 4568
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 4674

A bill for AN ACT concerning regulation.
Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 4674
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

A message from the House by
Mr. Mapes, 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 4996

A bill for AN ACT concerning public employee benefits.
Which amendments are as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 4996
Senate Amendment No. 2 to HOUSE BILL NO. 4996
Concurred in by the House, May 31, 2012.

TIMOTHY D. MAPES, Clerk of the House

**MESSAGE FROM THE PRESIDENT**

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

JOHN J. CULLERTON
SENATE PRESIDENT

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

[May 31, 2012]

May 31, 2012

Mr. Tim Anderson
Secretary of the Senate
Room 403 State House
Springfield, IL 62706

Dear Mr. Secretary:

Enclosed please find the 2012 Senate Veto Session Schedule for the 96th General Assembly. Please contact my Chief of Staff, David Gross, should you have any questions.

Sincerely,
s/John J. Cullerton
Senate President

cc: Senate Republican Leader Christine Radogno

**2012 Veto**

| | | |
|---|---|---|
| NOVEMBER | 27th | SESSION |
| | 28th | SESSION |
| | 29th | SESSION |
| DECEMBER | 4TH | SESSION |
| | 5TH | SESSION |
| | 6TH | SESSION |

At the hour of 1:32 o'clock a.m., pursuant to **House Joint Resolution No. 94**, the Chair announced the Senate stand adjourned until Wednesday, November 14, 2012, in perfunctory session, or until the call of the President.