

STATE OF ILLINOIS



HOUSE JOURNAL

HOUSE OF REPRESENTATIVES

NINETY-SIXTH GENERAL ASSEMBLY

134TH LEGISLATIVE DAY

REGULAR & PERFUNCTORY SESSION

FRIDAY, APRIL 30, 2010

9:44 O'CLOCK A.M.

HOUSE OF REPRESENTATIVES
Daily Journal Index
134th Legislative Day

Action	Page(s)
Adjournment	100
Adjournment Resolution	99
Agreed Resolutions	16
Change of Sponsorship.....	15
Correctional Note Supplied.....	6
Fiscal Note Supplied	7
Home Rule Note Supplied.....	6
Housing Affordability Impact Note Supplied	7
Introduction and First Reading – HB 6862	119
Letter of Transmittal.....	4
Messages From The Senate.....	7
Motions Submitted	5
Pension Note Supplied	7
Perfunctory Adjournment.....	119
Perfunctory Session.....	119
Quorum Roll Call	4
Reports	4
Reports From Standing Committees	5
Re-referred to the Committee on Rules.....	5
Resolutions.....	15
Senate Bills on First Reading	119
State Debt Impact Note Supplied	7
State Mandates Fiscal Note Supplied	7

Bill Number	Legislative Action	Page(s)
HB 4698	Motion Submitted	5
HB 5514	Motion Submitted	6
HB 5527	Motion Submitted	6
HB 5781	Senate Message – Passage w/ SA	14
HB 5823	Senate Message – Passage w/ SA	13
HB 5863	Senate Message – Passage w/ SA	12
HB 5998	Motion Submitted	5
HB 6001	Motion Submitted	5
HB 6022	Motion Submitted	6
HB 6030	Motion Submitted	6
HB 6208	Senate Message – Passage w/ SA	9
HB 6239	Motion Submitted	5
HB 6271	Senate Message – Passage w/ SA	9
HB 6415	Motion Submitted	5
HB 6439	Motion Submitted	6
HB 6464	Motion Submitted	6
HJR 0118	Adoption	99
HR 1184	Resolution	16
HR 1184	Adoption	100
HR 1185	Resolution	15
HR 1186	Resolution	16
HR 1186	Adoption	100
HR 1187	Resolution	16
HR 1187	Adoption	100
HR 1188	Resolution	16

HR 1189	Resolution	17
HR 1189	Adoption	100
HR 1190	Resolution	17
HR 1190	Adoption	100
SB 0107	Committee Report.....	5
SB 0107	Second Reading – Amendment/s.....	17
SB 0380	Second Reading – Amendments/s	20
SB 0580	Third Reading	18
SB 0731	Third Reading	17
SB 0851	Third Reading	17
SB 2485	Senate Message – Passage of Senate Bill	15
SB 2494	Second Reading – Amendments/s	62
SB 2554	Third Reading	18
SB 2650	Senate Message – Passage of Senate Bill	15
SB 2819	Third Reading	18
SB 2850	Senate Message – Passage of Senate Bill	15
SB 2987	Second Reading	99
SB 3064	First Reading.....	119
SB 3064	Senate Message – Passage of Senate Bill	7
SB 3118	Third Reading	18
SB 3295	Third Reading	18
SB 3320	Third Reading	18
SB 3346	Third Reading	19
SB 3359	Third Reading	19
SB 3446	Third Reading	19
SB 3509	Third Reading	19
SB 3628	Third Reading	20
SB 3635	Third Reading	19
SB 3661	Motion	99
SB 3661	Motion Submitted	6
SB 3661	Third Reading	20
SB 3775	Senate Message – Passage of Senate Bill	15
SB 3780	Recall	62
SB 3781	Third Reading	20

[April 30, 2010]

4

The House met pursuant to adjournment.

Representative Lang in the chair.

Prayer by Reverend Rakel Evenson, who is the Pastor of New Life Lutheran Church in Bolingbrook, Illinois.

Representative DeLuca led the House in the Pledge of Allegiance.

By direction of the Speaker, a roll call was taken to ascertain the attendance of Members, as follows:

115 present. (ROLL CALL 1)

By unanimous consent, Representatives Black, Collins and Mathias were excused from attendance.

REPORTS

The Clerk of the House acknowledges receipt of the following correspondence:

Sixth Month and Annual Required Report Issued to Address the Transfer and Consolidation of the Low Income Home Energy Assistance Program and the Illinois Home Weatherization Assistance Program, submitted by Illinois Department of Commerce and Economic Opportunity on April 29, 2010.

Report on Educational Mandates Required by 105 ILCS 5/2-3.104, submitted by Illinois State Board of Education on April 29, 2010.

Special Education Expenditures and Receipts Report, submitted by Illinois State Board of Education on April 29, 2010.

A Pension Trust Fund of the State of Illinois Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2009, submitted by State Employees' Retirement System of Illinois on April 29, 2010.

LETTER OF TRANSMITTAL

April 30, 2010

Mark Mahoney
Chief Clerk of the House
402 State House
Springfield, IL 62706

Dear Clerk Mahoney:

Please be advised that I am extending the Committee/Final Action Deadline to May 8, 2010, for the following Senate Bills:

Senate Bills: 28, 49, 459, 2505, 2530, 2878, 3268, 3377, 3513 and 3638.

If you have questions, please contact my Chief of Staff, Tim Mapes, at 782-6360.

With kindest personal regards, I remain.

Sincerely yours,
s/Michael J. Madigan
Speaker of the House

REPORTS FROM STANDING COMMITTEES

Representative McCarthy, Chairperson, from the Committee on Telecommunications to which the following were referred, action taken on April 30, 2010, reported the same back with the following recommendations:

That the bill be reported "do pass as amended" and be placed on the order of Second Reading-- Short Debate: SENATE BILL 107.

The committee roll call vote on Senate Bill 107 is as follows:

11, Yeas; 0, Nays; 0, Answering Present.

Y McCarthy(D), Chairperson	Y Jakobsson(D), Vice-Chairperson
Y Bost(R), Republican Spokesperson	A Acevedo(D)
Y Colvin(D)	A Lang(D)
Y Lyons(D)	Y Osmond(R)
Y Ramey(R)	Y Reitz(D)
Y Schmitz(R)	Y Sullivan(R)
A Turner(D)	Y Winters(R)

RE-REFERRED TO THE COMMITTEE ON RULES

The following bill was re-referred to the Committee on Rules pursuant to Rule 19(a) SENATE BILL 2549.

MOTIONS SUBMITTED

Representative Lyons submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 2 to HOUSE BILL 4698.

Representative Jakobsson submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE BILL 6001.

Representative Holbrook submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE BILL 5998.

Representative Rita submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE BILL 6415.

Representative Rita submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE BILL 6239.

Representative Rita submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE BILL 5514.

Representative Verschoore submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE BILL 6464.

Representative Mautino submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE BILL 6022.

Representative May submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE BILL 6030.

Representative Dunkin submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE BILL 6439.

Representative Saviano submitted the following written motion, which was referred to the Committee on Rules:

MOTION

I move to concur with Senate Amendment No. 1 to HOUSE BILL 5527.

Representative Moffitt submitted the following written motion, which was placed on the order of Motions in Writing:

MOTION

Pursuant to Rule 65, and having voted on the prevailing side, I move to reconsider the vote by which SENATE BILL 3661 passed in the House on April 30, 2010.

CORRECTIONAL NOTE SUPPLIED

A Correctional Note has been supplied for HOUSE BILL 6123.

HOME RULE NOTE SUPPLIED

A Home Rule Note has been supplied for HOUSE BILL 6123.

HOME RULE NOTE SUPPLIED

A Home Rule Note has been supplied for SENATE BILL 2494, as amended.

STATE MANDATES FISCAL NOTE SUPPLIED

A State Mandates Fiscal Note has been supplied for HOUSE BILL 6123.

HOUSING AFFORDABILITY IMPACT NOTE SUPPLIED

A Housing Affordability Impact Note has been supplied for HOUSE BILL 6123.

PENSION NOTE SUPPLIED

A Pension Note has been supplied for SENATE BILL 2494, as amended.

STATE DEBT IMPACT NOTE SUPPLIED

A State Debt Impact Note has been supplied for SENATE BILL 2494, as amended.

FISCAL NOTE SUPPLIED

A Fiscal Note has been supplied for SENATE BILL 2612.

MESSAGES FROM THE SENATE

A message from the Senate by

Ms. Rock, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has passed a bill of the following title, in the passage of which I am instructed to ask the concurrence of the House of Representatives, to-wit:

SENATE BILL NO. 3064

A bill for AN ACT concerning business.

Passed by the Senate, April 30, 2010.

Jillayne Rock, Secretary of the Senate

The foregoing SENATE BILL 3064 was ordered reproduced and placed on the appropriate order of business.

A message from the Senate by

Ms. Rock, Secretary:

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

HOUSE BILL 6271

A bill for AN ACT concerning State government.

Together with the attached amendment thereto (which amendment has been printed by the Senate), in the adoption of which I am instructed to ask the concurrence of the House, to-wit:

Senate Amendment No. 2 to HOUSE BILL NO. 6271

Passed the Senate, as amended, April 30, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 2. Amend House Bill 6271 by replacing everything after the enacting clause

with the following:

"Section 5. The Department of Central Management Services Law of the Civil Administrative Code of Illinois is amended by changing Section 405-335 as follows:

(20 ILCS 405/405-335)

Sec. 405-335. Illinois Transparency and Accountability Portal (ITAP).

(a) The Department, within 12 months after the effective date of this amendatory Act of the 96th General Assembly, shall establish and maintain a website, known as the Illinois Transparency and Accountability Portal (ITAP), with a full-time webmaster tasked with compiling and updating the ITAP database with information received from all State agencies as defined in this Section.

(b) For purposes of this Section:

"State agency" means the offices of the constitutional officers identified in Article V of the Illinois Constitution, executive agencies, and departments, boards, commissions, and Authorities under the Governor.

"Contracts" means payment obligations with vendors on file with the Office of the Comptroller to purchase goods and services exceeding \$10,000 in value (or, in the case of professional or artistic services, exceeding \$5,000 in value).

"Appropriation" means line-item detail of spending approved by the General Assembly and Governor, categorized by object of expenditure.

"Individual consultants" means temporary workers eligible to receive State benefits paid on a State payroll.

"Recipients" means State agencies receiving appropriations.

(c) The ITAP shall provide direct access to each of the following:

(1) A database of all current State employees and individual consultants, except sworn law enforcement officers, sorted separately by:

(i) Name.

(ii) Employing State agency.

(iii) Employing State division.

(iv) Employment position title.

(v) Current pay rate and year-to-date pay.

(2) A database of all current State expenditures, sorted separately by agency, category, recipient, and Representative District.

(3) A database of all development assistance reportable pursuant to the Corporate Accountability for Tax Expenditures Act, sorted separately by tax credit category, taxpayer, and Representative District.

(4) A database of all revocations and suspensions of State occupation and use tax certificates of registration and all revocations and suspensions of State professional licenses, sorted separately by name, geographic location, and certificate of registration number or license number, as applicable. Professional license revocations and suspensions shall be posted only if resulting from a failure to pay taxes, license fees, or child support.

(5) A database of all current State contracts, sorted separately by contractor name, awarding officer or agency, contract value, and goods or services provided.

(6) A database of all employees hired after the effective date of this amendatory Act of 2010, sorted searchably by each of the following at the time of employment:

(i) Name.

(ii) Employing State agency.

(iii) Employing State division.

(iv) Employment position title.

(v) Current pay rate and year-to-date pay.

(vi) County of employment location.

(vii) Rutan status.

(viii) Status of position as subject to collective bargaining, subject to merit compensation, or exempt under Section 4d of the Personnel Code.

(ix) Employment status as probationary, trainee, intern, certified, or exempt from certification.

(x) Status as a military veteran.

(d) The ITAP shall include all information required to be published by subsection (c) of this Section that is available to the Department in a format the Department can compile and publish on the ITAP. The Department shall update the ITAP as additional information becomes available in a

format that can be compiled and published on the ITAP by the Department.
 (e) Each State agency shall cooperate with the Department in furnishing the information necessary for the implementation of this Section within a timeframe specified by the Department.
 (Source: P.A. 96-225, eff. 1-1-10.)"

The foregoing message from the Senate reporting Senate Amendment No. 2 to HOUSE BILL 6271 was placed on the Calendar on the order of Concurrence.

A message from the Senate by
 Ms. Rock, Secretary:

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

HOUSE BILL 6208

A bill for AN ACT concerning utilities.

Together with the attached amendment thereto (which amendment has been printed by the Senate), in the adoption of which I am instructed to ask the concurrence of the House, to-wit:

Senate Amendment No. 1 to HOUSE BILL NO. 6208

Passed the Senate, as amended, April 30, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 6208, on page 3 by replacing lines 12 through 17 with the following:

"(1) disclose in plain language in writing to all persons it solicits (i) before July 1, 2011, the total anticipated remuneration to be paid to it by any third party over the period of the proposed underlying customer contract and (ii) on or after July 1, 2011, the total price per kilowatt-hour, and the total anticipated cost, inclusive of all fees or commissions received by the licensee, to be paid by the customer over the period of the proposed underlying customer contract;".

The foregoing message from the Senate reporting Senate Amendment No. 1 to HOUSE BILL 6208 was placed on the Calendar on the order of Concurrence.

A message from the Senate by
 Ms. Rock, Secretary:

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

HOUSE BILL 5863

A bill for AN ACT concerning education.

Together with the attached amendment thereto (which amendment has been printed by the Senate), in the adoption of which I am instructed to ask the concurrence of the House, to-wit:

Senate Amendment No. 1 to HOUSE BILL NO. 5863

Passed the Senate, as amended, April 30, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 5863 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Sections 10-21.9 and 21-9 as follows:

(105 ILCS 5/10-21.9) (from Ch. 122, par. 10-21.9)

Sec. 10-21.9. Criminal history records checks and checks of the Statewide Sex Offender Database and Statewide Child Murderer and Violent Offender Against Youth Database.

(a) Certified and noncertified applicants for employment with a school district, except school bus driver applicants, are required as a condition of employment to authorize a fingerprint-based criminal history records check to determine if such applicants have been convicted of any of the enumerated criminal or drug offenses in subsection (c) of this Section or have been convicted, within 7 years of the application for employment with the school district, of any other felony under the laws of this State or of any offense committed or attempted in any other state or against the laws of the United States that, if committed or attempted in this State, would have been punishable as a felony under the laws of this State. Authorization for the check shall be furnished by the applicant to the school district, except that if the applicant is a substitute teacher seeking employment in more than one school district, a teacher seeking concurrent part-time employment positions with more than one school district (as a reading specialist, special education teacher or otherwise), or an educational support personnel employee seeking employment positions with more than one district, any such district may require the applicant to furnish authorization for the check to the regional superintendent of the educational service region in which are located the school districts in which the applicant is seeking employment as a substitute or concurrent part-time teacher or concurrent educational support personnel employee. Upon receipt of this authorization, the school district or the appropriate regional superintendent, as the case may be, shall submit the applicant's name, sex, race, date of birth, social security number, fingerprint images, and other identifiers, as prescribed by the Department of State Police, to the Department. The regional superintendent submitting the requisite information to the Department of State Police shall promptly notify the school districts in which the applicant is seeking employment as a substitute or concurrent part-time teacher or concurrent educational support personnel employee that the check of the applicant has been requested. The Department of State Police and the Federal Bureau of Investigation shall furnish, pursuant to a fingerprint-based criminal history records check, records of convictions, until expunged, to the president of the school board for the school district that requested the check, or to the regional superintendent who requested the check. The Department shall charge the school district or the appropriate regional superintendent a fee for conducting such check, which fee shall be deposited in the State Police Services Fund and shall not exceed the cost of the inquiry; and the applicant shall not be charged a fee for such check by the school district or by the regional superintendent, except that those applicants seeking employment as a substitute teacher with a school district may be charged a fee not to exceed the cost of the inquiry. Subject to appropriations for these purposes, the State Superintendent of Education shall reimburse school districts and regional superintendents for fees paid to obtain criminal history records checks under this Section.

(a-5) The school district or regional superintendent shall further perform a check of the Statewide Sex Offender Database, as authorized by the Sex Offender Community Notification Law, for each applicant.

(a-6) The school district or regional superintendent shall further perform a check of the Statewide Child Murderer and Violent Offender Against Youth Database, as authorized by the Child Murderer and Violent Offender Against Youth Community Notification Law, for each applicant.

(b) Any information concerning the record of convictions obtained by the president of the school board or the regional superintendent shall be confidential and may only be transmitted to the superintendent of the school district or his designee, the appropriate regional superintendent if the check was requested by the school district, the presidents of the appropriate school boards if the check was requested from the Department of State Police by the regional superintendent, the State Superintendent of Education, the State Teacher Certification Board or any other person necessary to the decision of hiring the applicant for employment. A copy of the record of convictions obtained from the Department of State Police shall be provided to the applicant for employment. Upon the check of the Statewide Sex Offender Database, the school district or regional superintendent shall notify an applicant as to whether or not the applicant has been identified in the Database as a sex offender. If a check of an applicant for employment as a substitute or concurrent part-time teacher or concurrent educational support personnel employee in more than one school district was requested by the regional superintendent, and the Department of State Police upon a check ascertains that the applicant has not been convicted of any of the enumerated criminal or drug offenses in subsection (c) or has not been convicted, within 7 years of the application for employment with the school district, of any other felony under the laws of this State or of any offense committed or attempted in any other state or against the laws of the United States that, if committed or attempted in this State, would have been punishable as a felony under the laws of this State and so notifies the regional superintendent and if the regional superintendent upon a check ascertains that the applicant has not been identified in the Sex Offender Database as a sex offender, then the regional superintendent shall issue to the applicant a certificate evidencing that as of the date specified by the Department of State Police the applicant has not been convicted of any of the enumerated criminal or drug offenses in subsection (c) or has

not been convicted, within 7 years of the application for employment with the school district, of any other felony under the laws of this State or of any offense committed or attempted in any other state or against the laws of the United States that, if committed or attempted in this State, would have been punishable as a felony under the laws of this State and evidencing that as of the date that the regional superintendent conducted a check of the Statewide Sex Offender Database, the applicant has not been identified in the Database as a sex offender. The school board of any school district may rely on the certificate issued by any regional superintendent to that substitute teacher, concurrent part-time teacher, or concurrent educational support personnel employee or may initiate its own criminal history records check of the applicant through the Department of State Police and its own check of the Statewide Sex Offender Database as provided in subsection (a). Any person who releases any confidential information concerning any criminal convictions of an applicant for employment shall be guilty of a Class A misdemeanor, unless the release of such information is authorized by this Section.

(c) No school board shall knowingly employ a person who has been convicted of any offense that would subject him or her to certification suspension or revocation pursuant to Section 21-23a of this Code. Further, no school board shall knowingly employ a person who has been found to be the perpetrator of sexual or physical abuse of any minor under 18 years of age pursuant to proceedings under Article II of the Juvenile Court Act of 1987.

(d) No school board shall knowingly employ a person for whom a criminal history records check and a Statewide Sex Offender Database check has not been initiated.

(e) Upon receipt of the record of a conviction of or a finding of child abuse by a holder of any certificate issued pursuant to Article 21 or Section 34-8.1 or 34-83 of the School Code, the State Superintendent of Education may initiate certificate suspension and revocation proceedings as authorized by law.

(e-5) The superintendent of the employing school board shall, in writing, notify the State Superintendent of Education and the applicable regional superintendent of schools of any certificate holder whom he or she has reasonable cause to believe has committed an intentional act of abuse or neglect with the result of making a child an abused child or a neglected child, as defined in Section 3 of the Abused and Neglected Child Reporting Act, and that act resulted in the certificate holder's dismissal or resignation from the school district. This notification must be submitted within 30 days after the dismissal or resignation. The certificate holder must also be contemporaneously sent a copy of the notice by the superintendent. All correspondence, documentation, and other information so received by the regional superintendent of schools, the State Superintendent of Education, the State Board of Education, or the State Teacher Certification Board under this subsection (e-5) is confidential and must not be disclosed to third parties, except (i) as necessary for the State Superintendent of Education or his or her designee to investigate and prosecute pursuant to Article 21 of this Code, (ii) pursuant to a court order, (iii) for disclosure to the certificate holder or his or her representative, or (iv) as otherwise provided in this Article and provided that any such information admitted into evidence in a hearing is exempt from this confidentiality and non-disclosure requirement. Except for an act of willful or wanton misconduct, any superintendent who provides notification as required in this subsection (e-5) shall have immunity from any liability, whether civil or criminal or that otherwise might result by reason of such action.

(f) After January 1, 1990 the provisions of this Section shall apply to all employees of persons or firms holding contracts with any school district including, but not limited to, food service workers, school bus drivers and other transportation employees, who have direct, daily contact with the pupils of any school in such district. For purposes of criminal history records checks and checks of the Statewide Sex Offender Database on employees of persons or firms holding contracts with more than one school district and assigned to more than one school district, the regional superintendent of the educational service region in which the contracting school districts are located may, at the request of any such school district, be responsible for receiving the authorization for a criminal history records check prepared by each such employee and submitting the same to the Department of State Police and for conducting a check of the Statewide Sex Offender Database for each employee. Any information concerning the record of conviction and identification as a sex offender of any such employee obtained by the regional superintendent shall be promptly reported to the president of the appropriate school board or school boards.

(Source: P.A. 95-331, eff. 8-21-07; 96-431, eff. 8-13-09.)

(105 ILCS 5/21-9) (from Ch. 122, par. 21-9)

Sec. 21-9. Substitute certificates and substitute teaching.

(a) A substitute teacher's certificate may be issued for teaching in all grades of the common schools. Such certificate may be issued upon request of the regional superintendent of schools of any region in which the teacher is to teach. A substitute teacher's certificate is valid for teaching in the public schools of

any county. Such certificate may be issued to persons who either (a) hold a certificate valid for teaching in the common schools as shown on the face of the certificate, (b) hold a bachelor of arts degree from an institution of higher learning accredited by the North Central Association or other comparable regional accrediting association or have been graduated from a recognized institution of higher learning with a bachelor's degree, or (c) have had 2 years of teaching experience and meet such other rules and regulations as may be adopted by the State Board of Education in consultation with the State Teacher Certification Board. Such certificate shall expire on June 30 in the fourth year from date of issue. Substitute teacher's certificates are not subject to endorsement as described in Section 21-1b of this Code.

(b) A teacher holding a substitute teacher's certificate may teach only in the place of a certified teacher who is under contract with the employing board and may teach only when no appropriate fully certified teacher is available to teach in a substitute capacity. A teacher holding an early childhood certificate, an elementary certificate, a high school certificate, or a special certificate may also substitute teach in grades K-12 but only in the place of a certified teacher who is under contract with the employing board. A substitute teacher may teach only for a period not to exceed 90 paid school days or 450 paid school hours in any one school district in any one school term. However, a teacher holding an early childhood, elementary, high school, or special certificate may substitute teach for a period not to exceed 120 paid school days or 600 paid school hours in any one school district in any one school term. Where such teaching is partly on a daily and partly on an hourly basis, a school day shall be considered as 5 hours. The teaching limitations imposed by this subsection upon teachers holding substitute certificates shall not apply in any school district operating under Article 34.

(c) In order to substitute teach in the public schools, a person holding a valid substitute teacher's certificate or a person holding a valid early childhood certificate, a valid elementary certificate, a valid high school certificate, or a valid special certificate shall register as a substitute teacher with the regional superintendent of schools in each educational service region where the person will be employed. A person who registers as a substitute teacher with the regional superintendent of schools is responsible for (1) the payment of fees to register the certificate for its period of validity, (2) authorization of a criminal history records check and checks of the Statewide Sex Offender Database and Statewide Child Murderer and Violent Offender Against Youth Database, as provided in Section 10-21.9 of this Code, (3) payment of the cost of the criminal history records check and checks of the Statewide Sex Offender Database and Statewide Child Murderer and Violent Offender Against Youth Database, and (4) providing evidence of physical fitness and freedom from communicable disease, including tuberculosis, which may consist of a physical examination and a tuberculin skin test as required by Section 24-5 of this Code.

The regional superintendent of schools shall maintain a file for each registered substitute teacher in the educational service region that includes a copy of the person's certificate, the results from the criminal history records check and checks of the Statewide Sex Offender Database and Statewide Child Murderer and Violent Offender Against Youth Database, a copy of the physical examination, and a copy of the tuberculin skin test. The regional superintendent of schools shall issue a signed and sealed certificate of authorization to the substitute teacher that verifies that the substitute teacher has completed the registration process and criminal history records check and checks of the Statewide Sex Offender Database and Statewide Child Murderer and Violent Offender Against Youth Database and has a physical examination and negative tuberculin test on file with the regional superintendent of schools and is thereby approved to substitute teach in the public schools of the educational service region. This certificate must be presented to all prospective employing school districts in the educational service region, who shall photocopy the certificate and keep a copy of the certificate with employment records for the substitute teacher.

Persons wishing to substitute teach in more than one educational service region shall register as a substitute teacher with the appropriate regional superintendent of schools. The registration process shall include all items listed in the first paragraph of this subsection (b), with the exception of the authorization of a criminal history records check and checks of the Statewide Sex Offender Database and Statewide Child Murderer and Violent Offender Against Youth Database and the accompanying payment of associated fees. If the substitute teacher has been issued a signed and sealed certificate of authorization from another regional superintendent of schools, the registering entity may photocopy the certificate for its files and verify the substitute teacher's registration status.

(Source: P.A. 92-184, eff. 7-27-01; 93-679, eff. 6-30-04.)

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

The foregoing message from the Senate reporting Senate Amendment No. 1 to HOUSE BILL 5863 was placed on the Calendar on the order of Concurrence.

A message from the Senate by

Ms. Rock, Secretary:

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

HOUSE BILL 5823

A bill for AN ACT concerning State government.

Together with the attached amendment thereto (which amendment has been printed by the Senate), in the adoption of which I am instructed to ask the concurrence of the House, to-wit:

Senate Amendment No. 1 to HOUSE BILL NO. 5823

Passed the Senate, as amended, April 30, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 5823 by replacing everything after the enacting clause with the following:

"Section 5. The Department of Veterans Affairs Act is amended by adding Section 36 as follows:

(20 ILCS 2805/36 new)

Sec. 36. Mobile assistance units.

(a) Subject to appropriations, the Department shall establish a program to make grants to entities for providing mental health and preventive health services using mobile units as provided in this Section. The Department shall issue requests for proposals to provide these services.

(b) The services provided under the program shall target homeless veterans and other veterans facing obstacles to obtaining needed care or services, including those residing in rural and medically underserved areas. The mobile assistance units shall travel to various locations to provide services, including local veterans organization facilities and facilities serving the homeless.

(c) Services provided through the mobile assistance units may include the following:

(1) Mental health screenings.

(2) Preventive health care.

(3) Crisis intervention.

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

The foregoing message from the Senate reporting Senate Amendment No. 1 to HOUSE BILL 5823 was placed on the Calendar on the order of Concurrence.

A message from the Senate by

Ms. Rock, Secretary:

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

HOUSE BILL 5781

A bill for AN ACT concerning revenue.

Together with the attached amendment thereto (which amendment has been printed by the Senate), in the adoption of which I am instructed to ask the concurrence of the House, to-wit:

Senate Amendment No. 1 to HOUSE BILL NO. 5781

Passed the Senate, as amended, April 30, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 5781 on page 8, by replacing lines 1 through 6 with the following:

"fee charged to the State by the collection agency (i) may not exceed 25% of the liability referred to the collection agency unless the liability is for a tax debt, (ii) is considered an additional liability owed to the State, (iii) is immediately subject to all collection procedures applicable to the liability referred to the collection agency, and (iv) must be separately stated in any statement or notice of the liability issued by the

collection agency to the debtor."; and
on page 15, line 25, by replacing "6 2" with "2".

The foregoing message from the Senate reporting Senate Amendment No. 1 to HOUSE BILL 5781 was placed on the Calendar on the order of Concurrence.

A message from the Senate by
Ms. Rock, Secretary:
Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the adoption of the following joint resolution, to-wit:
HOUSE JOINT RESOLUTION NO. 118
Concurred in the Senate, April 30, 2010.

Jillayne Rock, Secretary of the Senate

A message from the Senate by
Ms. Rock, Secretary:
Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has concurred with the House in the passage of bills of the following titles to-wit:
HOUSE BILL NO. 5744
A bill for AN ACT concerning State government.
HOUSE BILL NO. 5752
A bill for AN ACT concerning State government.
HOUSE BILL NO. 5762
A bill for AN ACT concerning criminal law.
HOUSE BILL NO. 5838
A bill for AN ACT concerning regulation.
HOUSE BILL NO. 5907
A bill for AN ACT concerning safety.
HOUSE BILL NO. 5914
A bill for AN ACT concerning criminal law.
HOUSE BILL NO. 5918
A bill for AN ACT concerning civil law.
HOUSE BILL NO. 5931
A bill for AN ACT concerning criminal law.
HOUSE BILL NO. 6082
A bill for AN ACT concerning civil law.
HOUSE BILL NO. 6178
A bill for AN ACT concerning criminal law.
HOUSE BILL NO. 6450
A bill for AN ACT concerning transportation.
HOUSE BILL NO. 6459
A bill for AN ACT concerning criminal law.
Passed by the Senate, April 30, 2010.

Jillayne Rock, Secretary of the Senate

A message from the Senate by
Ms. Rock, Secretary:

Mr. Speaker -- I am directed to inform the House of Representatives that the Senate has passed bills of the following titles, in the passage of which I am instructed to ask the concurrence of the House of Representatives, to-wit:

SENATE BILL NO. 2485

A bill for AN ACT concerning utilities.

SENATE BILL NO. 2650

A bill for AN ACT concerning elections.

SENATE BILL NO. 2850

A bill for AN ACT concerning local government.

SENATE BILL NO. 3775

A bill for AN ACT concerning transportation.

Passed by the Senate, April 30, 2010.

Jillayne Rock, Secretary of the Senate

The foregoing SENATE BILLS 2485, 2650, 2850 and 3775 were ordered reproduced and placed on the appropriate order of business.

CHANGE OF SPONSORSHIP

With the consent of the affected members, Representative Mell was removed as principal sponsor, and Representative Rose became the new principal sponsor of SENATE BILL 2925.

With the consent of the affected members, Representative Farnham was removed as principal sponsor, and Representative Nekritz became the new principal sponsor of SENATE BILL 2168.

HOUSE RESOLUTIONS

The following resolutions were offered and placed in the Committee on Rules.

HOUSE RESOLUTION 1185

Offered by Representative Monique Davis:

WHEREAS, The members of the Illinois House of Representatives and State Representative Monique D. Davis resolve to find proper solutions to the problems that face the citizens of our State and the nation; and

WHEREAS, Recent studies by the National Health and Nutrition Examination Survey suggest that an estimated 61 percent of U.S. adults are currently overweight or obese; and

WHEREAS, In addition to possible psychological repercussions, obesity can lead to numerous health conditions, including heart attack, stroke, high blood pressure, diabetes, knee and joint problems, various types of cancer, and death; 300,000 deaths each year in the United States are associated with obesity; and

WHEREAS, Studies from the University of New Hampshire have found that 18 to 24 year olds are on the path toward chronic health diseases; the studies found that, from a group of more than 800 undergraduates, at least one-third of UNH students were overweight or obese, 8 percent of men had metabolic syndrome, 60 percent of men had high blood pressure, and more than two-thirds of women were not meeting their nutritional needs for iron, calcium, or folate; and

WHEREAS, The prevalence rate of obesity in college students has doubled over the past 10 years; the rise is partly attributed to an increasing number of colleges and universities contracting meals out to fast food chains, such as McDonald's, Domino's Pizza, or Taco Bell; and

WHEREAS, There is an absence of fresh and healthy food choices at many universities in the United States and a lack of understanding of how unhealthy food choices lead to health problems; and

WHEREAS, The United States government, like the Illinois General Assembly, has a responsibility to provide for the safety and welfare of the citizenry; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the United States President and Congress to pass legislation that would regulate the nutritional content of the food that universities offer to their students on campus in order to decrease the nation's obesity problems; and be it further

RESOLVED, That a suitable copy of this resolution be presented to President Barack Obama and the members of the Illinois congressional delegation.

HOUSE RESOLUTION 1188

Offered by Representative Brauer:

WHEREAS, The 10th Illinois Volunteer Cavalry Regiment was formed by Presidential Proclamation by President Abraham Lincoln in September 1861; and

WHEREAS, The Regiment of 12 companies was mustered into service at Camp Butler from November 25, 1861, until November 22, 1865, during which period approximately 2,152 men served; and

WHEREAS, The Regiment fought in Texas, on the banks of the Mississippi, and in such places as Prairie Grove, Arkansas; Vicksburg, Mississippi; and Milliken's Bend, Louisiana; and

WHEREAS, The Regiment lost a total of 290 soldiers during service; one officer and 24 enlisted men were mortally wounded; and 3 officers and 262 enlisted men died from disease, accidents, and Confederate imprisonment; and

WHEREAS, The Regiment was mustered out of service on November 22, 1865, in San Antonio, Texas, and the Regiment was discharged at Camp Butler on January 6, 1866; and

WHEREAS, The Regiment was reborn by members of the 10th Illinois Volunteer Cavalry Regiment in October 2004; and

WHEREAS, The 10th Illinois Volunteer Cavalry Regiment strives, through its reenactments, to provide enjoyable opportunities for individuals and families to experience, learn, and, in return, teach others about all aspects of life in the mid-19th century; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we designate March 25, 2010, as a date honoring the 10th Illinois Volunteer Cavalry Regiment in the State of Illinois and urge the citizens of this State to educate themselves on the historical importance and continued contributions of the 10th Volunteer Cavalry; and be it further

RESOLVED, That a suitable copy of this resolution be presented to the 10th Illinois Volunteer Cavalry Regiment.

AGREED RESOLUTIONS

The following resolutions were offered and placed on the Calendar on the order of Agreed Resolutions.

HOUSE RESOLUTION 1184

Offered by Representative Cole:

Congratulates Gilbert C. Thiel of Grayslake on the occasion of being honored by Squadrons and Shipmates for his distinguished service during World War II.

HOUSE RESOLUTION 1186

Offered by Representative Currie:

Mourns the death of Chicago Police Officer Michael Robbins.

HOUSE RESOLUTION 1187

Offered by Representative Yarbrough:

Congratulates the congregation and pastor of the First Baptist Church of Melrose Park on the occasion of the 93rd anniversary of the church.

HOUSE RESOLUTION 1189

Offered by Representative Pritchard:

Congratulates the citizens of Lindenwood on the community's 175th anniversary.

HOUSE RESOLUTION 1190

Offered by Representative Myers:

Congratulates and recognizes the members of the College Student Personnel (CSP) Class of 2010 for earning Master of Science degrees and completing 2 years of full-time graduate study and assistantships at Western Illinois University.

DISTRIBUTION OF SUPPLEMENTAL CALENDAR

Supplemental Calendar No. 1 was distributed to the Members at 9:35 o'clock a.m.

SENATE BILL ON SECOND READING

SENATE BILL 107. Having been reproduced, was taken up and read by title a second time.

The following amendment was offered in the Committee on Telecommunications, adopted and reproduced:

AMENDMENT NO. 1. Amend Senate Bill 107 by replacing everything after the enacting clause with the following:

"Section 5. The Public Utilities Act is amended by changing Section 13-100 as follows:

(220 ILCS 5/13-100) (from Ch. 111 2/3, par. 13-100)

(Section scheduled to be repealed on July 1, 2010)

Sec. 13-100. This Article shall be known and ~~and~~ may be cited as the Universal Telephone Service Protection Law of 1985.

(Source: P.A. 84-1063.)".

There being no further amendments, the bill was ordered held on the order of Second Reading.

SENATE BILLS ON THIRD READING

The following bills and any amendments adopted thereto were reproduced. Any amendments still pending upon the passage or defeat of a bill on Third Reading are automatically tabled pursuant to Rule 40(a).

On motion of Representative Flowers, SENATE BILL 731 was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the negative by the following vote:

42, Yeas; 72, Nays; 0, Answering Present.

(ROLL CALL 2)

This bill, as amended, having failed to receive the votes of a constitutional majority of the Members elected, was declared lost.

On motion of Representative Yarbrough, SENATE BILL 851 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:

114, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 3)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Poe, SENATE BILL 2554 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: 115, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 4)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Osmond, SENATE BILL 2819 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: 114, Yeas; 1, Nay; 0, Answering Present.

(ROLL CALL 5)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Ramey, SENATE BILL 580 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: 111, Yeas; 1, Nay; 3, Answering Present.

(ROLL CALL 6)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Nekritz, SENATE BILL 3118 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: 112, Yeas; 3, Nays; 0, Answering Present.

(ROLL CALL 7)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Turner, SENATE BILL 3295 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: 91, Yeas; 23, Nays; 0, Answering Present.

(ROLL CALL 8)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Holbrook, SENATE BILL 3320 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: 115, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 9)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative May, SENATE BILL 3346 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:

115, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 10)

This bill, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate.

On motion of Representative McAsey, SENATE BILL 3359 was taken up and read by title a third time.

Pending discussion, Representative Froehlich moved the previous question.

And the question being, "Shall the main question be now put?" it was decided in the affirmative.

The question then being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

63, Yeas; 49, Nays; 2, Answering Present.

(ROLL CALL 11)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Joyce, SENATE BILL 3446 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:

115, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 12)

This bill, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate.

On motion of Representative Saviano, SENATE BILL 3509 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:

115, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 13)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Chapa LaVia, SENATE BILL 3635 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:

114, Yeas; 0, Nays; 1, Answering Present.

(ROLL CALL 14)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Turner, SENATE BILL 3628 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: 115, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 15)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Dugan, SENATE BILL 3661 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: 106, Yeas; 9, Nays; 0, Answering Present.

(ROLL CALL 16)

This bill, as amended, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate and ask their concurrence in the House amendment/s adopted.

On motion of Representative Colvin, SENATE BILL 3781 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: 113, Yeas; 0, Nays; 1, Answering Present.

(ROLL CALL 17)

This bill, having received the votes of a constitutional majority of the Members elected, was declared passed.

Ordered that the Clerk inform the Senate.

SENATE BILL ON SECOND READING

SENATE BILL 380. Having been reproduced, was taken up and read by title a second time. Representative William Davis offered the following amendment and moved its adoption:

AMENDMENT NO. 1. Amend Senate Bill 380 by replacing everything after the enacting clause with the following:

"Section 5. The Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997 is amended by changing Sections 6-1, 6-2, 6-3, 6-4, and 6-5 as follows:

(20 ILCS 687/6-1)

(Section scheduled to be repealed on December 12, 2015)

Sec. 6-1. Short title. This Article may be cited as the Renewable Energy, Reusable Energy, Energy Efficiency, and Coal Resources Development Law of 1997.

(Source: P.A. 90-561, eff. 12-16-97.)

(20 ILCS 687/6-2)

(Section scheduled to be repealed on December 12, 2015)

Sec. 6-2. Findings and intent. The General Assembly finds and declares that it is desirable to obtain the environmental quality, public health, and fuel diversity benefits of developing reusable energy resources, new renewable energy resources, and clean coal technologies for use in Illinois and to lower the cost of reusable energy resources, renewable energy resources, and clean coal resources provided to utility consumers. The General Assembly finds and declares that the benefits of electricity from reusable energy resources, renewable energy resources, and clean coal technologies accrue to the public at large, thus consumers and electric utilities and alternative retail electric suppliers share an interest in developing and using a significant level of these environmentally preferable resources in the State's electricity supply portfolio. The General Assembly finds and declares that encouraging energy efficiency will improve the environmental quality and public health in the State of Illinois.

(Source: P.A. 90-561, eff. 12-16-97.)

(20 ILCS 687/6-3)

(Section scheduled to be repealed on December 12, 2015)

Sec. 6-3. Renewable and reusable energy resources program.

(a) The Department of Commerce and Economic Opportunity, to be called the "Department" hereinafter in this Law, shall administer the Renewable and Reusable Energy Resources Program to provide grants, loans, and other incentives to foster investment in and the development and use of renewable energy resources or reusable energy resources, or both.

(b) The Department shall establish eligibility criteria for grants, loans, and other incentives to foster investment in and the development and use of renewable energy resources or reusable energy resources, or both. These criteria shall be reviewed annually and adjusted as necessary. The criteria should promote the goal of fostering investment in and the development and use, in Illinois, of renewable energy resources or reusable energy resources, or both.

(c) The Department shall accept applications for grants, loans, and other incentives to foster investment in and the development and use of renewable energy resources or reusable energy resources, or both.

(d) To the extent that funds are available and appropriated, the Department shall provide grants, loans, and other incentives to applicants that meet the criteria specified by the Department.

(e) The Department shall conduct an annual study on the use and availability of renewable and reusable energy resources in Illinois. Each year, the Department shall submit a report on the study to the General Assembly. This report shall include suggestions for legislation which will encourage the development and use of renewable energy resources or reusable energy resources, or both.

(f) As used in this Law:

"Renewable ~~renewable~~ energy resources" include ~~includes~~ energy from wind, solar thermal energy, photovoltaic cells and panels, dedicated crops grown for energy production and organic waste biomass, hydropower that does not involve new construction or significant expansion of hydropower dams, and other such alternative sources of environmentally preferable energy. "Renewable energy resources" does not include, however, energy from the incineration or burning of waste wood, ~~tires~~, garbage, general household, institutional and commercial waste, industrial lunchroom or office waste, landscape waste, or construction or demolition debris.

"Reusable energy credit" means a tradable credit that represents the environmental attributes of a certain amount of energy produced from a reusable energy resource.

"Reusable energy resources" include energy and its associated reusable energy credit or reusable energy credits derived from tires containing rubber that are used for the production or generation of electricity.

(g) There is created the Energy Efficiency Investment Fund as a special fund in the State Treasury, to be administered by the Department to support the development of renewable and reusable energy resources, including, but not limited to, technologies for wind, biomass, tires, and solar power in Illinois. The Department may accept private and public funds, including federal funds, for deposit into the Fund.

(Source: P.A. 94-793, eff. 5-19-06; 95-913, eff. 1-1-09.)

(20 ILCS 687/6-4)

(Section scheduled to be repealed on December 12, 2015)

Sec. 6-4. Renewable and Reusable Energy Resources Trust Fund.

(a) A fund to be called the Renewable and Reusable Energy Resources Trust Fund is hereby established in the State Treasury.

(b) The Renewable and Reusable Energy Resources Trust Fund shall be administered by the Department to provide grants, loans, and other incentives to foster investment in and the development and use of renewable energy resources or reusable energy resources, or both, as provided in Section 6-3 of this Law or pursuant to the Illinois Renewable Fuels Development Program Act.

(c) All funds used by the Department for the Renewable and Reusable Energy Resources Program shall be subject to appropriation by the General Assembly.

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

(20 ILCS 687/6-5)

(Section scheduled to be repealed on December 12, 2015)

Sec. 6-5. Renewable Energy Resources and Coal Technology Development Assistance Charge.

(a) Notwithstanding the provisions of Section 16-111 of the Public Utilities Act but subject to subsection (e) of this Section, each public utility, electric cooperative, as defined in Section 3.4 of the Electric Supplier Act, and municipal utility, as referenced in Section 3-105 of the Public Utilities Act, that is engaged in the delivery of electricity or the distribution of natural gas within the State of Illinois shall, effective January 1, 1998, assess each of its customer accounts a monthly Renewable and Reusable Energy Resources and Coal Technology Development Assistance Charge. The delivering public utility, municipal electric or gas utility, or electric or gas cooperative for a self-assessing purchaser remains subject to the collection of the fee

imposed by this Section. The monthly charge shall be as follows:

(1) \$0.05 per month on each account for residential electric service as defined in Section 13 of the Energy Assistance Act;

(2) \$0.05 per month on each account for residential gas service as defined in Section 13 of the Energy Assistance Act;

(3) \$0.50 per month on each account for nonresidential electric service, as defined in Section 13 of the Energy Assistance Act, which had less than 10 megawatts of peak demand during the previous calendar year;

(4) \$0.50 per month on each account for nonresidential gas service, as defined in Section 13 of the Energy Assistance Act, which had distributed to it less than 4,000,000 therms of gas during the previous calendar year;

(5) \$37.50 per month on each account for nonresidential electric service, as defined in Section 13 of the Energy Assistance Act, which had 10 megawatts or greater of peak demand during the previous calendar year; and

(6) \$37.50 per month on each account for nonresidential gas service, as defined in Section 13 of the Energy Assistance Act, which had 4,000,000 or more therms of gas distributed to it during the previous calendar year.

(b) The Renewable and Reusable Energy Resources and Coal Technology Development Assistance Charge assessed by electric and gas public utilities shall be considered a charge for public utility service.

(c) Fifty percent of the moneys collected pursuant to this Section shall be deposited in the Renewable and Reusable Energy Resources Trust Fund by the Department of Revenue. The remaining 50 percent of the moneys collected pursuant to this Section shall be deposited in the Coal Technology Development Assistance Fund by the Department of Revenue for the exclusive purposes of (1) capturing or sequestering carbon emissions produced by coal combustion; (2) supporting research on the capture and sequestration of carbon emissions produced by coal combustion; and (3) improving coal miner safety.

(d) By the 20th day of the month following the month in which the charges imposed by this Section were collected, each utility and alternative retail electric supplier collecting charges pursuant to this Section shall remit to the Department of Revenue for deposit into ~~in~~ the Renewable and Reusable Energy Resources Trust Fund and the Coal Technology Development Assistance Fund all moneys received as payment of the charge provided for in this Section on a return prescribed and furnished by the Department of Revenue showing such information as the Department of Revenue may reasonably require.

(e) The charges imposed by this Section shall only apply to customers of municipal electric or gas utilities and electric or gas cooperatives if the municipal electric or gas utility or electric or gas cooperative makes an affirmative decision to impose the charge. If a municipal electric or gas utility or an electric or gas cooperative makes an affirmative decision to impose the charge provided by this Section, the municipal electric or gas utility or electric or gas cooperative shall inform the Department of Revenue in writing of such decision when it begins to impose the charge. If a municipal electric or gas utility or electric or gas cooperative does not assess this charge, its customers shall not be eligible for the Renewable and Reusable Energy Resources Program.

(f) The Department of Revenue may establish such rules as it deems necessary to implement this Section. (Source: P.A. 95-481, eff. 8-28-07.)

Section 10. The Illinois Power Agency Act is amended by changing Sections 1-10, 1-20, 1-56, 1-75, and 1-125 as follows:

(20 ILCS 3855/1-10)

Sec. 1-10. Definitions.

"Agency" means the Illinois Power Agency.

"Agency loan agreement" means any agreement pursuant to which the Illinois Finance Authority agrees to loan the proceeds of revenue bonds issued with respect to a project to the Agency upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, interest and premium, if any, on those revenue bonds, and providing for maintenance, insurance, and other matters in respect of the project.

"Authority" means the Illinois Finance Authority.

"Clean coal facility" means an electric generating facility that uses primarily coal as a feedstock and that captures and sequesters carbon emissions at the following levels: at least 50% of the total carbon emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation before 2016, at least 70% of the total carbon emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation

during 2016 or 2017, and at least 90% of the total carbon emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation after 2017. The power block of the clean coal facility shall not exceed allowable emission rates for sulfur dioxide, nitrogen oxides, carbon monoxide, particulates and mercury for a natural gas-fired combined-cycle facility the same size as and in the same location as the clean coal facility at the time the clean coal facility obtains an approved air permit. All coal used by a clean coal facility shall have high volatile bituminous rank and greater than 1.7 pounds of sulfur per million btu content, unless the clean coal facility does not use gasification technology and was operating as a conventional coal-fired electric generating facility on June 1, 2009 (the effective date of Public Act 95-1027).

"Clean coal SNG facility" means a facility that uses a gasification process to produce substitute natural gas, that sequesters at least 90% of the total carbon emissions that the facility would otherwise emit and that uses petroleum coke or coal as a feedstock, with all such coal having a high bituminous rank and greater than 1.7 pounds of sulfur per million btu content.

"Commission" means the Illinois Commerce Commission.

"Costs incurred in connection with the development and construction of a facility" means:

(1) the cost of acquisition of all real property and improvements in connection therewith and equipment and other property, rights, and easements acquired that are deemed necessary for the operation and maintenance of the facility;

(2) financing costs with respect to bonds, notes, and other evidences of indebtedness of the Agency;

(3) all origination, commitment, utilization, facility, placement, underwriting, syndication, credit enhancement, and rating agency fees;

(4) engineering, design, procurement, consulting, legal, accounting, title insurance, survey, appraisal, escrow, trustee, collateral agency, interest rate hedging, interest rate swap, capitalized interest and other financing costs, and other expenses for professional services; and

(5) the costs of plans, specifications, site study and investigation, installation, surveys, other Agency costs and estimates of costs, and other expenses necessary or incidental to determining the feasibility of any project, together with such other expenses as may be necessary or incidental to the financing, insuring, acquisition, and construction of a specific project and placing that project in operation.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of the Illinois Power Agency.

"Demand-response" means measures that decrease peak electricity demand or shift demand from peak to off-peak periods.

"Energy efficiency" means measures that reduce the amount of electricity or natural gas required to achieve a given end use.

"Electric utility" has the same definition as found in Section 16-102 of the Public Utilities Act.

"Facility" means an electric generating unit or a co-generating unit that produces electricity along with related equipment necessary to connect the facility to an electric transmission or distribution system.

"Governmental aggregator" means one or more units of local government that individually or collectively procure electricity to serve residential retail electrical loads located within its or their jurisdiction.

"Local government" means a unit of local government as defined in Article VII of Section 1 of the Illinois Constitution.

"Municipality" means a city, village, or incorporated town.

"Person" means any natural person, firm, partnership, corporation, either domestic or foreign, company, association, limited liability company, joint stock company, or association and includes any trustee, receiver, assignee, or personal representative thereof.

"Project" means the planning, bidding, and construction of a facility.

"Public utility" has the same definition as found in Section 3-105 of the Public Utilities Act.

"Real property" means any interest in land together with all structures, fixtures, and improvements thereon, including lands under water and riparian rights, any easements, covenants, licenses, leases, rights-of-way, uses, and other interests, together with any liens, judgments, mortgages, or other claims or security interests related to real property.

"Renewable energy credit" means a tradable credit that represents the environmental attributes of a certain amount of energy produced from a renewable energy resource.

"Renewable energy resources" include ~~includes~~ energy and its associated renewable energy credit or

renewable energy credits from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, crops and untreated and unadulterated organic waste biomass, tree waste, hydropower that does not involve new construction or significant expansion of hydropower dams, and other alternative sources of environmentally preferable energy. For purposes of this Act, landfill gas produced in the State is considered a renewable energy resource. "Renewable energy resources" does not include the incineration or burning of ~~tires~~, garbage, general household, institutional, and commercial waste, industrial lunchroom or office waste, landscape waste other than tree waste, railroad crossties, utility poles, or construction or demolition debris, other than untreated and unadulterated waste wood.

"Reusable energy credit" means a tradable credit that represents the environmental attributes of a certain amount of energy produced from a reusable energy resource.

"Reusable energy resources" include energy and its associated reusable energy credit or reusable energy credits derived from tires containing rubber that are used for the production or generation of electricity.

"Revenue bond" means any bond, note, or other evidence of indebtedness issued by the Authority, the principal and interest of which is payable solely from revenues or income derived from any project or activity of the Agency.

"Sequester" means permanent storage of carbon dioxide by injecting it into a saline aquifer, a depleted gas reservoir, or an oil reservoir, directly or through an enhanced oil recovery process that may involve intermediate storage in a salt dome.

"Servicing agreement" means (i) in the case of an electric utility, an agreement between the owner of a clean coal facility and such electric utility, which agreement shall have terms and conditions meeting the requirements of paragraph (3) of subsection (d) of Section 1-75, and (ii) in the case of an alternative retail electric supplier, an agreement between the owner of a clean coal facility and such alternative retail electric supplier, which agreement shall have terms and conditions meeting the requirements of Section 16-115(d)(5) of the Public Utilities Act.

"Substitute natural gas" or "SNG" means a gas manufactured by gasification of hydrocarbon feedstock, which is substantially interchangeable in use and distribution with conventional natural gas.

"Total resource cost test" or "TRC test" means a standard that is met if, for an investment in energy efficiency or demand-response measures, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the program to the net present value of the total costs as calculated over the lifetime of the measures. A total resource cost test compares the sum of avoided electric utility costs, representing the benefits that accrue to the system and the participant in the delivery of those efficiency measures, as well as other quantifiable societal benefits, including avoided natural gas utility costs, to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side program, to quantify the net savings obtained by substituting the demand-side program for supply resources. In calculating avoided costs of power and energy that an electric utility would otherwise have had to acquire, reasonable estimates shall be included of financial costs likely to be imposed by future regulations and legislation on emissions of greenhouse gases.

(Source: P.A. 95-481, eff. 8-28-07; 95-913, eff. 1-1-09; 95-1027, eff. 6-1-09; 96-33, eff. 7-10-09; 96-159, eff. 8-10-09; 96-784, eff. 8-28-09; revised 9-15-09.)

(20 ILCS 3855/1-20)

Sec. 1-20. General powers of the Agency.

(a) The Agency is authorized to do each of the following:

(1) Develop electricity procurement plans to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois. The procurement plans shall be updated on an annual basis and shall include electricity generated from renewable energy resources or reusable energy resources, or both, sufficient to achieve the standards specified in this Act.

(2) Conduct competitive procurement processes to procure the supply resources identified in the procurement plan, pursuant to Section 16-111.5 of the Public Utilities Act.

(3) Develop electric generation and co-generation facilities that use indigenous coal, ~~or~~ renewable energy resources, reusable energy resources, or any combination of these energy sources both, financed with bonds issued by the Illinois Finance Authority.

(4) Supply electricity from the Agency's facilities at cost to one or more of the following: municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois.

(b) Except as otherwise limited by this Act, the Agency has all of the powers necessary or convenient to carry out the purposes and provisions of this Act, including without limitation, each of the following:

(1) To have a corporate seal, and to alter that seal at pleasure, and to use it by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

(2) To use the services of the Illinois Finance Authority necessary to carry out the Agency's purposes.

(3) To negotiate and enter into loan agreements and other agreements with the Illinois Finance Authority.

(4) To obtain and employ personnel and hire consultants that are necessary to fulfill the Agency's purposes, and to make expenditures for that purpose within the appropriations for that purpose.

(5) To purchase, receive, take by grant, gift, devise, bequest, or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with, real or personal property whether tangible or intangible, or any interest therein, within the State.

(6) To acquire real or personal property, whether tangible or intangible, including without limitation property rights, interests in property, franchises, obligations, contracts, and debt and equity securities, and to do so by the exercise of the power of eminent domain in accordance with Section 1-21; except that any real property acquired by the exercise of the power of eminent domain must be located within the State.

(7) To sell, convey, lease, exchange, transfer, abandon, or otherwise dispose of, or mortgage, pledge, or create a security interest in, any of its assets, properties, or any interest therein, wherever situated.

(8) To purchase, take, receive, subscribe for, or otherwise acquire, hold, make a tender offer for, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge, or grant a security interest in, use, and otherwise deal in and with, bonds and other obligations, shares, or other securities (or interests therein) issued by others, whether engaged in a similar or different business or activity.

(9) To make and execute agreements, contracts, and other instruments necessary or convenient in the exercise of the powers and functions of the Agency under this Act, including contracts with any person, local government, State agency, or other entity; and all State agencies and all local governments are authorized to enter into and do all things necessary to perform any such agreement, contract, or other instrument with the Agency. No such agreement, contract, or other instrument shall exceed 40 years.

(10) To lend money, invest and reinvest its funds in accordance with the Public Funds Investment Act, and take and hold real and personal property as security for the payment of funds loaned or invested.

(11) To borrow money at such rate or rates of interest as the Agency may determine, issue its notes, bonds, or other obligations to evidence that indebtedness, and secure any of its obligations by mortgage or pledge of its real or personal property, machinery, equipment, structures, fixtures, inventories, revenues, grants, and other funds as provided or any interest therein, wherever situated.

(12) To enter into agreements with the Illinois Finance Authority to issue bonds whether or not the income therefrom is exempt from federal taxation.

(13) To procure insurance against any loss in connection with its properties or operations in such amount or amounts and from such insurers, including the federal government, as it may deem necessary or desirable, and to pay any premiums therefor.

(14) To negotiate and enter into agreements with trustees or receivers appointed by United States bankruptcy courts or federal district courts or in other proceedings involving adjustment of debts and authorize proceedings involving adjustment of debts and authorize legal counsel for the Agency to appear in any such proceedings.

(15) To file a petition under Chapter 9 of Title 11 of the United States Bankruptcy Code or take other similar action for the adjustment of its debts.

(16) To enter into management agreements for the operation of any of the property or facilities owned by the Agency.

(17) To enter into an agreement to transfer and to transfer any land, facilities, fixtures, or equipment of the Agency to one or more municipal electric systems, governmental aggregators, or rural electric agencies or cooperatives, for such consideration and upon such terms as the Agency may determine to be in the best interest of the citizens of Illinois.

(18) To enter upon any lands and within any building whenever in its judgment it may be necessary for the purpose of making surveys and examinations to accomplish any purpose authorized by this Act.

(19) To maintain an office or offices at such place or places in the State as it may determine.

(20) To request information, and to make any inquiry, investigation, survey, or study that the Agency may deem necessary to enable it effectively to carry out the provisions of this Act.

(21) To accept and expend appropriations.

(22) To engage in any activity or operation that is incidental to and in furtherance of efficient operation to accomplish the Agency's purposes.

(23) To adopt, revise, amend, and repeal rules with respect to its operations, properties, and facilities as may be necessary or convenient to carry out the purposes of this Act, subject to the provisions of the Illinois Administrative Procedure Act and Sections 1-22 and 1-35 of this Act.

(24) To establish and collect charges and fees as described in this Act.

(25) To manage procurement of substitute natural gas from a facility that meets the criteria specified in subsection (a) of Section ~~1-58~~ ~~4-56~~ of this Act, on terms and conditions that may be approved by the Agency pursuant to subsection (d) of Section ~~1-58~~ ~~4-56~~ of this Act, to support the operations of State agencies and local governments that agree to such terms and conditions. This procurement process is not subject to the Procurement Code.

(Source: P.A. 95-481, eff. 8-28-07; 96-784, eff. 8-28-09; revised 10-13-09.)

(20 ILCS 3855/1-56)

Sec. 1-56. Illinois Power Agency Renewable and Reusable Energy Resources Fund.

(a) The Illinois Power Agency Renewable and Reusable Energy Resources Fund is created as a special fund in the State treasury.

(b) The Illinois Power Agency Renewable and Reusable Energy Resources Fund shall be administered by the Agency to procure renewable energy resources or reusable energy resources, or both. Prior to June 1, 2011, resources procured pursuant to this Section shall be procured from facilities located in Illinois, provided the resources are available from those facilities. If resources are not available in Illinois, then they shall be procured in states that adjoin Illinois. If resources are not available in Illinois or in states that adjoin Illinois, then they may be purchased elsewhere. Beginning June 1, 2011, resources procured pursuant to this Section shall be procured from facilities located in Illinois or states that adjoin Illinois. If resources are not available in Illinois or in states that adjoin Illinois, then they may be procured elsewhere. To the extent available, at least 75% of these renewable energy resources shall come from wind generation and, starting June 1, 2015, at least 6% of the renewable energy resources used to meet these standards shall come from solar photovoltaics.

(c) The Agency shall procure, at least once each year in conjunction with a procurement event for electric utilities required to comply with Section 1-75 of the Act, renewable energy resources or reusable energy resources, or both, ~~at least once each year in conjunction with a procurement event for electric utilities required to comply with Section 1-75 of the Act~~ and shall, whenever possible, enter into long-term contracts.

(d) The price paid to procure renewable energy credits or reusable energy credits, or both, using monies from the Illinois Power Agency Renewable and Reusable Energy Resources Fund shall not exceed the winning bid prices paid for like resources procured for electric utilities required to comply with Section 1-75 of this Act.

(e) All renewable energy credits or reusable energy credits, or both, procured using monies from the Illinois Power Agency Renewable and Reusable Energy Resources Fund shall be permanently retired.

(f) The procurement process described in this Section is exempt from the requirements of the Illinois Procurement Code, pursuant to Section 20-10 of that Code.

(g) All disbursements from the Illinois Power Agency Renewable and Reusable Energy Resources Fund shall be made only upon warrants of the Comptroller drawn upon the Treasurer as custodian of the Fund upon vouchers signed by the Director or by the person or persons designated by the Director for that purpose. The Comptroller is authorized to draw the warrant upon vouchers so signed. The Treasurer shall accept all warrants so signed and shall be released from liability for all payments made on those warrants.

(h) The Illinois Power Agency Renewable and Reusable Energy Resources Fund shall not be subject to sweeps, administrative charges, or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act, that would in any way result in the transfer of any funds from this Fund to any other fund of this State or in having any such funds utilized for any purpose other than the

express purposes set forth in this Section.

(Source: P.A. 96-159, eff. 8-10-09.)

(20 ILCS 3855/1-75)

Sec. 1-75. Planning and Procurement Bureau. The Planning and Procurement Bureau has the following duties and responsibilities:

(a) The Planning and Procurement Bureau shall each year, beginning in 2008, develop procurement plans and conduct competitive procurement processes in accordance with the requirements of Section 16-111.5 of the Public Utilities Act for the eligible retail customers of electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois. For the purposes of this Section, the term "eligible retail customers" has the same definition as found in Section 16-111.5(a) of the Public Utilities Act.

(1) The Agency shall each year, beginning in 2008, as needed, issue a request for qualifications for experts or expert consulting firms to develop the procurement plans in accordance with Section 16-111.5 of the Public Utilities Act. In order to qualify an expert or expert consulting firm must have:

- (A) direct previous experience assembling large-scale power supply plans or portfolios for end-use customers;
- (B) an advanced degree in economics, mathematics, engineering, risk management, or a related area of study;
- (C) 10 years of experience in the electricity sector, including managing supply risk;
- (D) expertise in wholesale electricity market rules, including those established by the Federal Energy Regulatory Commission and regional transmission organizations;
- (E) expertise in credit protocols and familiarity with contract protocols;
- (F) adequate resources to perform and fulfill the required functions and responsibilities; and
- (G) the absence of a conflict of interest and inappropriate bias for or against potential bidders or the affected electric utilities.

(2) The Agency shall each year, as needed, issue a request for qualifications for a procurement administrator to conduct the competitive procurement processes in accordance with Section 16-111.5 of the Public Utilities Act. In order to qualify an expert or expert consulting firm must have:

- (A) direct previous experience administering a large-scale competitive procurement process;
- (B) an advanced degree in economics, mathematics, engineering, or a related area of study;
- (C) 10 years of experience in the electricity sector, including risk management experience;
- (D) expertise in wholesale electricity market rules, including those established by the Federal Energy Regulatory Commission and regional transmission organizations;
- (E) expertise in credit and contract protocols;
- (F) adequate resources to perform and fulfill the required functions and responsibilities; and
- (G) the absence of a conflict of interest and inappropriate bias for or against potential bidders or the affected electric utilities.

(3) The Agency shall provide affected utilities and other interested parties with the lists of qualified experts or expert consulting firms identified through the request for qualifications processes that are under consideration to develop the procurement plans and to serve as the procurement administrator. The Agency shall also provide each qualified expert's or expert consulting firm's response to the request for qualifications. All information provided under this subparagraph shall also be provided to the Commission. The Agency may provide by rule for fees associated with supplying the information to utilities and other interested parties. These parties shall, within 5 business days, notify the Agency in writing if they object to any experts or expert consulting firms on the lists. Objections shall be based on:

- (A) failure to satisfy qualification criteria;
- (B) identification of a conflict of interest; or
- (C) evidence of inappropriate bias for or against potential bidders or the

affected utilities.

The Agency shall remove experts or expert consulting firms from the lists within 10 days if there is a reasonable basis for an objection and provide the updated lists to the affected utilities and other interested parties. If the Agency fails to remove an expert or expert consulting firm from a list, an objecting party may seek review by the Commission within 5 days thereafter by filing a petition, and the Commission shall render a ruling on the petition within 10 days. There is no right of appeal of the Commission's ruling.

(4) The Agency shall issue requests for proposals to the qualified experts or expert consulting firms to develop a procurement plan for the affected utilities and to serve as procurement administrator.

(5) The Agency shall select an expert or expert consulting firm to develop procurement plans based on the proposals submitted and shall award one-year contracts to those selected with an option for the Agency for a one-year renewal.

(6) The Agency shall select an expert or expert consulting firm, with approval of the Commission, to serve as procurement administrator based on the proposals submitted. If the Commission rejects, within 5 days, the Agency's selection, the Agency shall submit another recommendation within 3 days based on the proposals submitted. The Agency shall award a one-year contract to the expert or expert consulting firm so selected with Commission approval with an option for the Agency for a one-year renewal.

(b) The experts or expert consulting firms retained by the Agency shall, as appropriate, prepare procurement plans, and conduct a competitive procurement process as prescribed in Section 16-111.5 of the Public Utilities Act, to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for eligible retail customers of electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in the State of Illinois.

(c) Renewable and reusable portfolio standard.

(1) The procurement plans shall include cost-effective renewable energy resources or reusable energy resources, or both.

A minimum percentage of each utility's total supply to serve the load of eligible retail customers, as defined in Section 16-111.5(a) of the Public Utilities Act, procured for each of the following years shall be generated from cost-effective renewable energy resources or reusable energy resources, or both: at least 2% by June 1, 2008; at least 4% by June 1, 2009; at least 5% by June 1, 2010; at least 6% by June 1, 2011; at least 7% by June 1, 2012; at least 8% by June 1, 2013; at least 9% by June 1, 2014; at least 10% by June 1, 2015; and increasing by at least 1.5% each year thereafter to at least 25% by June 1, 2025. To the extent that it is available, at least 75% of the renewable energy resources used to meet these standards shall come from wind generation and, beginning on June 1, 2015, at least 6% of the renewable energy resources used to meet these standards shall come from photovoltaics. For purposes of this subsection (c), "cost-effective" means that the costs of procuring renewable energy resources or reusable energy resources, or both, do not cause the limit stated in paragraph (2) of this subsection (c) to be exceeded and do not exceed benchmarks based on market prices for renewable energy resources or reusable energy resources, or both, in the region, which shall be developed by the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor and shall be subject to Commission review and approval.

(2) For purposes of this subsection (c), the required procurement of cost-effective renewable energy resources or reusable energy resources, or both, for a particular year shall be measured as a percentage of the actual amount of electricity (megawatt-hours) supplied by the electric utility to eligible retail customers in the planning year ending immediately prior to the procurement. For purposes of this subsection (c), the amount paid per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this subsection (c), the total amount paid for electric service includes without limitation amounts paid for supply, transmission, distribution, surcharges, and add-on taxes.

Notwithstanding the requirements of this subsection (c), the total of renewable energy resources or reusable energy resources, or both, procured pursuant to the procurement plan for any single year shall be reduced by an amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to:

(A) in 2008, no more than 0.5% of the amount paid per kilowatthour by those

customers during the year ending May 31, 2007;

(B) in 2009, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2008 or 1% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(C) in 2010, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009 or 1.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(D) in 2011, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2010 or 2% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007; and

(E) thereafter, the amount of renewable or reusable energy resources procured pursuant to the procurement plan for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of 2.015% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatthour paid for these resources in 2011.

No later than June 30, 2011, the Commission shall review the limitation on the amount of renewable energy resources or reusable energy resources, or both, procured pursuant to this subsection (c) and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of cost-effective renewable energy resources or reusable energy resources, or both.

(3) Through June 1, 2011, renewable energy resources or reusable energy resources, or both, shall be counted for the

purpose of meeting the renewable and reusable energy standards set forth in paragraph (1) of this subsection (c) only if they are generated from facilities located in the State, provided that cost-effective renewable energy resources or reusable energy resources, or both, are available from those facilities. If those cost-effective resources are not available in Illinois, they shall be procured in states that adjoin Illinois and may be counted towards compliance. If those cost-effective resources are not available in Illinois or in states that adjoin Illinois, they shall be purchased elsewhere and shall be counted towards compliance. After June 1, 2011, cost-effective renewable energy resources or reusable energy resources, or both, located in Illinois and in states that adjoin Illinois may be counted towards compliance with the standards set forth in paragraph (1) of this subsection (c). If those cost-effective resources are not available in Illinois or in states that adjoin Illinois, they shall be purchased elsewhere and shall be counted towards compliance.

(4) The electric utility shall retire all renewable energy credits or reusable energy credits, or both, used to comply

with the standard.

(5) Beginning with the year commencing June 1, 2010, an electric utility subject to this subsection (c) shall apply the lesser of the maximum alternative compliance payment rate or the most recent estimated alternative compliance payment rate for its service territory for the corresponding compliance period, established pursuant to subsection (d) of Section 16-115D of the Public Utilities Act to its retail customers that take service pursuant to the electric utility's hourly pricing tariff or tariffs. The electric utility shall retain all amounts collected as a result of the application of the alternative compliance payment rate or rates to such customers, and, beginning in 2011, the utility shall include in the information provided under item (1) of subsection (d) of Section 16-111.5 of the Public Utilities Act the amounts collected under the alternative compliance payment rate or rates for the prior year ending May 31. Notwithstanding any limitation on the procurement of renewable energy resources or reusable energy resources, or both, imposed by item (2) of this subsection (c), the Agency shall increase its spending on the purchase of renewable energy resources or reusable energy resources, or both, to be procured by the electric utility for the next plan year by an amount equal to the amounts collected by the utility under the alternative compliance payment rate or rates in the prior year ending May 31.

(d) Clean coal portfolio standard.

(1) The procurement plans shall include electricity generated using clean coal. Each utility shall enter into one or more sourcing agreements with the initial clean coal facility, as provided in paragraph (3) of this subsection (d), covering electricity generated by the initial clean coal facility representing at least 5% of each utility's total supply to serve the load of eligible retail customers in 2015

and each year thereafter, as described in paragraph (3) of this subsection (d), subject to the limits specified in paragraph (2) of this subsection (d). It is the goal of the State that by January 1, 2025, 25% of the electricity used in the State shall be generated by cost-effective clean coal facilities. For purposes of this subsection (d), "cost-effective" means that the expenditures pursuant to such sourcing agreements do not cause the limit stated in paragraph (2) of this subsection (d) to be exceeded and do not exceed cost-based benchmarks, which shall be developed to assess all expenditures pursuant to such sourcing agreements covering electricity generated by clean coal facilities, other than the initial clean coal facility, by the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor and shall be subject to Commission review and approval.

(A) A utility party to a sourcing agreement shall immediately retire any emission credits that it receives in connection with the electricity covered by such agreement.

(B) Utilities shall maintain adequate records documenting the purchases under the sourcing agreement to comply with this subsection (d) and shall file an accounting with the load forecast that must be filed with the Agency by July 15 of each year, in accordance with subsection (d) of Section 16-111.5 of the Public Utilities Act.

(C) A utility shall be deemed to have complied with the clean coal portfolio standard specified in this subsection (d) if the utility enters into a sourcing agreement as required by this subsection (d).

(2) For purposes of this subsection (d), the required execution of sourcing agreements with the initial clean coal facility for a particular year shall be measured as a percentage of the actual amount of electricity (megawatt-hours) supplied by the electric utility to eligible retail customers in the planning year ending immediately prior to the agreement's execution. For purposes of this subsection (d), the amount paid per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this subsection (d), the total amount paid for electric service includes without limitation amounts paid for supply, transmission, distribution, surcharges and add-on taxes.

Notwithstanding the requirements of this subsection (d), the total amount paid under sourcing agreements with clean coal facilities pursuant to the procurement plan for any given year shall be reduced by an amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to:

(A) in 2010, no more than 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009;

(B) in 2011, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2010 or 1% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009;

(C) in 2012, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2011 or 1.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009;

(D) in 2013, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2012 or 2% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009; and

(E) thereafter, the total amount paid under sourcing agreements with clean coal facilities pursuant to the procurement plan for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of (i) 2.015% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009 or (ii) the incremental amount per kilowatthour paid for these resources in 2013. These requirements may be altered only as provided by statute. No later than June 30, 2015, the Commission shall review the limitation on the total amount paid under sourcing agreements, if any, with clean coal facilities pursuant to this subsection (d) and report to the General Assembly its findings as to whether that limitation unduly constrains the amount of electricity generated by cost-effective clean coal facilities that is covered by sourcing agreements.

(3) Initial clean coal facility. In order to promote development of clean coal facilities in Illinois, each electric utility subject to this Section shall execute a sourcing agreement to source electricity from a proposed clean coal facility in Illinois (the "initial clean coal facility") that will have a nameplate capacity of at least 500 MW when commercial operation commences, that has a final Clean Air Act permit on the effective date of this amendatory Act of the 95th General Assembly, and

that will meet the definition of clean coal facility in Section 1-10 of this Act when commercial operation commences. The sourcing agreements with this initial clean coal facility shall be subject to both approval of the initial clean coal facility by the General Assembly and satisfaction of the requirements of paragraph (4) of this subsection (d) and shall be executed within 90 days after any such approval by the General Assembly. The Agency and the Commission shall have authority to inspect all books and records associated with the initial clean coal facility during the term of such a sourcing agreement. A utility's sourcing agreement for electricity produced by the initial clean coal facility shall include:

(A) a formula contractual price (the "contract price") approved pursuant to paragraph (4) of this subsection (d), which shall:

(i) be determined using a cost of service methodology employing either a level or deferred capital recovery component, based on a capital structure consisting of 45% equity and 55% debt, and a return on equity as may be approved by the Federal Energy Regulatory Commission, which in any case may not exceed the lower of 11.5% or the rate of return approved by the General Assembly pursuant to paragraph (4) of this subsection (d); and

(ii) provide that all miscellaneous net revenue, including but not limited to net revenue from the sale of emission allowances, if any, substitute natural gas, if any, grants or other support provided by the State of Illinois or the United States Government, firm transmission rights, if any, by-products produced by the facility, energy or capacity derived from the facility and not covered by a sourcing agreement pursuant to paragraph (3) of this subsection (d) or item (5) of subsection (d) of Section 16-115 of the Public Utilities Act, whether generated from the synthesis gas derived from coal, from SNG, or from natural gas, shall be credited against the revenue requirement for this initial clean coal facility;

(B) power purchase provisions, which shall:

(i) provide that the utility party to such sourcing agreement shall pay the contract price for electricity delivered under such sourcing agreement;

(ii) require delivery of electricity to the regional transmission organization market of the utility that is party to such sourcing agreement;

(iii) require the utility party to such sourcing agreement to buy from the initial clean coal facility in each hour an amount of energy equal to all clean coal energy made available from the initial clean coal facility during such hour times a fraction, the numerator of which is such utility's retail market sales of electricity (expressed in kilowatthours sold) in the State during the prior calendar month and the denominator of which is the total retail market sales of electricity (expressed in kilowatthours sold) in the State by utilities during such prior month and the sales of electricity (expressed in kilowatthours sold) in the State by alternative retail electric suppliers during such prior month that are subject to the requirements of this subsection (d) and paragraph (5) of subsection (d) of Section 16-115 of the Public Utilities Act, provided that the amount purchased by the utility in any year will be limited by paragraph (2) of this subsection (d); and

(iv) be considered pre-existing contracts in such utility's procurement plans for eligible retail customers;

(C) contract for differences provisions, which shall:

(i) require the utility party to such sourcing agreement to contract with the initial clean coal facility in each hour with respect to an amount of energy equal to all clean coal energy made available from the initial clean coal facility during such hour times a fraction, the numerator of which is such utility's retail market sales of electricity (expressed in kilowatthours sold) in the utility's service territory in the State during the prior calendar month and the denominator of which is the total retail market sales of electricity (expressed in kilowatthours sold) in the State by utilities during such prior month and the sales of electricity (expressed in kilowatthours sold) in the State by alternative retail electric suppliers during such prior month that are subject to the requirements of this subsection (d) and paragraph (5) of subsection (d) of Section 16-115 of the Public Utilities Act, provided that the amount paid by the utility in any year will be limited by paragraph (2) of this subsection (d);

(ii) provide that the utility's payment obligation in respect of the quantity of electricity determined pursuant to the preceding clause (i) shall be limited to an amount equal to (1) the difference between the contract price determined pursuant to subparagraph (A) of paragraph (3) of this subsection (d) and the day-ahead price for electricity delivered to the regional transmission organization market of the utility that is party to such sourcing agreement (or any successor delivery

point at which such utility's supply obligations are financially settled on an hourly basis) (the "reference price") on the day preceding the day on which the electricity is delivered to the initial clean coal facility busbar, multiplied by (2) the quantity of electricity determined pursuant to the preceding clause (i); and

(iii) not require the utility to take physical delivery of the electricity produced by the facility;

(D) general provisions, which shall:

(i) specify a term of no more than 30 years, commencing on the commercial operation date of the facility;

(ii) provide that utilities shall maintain adequate records documenting purchases under the sourcing agreements entered into to comply with this subsection (d) and shall file an accounting with the load forecast that must be filed with the Agency by July 15 of each year, in accordance with subsection (d) of Section 16-111.5 of the Public Utilities Act.

(iii) provide that all costs associated with the initial clean coal facility will be periodically reported to the Federal Energy Regulatory Commission and to purchasers in accordance with applicable laws governing cost-based wholesale power contracts;

(iv) permit the Illinois Power Agency to assume ownership of the initial clean coal facility, without monetary consideration and otherwise on reasonable terms acceptable to the Agency, if the Agency so requests no less than 3 years prior to the end of the stated contract term;

(v) require the owner of the initial clean coal facility to provide documentation to the Commission each year, starting in the facility's first year of commercial operation, accurately reporting the quantity of carbon emissions from the facility that have been captured and sequestered and report any quantities of carbon released from the site or sites at which carbon emissions were sequestered in prior years, based on continuous monitoring of such sites. If, in any year after the first year of commercial operation, the owner of the facility fails to demonstrate that the initial clean coal facility captured and sequestered at least 50% of the total carbon emissions that the facility would otherwise emit or that sequestration of emissions from prior years has failed, resulting in the release of carbon dioxide into the atmosphere, the owner of the facility must offset excess emissions. Any such carbon offsets must be permanent, additional, verifiable, real, located within the State of Illinois, and legally and practicably enforceable. The cost of such offsets for the facility that are not recoverable shall not exceed \$15 million in any given year. No costs of any such purchases of carbon offsets may be recovered from a utility or its customers. All carbon offsets purchased for this purpose and any carbon emission credits associated with sequestration of carbon from the facility must be permanently retired. The initial clean coal facility shall not forfeit its designation as a clean coal facility if the facility fails to fully comply with the applicable carbon sequestration requirements in any given year, provided the requisite offsets are purchased. However, the Attorney General, on behalf of the People of the State of Illinois, may specifically enforce the facility's sequestration requirement and the other terms of this contract provision. Compliance with the sequestration requirements and offset purchase requirements specified in paragraph (3) of this subsection (d) shall be reviewed annually by an independent expert retained by the owner of the initial clean coal facility, with the advance written approval of the Attorney General. The Commission may, in the course of the review specified in item (vii), reduce the allowable return on equity for the facility if the facility wilfully fails to comply with the carbon capture and sequestration requirements set forth in this item (v);

(vi) include limits on, and accordingly provide for modification of, the amount the utility is required to source under the sourcing agreement consistent with paragraph (2) of this subsection (d);

(vii) require Commission review: (1) to determine the justness, reasonableness, and prudence of the inputs to the formula referenced in subparagraphs (A)(i) through (A)(iii) of paragraph (3) of this subsection (d), prior to an adjustment in those inputs including, without limitation, the capital structure and return on equity, fuel costs, and other operations and maintenance costs and (2) to approve the costs to be passed through to customers under the sourcing agreement by which the utility satisfies its statutory obligations. Commission review shall occur no less than every 3 years, regardless of whether any adjustments have been proposed, and shall be completed within 9 months;

(viii) limit the utility's obligation to such amount as the utility is allowed to recover through tariffs filed with the Commission, provided that neither the clean coal facility nor

the utility waives any right to assert federal pre-emption or any other argument in response to a purported disallowance of recovery costs;

(ix) limit the utility's or alternative retail electric supplier's obligation to incur any liability until such time as the facility is in commercial operation and generating power and energy and such power and energy is being delivered to the facility busbar;

(x) provide that the owner or owners of the initial clean coal facility, which is the counterparty to such sourcing agreement, shall have the right from time to time to elect whether the obligations of the utility party thereto shall be governed by the power purchase provisions or the contract for differences provisions;

(xi) append documentation showing that the formula rate and contract, insofar as they relate to the power purchase provisions, have been approved by the Federal Energy Regulatory Commission pursuant to Section 205 of the Federal Power Act;

(xii) provide that any changes to the terms of the contract, insofar as such changes relate to the power purchase provisions, are subject to review under the public interest standard applied by the Federal Energy Regulatory Commission pursuant to Sections 205 and 206 of the Federal Power Act; and

(xiii) conform with customary lender requirements in power purchase agreements used as the basis for financing non-utility generators.

(4) Effective date of sourcing agreements with the initial clean coal facility. Any proposed sourcing agreement with the initial clean coal facility shall not become effective unless the following reports are prepared and submitted and authorizations and approvals obtained:

(i) Facility cost report. The owner of the initial clean coal facility shall submit to the Commission, the Agency, and the General Assembly a front-end engineering and design study, a facility cost report, method of financing (including but not limited to structure and associated costs), and an operating and maintenance cost quote for the facility (collectively "facility cost report"), which shall be prepared in accordance with the requirements of this paragraph (4) of subsection (d) of this Section, and shall provide the Commission and the Agency access to the work papers, relied upon documents, and any other backup documentation related to the facility cost report.

(ii) Commission report. Within 6 months following receipt of the facility cost report, the Commission, in consultation with the Agency, shall submit a report to the General Assembly setting forth its analysis of the facility cost report. Such report shall include, but not be limited to, a comparison of the costs associated with electricity generated by the initial clean coal facility to the costs associated with electricity generated by other types of generation facilities, an analysis of the rate impacts on residential and small business customers over the life of the sourcing agreements, and an analysis of the likelihood that the initial clean coal facility will commence commercial operation by and be delivering power to the facility's busbar by 2016. To assist in the preparation of its report, the Commission, in consultation with the Agency, may hire one or more experts or consultants, the costs of which shall be paid for by the owner of the initial clean coal facility. The Commission and Agency may begin the process of selecting such experts or consultants prior to receipt of the facility cost report.

(iii) General Assembly approval. The proposed sourcing agreements shall not take effect unless, based on the facility cost report and the Commission's report, the General Assembly enacts authorizing legislation approving (A) the projected price, stated in cents per kilowatthour, to be charged for electricity generated by the initial clean coal facility, (B) the projected impact on residential and small business customers' bills over the life of the sourcing agreements, and (C) the maximum allowable return on equity for the project; and

(iv) Commission review. If the General Assembly enacts authorizing legislation pursuant to subparagraph (iii) approving a sourcing agreement, the Commission shall, within 90 days of such enactment, complete a review of such sourcing agreement. During such time period, the Commission shall implement any directive of the General Assembly, resolve any disputes between the parties to the sourcing agreement concerning the terms of such agreement, approve the form of such agreement, and issue an order finding that the sourcing agreement is prudent and reasonable.

The facility cost report shall be prepared as follows:

(A) The facility cost report shall be prepared by duly licensed engineering and construction firms detailing the estimated capital costs payable to one or more contractors or suppliers

for the engineering, procurement and construction of the components comprising the initial clean coal facility and the estimated costs of operation and maintenance of the facility. The facility cost report shall include:

(i) an estimate of the capital cost of the core plant based on one or more front end engineering and design studies for the gasification island and related facilities. The core plant shall include all civil, structural, mechanical, electrical, control, and safety systems.

(ii) an estimate of the capital cost of the balance of the plant, including any capital costs associated with sequestration of carbon dioxide emissions and all interconnects and interfaces required to operate the facility, such as transmission of electricity, construction or backfeed power supply, pipelines to transport substitute natural gas or carbon dioxide, potable water supply, natural gas supply, water supply, water discharge, landfill, access roads, and coal delivery.

The quoted construction costs shall be expressed in nominal dollars as of the date that the quote is prepared and shall include (1) capitalized financing costs during construction, (2) taxes, insurance, and other owner's costs, and (3) an assumed escalation in materials and labor beyond the date as of which the construction cost quote is expressed.

(B) The front end engineering and design study for the gasification island and the cost study for the balance of plant shall include sufficient design work to permit quantification of major categories of materials, commodities and labor hours, and receipt of quotes from vendors of major equipment required to construct and operate the clean coal facility.

(C) The facility cost report shall also include an operating and maintenance cost quote that will provide the estimated cost of delivered fuel, personnel, maintenance contracts, chemicals, catalysts, consumables, spares, and other fixed and variable operations and maintenance costs.

(a) The delivered fuel cost estimate will be provided by a recognized third party expert or experts in the fuel and transportation industries.

(b) The balance of the operating and maintenance cost quote, excluding delivered fuel costs will be developed based on the inputs provided by duly licensed engineering and construction firms performing the construction cost quote, potential vendors under long-term service agreements and plant operating agreements, or recognized third party plant operator or operators.

The operating and maintenance cost quote (including the cost of the front end engineering and design study) shall be expressed in nominal dollars as of the date that the quote is prepared and shall include (1) taxes, insurance, and other owner's costs, and (2) an assumed escalation in materials and labor beyond the date as of which the operating and maintenance cost quote is expressed.

(D) The facility cost report shall also include (i) an analysis of the initial clean coal facility's ability to deliver power and energy into the applicable regional transmission organization markets and (ii) an analysis of the expected capacity factor for the initial clean coal facility.

(E) Amounts paid to third parties unrelated to the owner or owners of the initial clean coal facility to prepare the core plant construction cost quote, including the front end engineering and design study, and the operating and maintenance cost quote will be reimbursed through Coal Development Bonds.

(5) Re-powering and retrofitting coal-fired power plants previously owned by Illinois utilities to qualify as clean coal facilities. During the 2009 procurement planning process and thereafter, the Agency and the Commission shall consider sourcing agreements covering electricity generated by power plants that were previously owned by Illinois utilities and that have been or will be converted into clean coal facilities, as defined by Section 1-10 of this Act. Pursuant to such procurement planning process, the owners of such facilities may propose to the Agency sourcing agreements with utilities and alternative retail electric suppliers required to comply with subsection (d) of this Section and item (5) of subsection (d) of Section 16-115 of the Public Utilities Act, covering electricity generated by such facilities. In the case of sourcing agreements that are power purchase agreements, the contract price for electricity sales shall be established on a cost of service basis. In the case of sourcing agreements that are contracts for differences, the contract price from which the reference price is subtracted shall be established on a cost of service basis. The Agency and the Commission may approve any such utility sourcing agreements that do not exceed cost-based benchmarks developed by the procurement administrator, in consultation with the Commission staff, Agency staff and the procurement monitor,

subject to Commission review and approval. The Commission shall have authority to inspect all books and records associated with these clean coal facilities during the term of any such contract.

(6) Costs incurred under this subsection (d) or pursuant to a contract entered into under this subsection (d) shall be deemed prudently incurred and reasonable in amount and the electric utility shall be entitled to full cost recovery pursuant to the tariffs filed with the Commission.

(e) The draft procurement plans are subject to public comment, as required by Section 16-111.5 of the Public Utilities Act.

(f) The Agency shall submit the final procurement plan to the Commission. The Agency shall revise a procurement plan if the Commission determines that it does not meet the standards set forth in Section 16-111.5 of the Public Utilities Act.

(g) The Agency shall assess fees to each affected utility to recover the costs incurred in preparation of the annual procurement plan for the utility.

(h) The Agency shall assess fees to each bidder to recover the costs incurred in connection with a competitive procurement process.

(Source: P.A. 95-481, eff. 8-28-07; 95-1027, eff. 6-1-09; 96-159, eff. 8-10-09.)

(20 ILCS 3855/1-125)

Sec. 1-125. Agency annual reports. The Agency shall report annually to the Governor and the General Assembly on the operations and transactions of the Agency. The annual report shall include, but not be limited to, each of the following:

(1) The quantity, price, and term of all contracts for electricity procured under the procurement plans for electric utilities.

(2) The quantity, price, and rate impact of all renewable energy resources or reusable energy resources, or both, purchased under the electricity procurement plans for electric utilities.

(3) The quantity, price, and rate impact of all energy efficiency and demand response measures purchased for electric utilities.

(4) The amount of power and energy produced by each Agency facility.

(5) The quantity of electricity supplied by each Agency facility to municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois.

(6) The revenues as allocated by the Agency to each facility.

(7) The costs as allocated by the Agency to each facility.

(8) The accumulated depreciation for each facility.

(9) The status of any projects under development.

(10) Basic financial and operating information specifically detailed for the reporting year and including, but not limited to, income and expense statements, balance sheets, and changes in financial position, all in accordance with generally accepted accounting principles, debt structure, and a summary of funds on a cash basis.

(Source: P.A. 95-481, eff. 8-28-07.)

Section 15. The State Finance Act is amended by changing Sections 5.475 and 5.729 as follows:

(30 ILCS 105/5.475)

Sec. 5.475. The Renewable and Reusable Energy Resources Trust Fund.

(Source: P.A. 90-561, eff. 12-16-97; 90-655, eff. 7-30-98.)

(30 ILCS 105/5.729)

Sec. ~~5.729~~ 5.719. The Illinois Power Agency Renewable and Reusable Energy Resources Fund.

(Source: P.A. 96-159, eff. 8-10-09; revised 10-20-09.)

Section 20. The Illinois Procurement Code is amended by changing Section 20-10 as follows:

(30 ILCS 500/20-10)

(Text of Section from P.A. 96-159 and 96-588)

Sec. 20-10. Competitive sealed bidding; reverse auction.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement Bulletin at least 14 days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, the amount of each bid, and other

relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under Section 1-75(a) of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources or reusable energy resources, or both, under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the Director of Central Management Services as chief procurement officer, a State purchasing officer under that chief procurement officer's jurisdiction may procure supplies or services through a competitive electronic auction bidding process after the purchasing officer explains in writing to the chief procurement officer his or her determination that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c).

Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, including but not limited to telecommunications services, communications services, Internet services, and information services, and (ii) contracts for construction projects.

(Source: P.A. 95-481, eff. 8-28-07; 96-159, eff. 8-10-09; 96-588, eff. 8-18-09; revised 11-4-09.)

(Text of Section from P.A. 96-159 and 96-795)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 20-10. Competitive sealed bidding; reverse auction.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement Bulletin at least 14 days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, the amount of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:

- (1) a description of the agency's needs;
- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, pricing, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

The written explanation shall be filed with the Legislative Audit Commission and the Procurement Policy Board and be made available for inspection by the public within 30 days after the agency's decision to award the contract.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under Section 1-75(a) of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources or reusable energy resources, or both, under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c).

Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects.

(Source: P.A. 95-481, eff. 8-28-07; 96-159, eff. 8-10-09; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); revised 11-4-09.)

Section 25. The Public Utilities Act is amended by changing Sections 16-107.5, 16-108, 16-111, 16-111.1, 16-111.5, 16-115, 16-115D, and 16-127 as follows:

(220 ILCS 5/16-107.5)

Sec. 16-107.5. Net electricity metering.

(a) The Legislature finds and declares that a program to provide net electricity metering, as defined in this Section, for eligible customers can encourage private investment in renewable energy resources or reusable energy resources, or both, stimulate economic growth, enhance the continued diversification of Illinois' energy resource mix, and protect the Illinois environment.

(b) As used in this Section, (i) "eligible customer" means a retail customer that owns or operates a solar, wind, or other eligible renewable or reusable electrical generating facility with a rated capacity of not more than 2,000 kilowatts that is located on the customer's premises and is intended primarily to offset the customer's own electrical requirements; (ii) "electricity provider" means an electric utility or alternative retail electric supplier; (iii) "eligible renewable electrical generating facility" means a generator powered by solar electric energy, wind, dedicated crops grown for electricity generation, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines powered by renewable fuels, or hydroelectric energy; (iv) "eligible reusable electrical generating facility" means a generator powered by reusable energy resources as defined under Section 1-10 of the Illinois Power Agency Act; and (v) ~~(iv)~~ "net electricity metering" (or "net metering") means the measurement, during the billing period applicable to an eligible customer, of the net amount of electricity supplied by an electricity provider to the customer's premises or provided to the electricity provider by the customer.

(c) A net metering facility shall be equipped with metering equipment that can measure the flow of electricity in both directions at the same rate. For eligible residential customers, this shall typically be accomplished through use of a single, bi-directional meter. If the eligible customer's existing electric revenue meter does not meet this requirement, the electricity provider shall arrange for the local electric utility or a meter service provider to install and maintain a new revenue meter at the electricity provider's expense. For non-residential customers, the electricity provider may arrange for the local electric utility or a meter service provider to install and maintain metering equipment capable of measuring the flow of electricity both into and out of the customer's facility at the same rate and ratio, typically through the use of a dual channel meter. For generators with a nameplate rating of 40 kilowatts and below, the costs of installing such equipment shall be paid for by the electricity provider. For generators with a nameplate rating over 40 kilowatts and up to 2,000 kilowatts capacity, the costs of installing such equipment shall be paid for by the customer. Any subsequent revenue meter change necessitated by any eligible customer shall be paid for by the customer.

(d) An electricity provider shall measure and charge or credit for the net electricity supplied to eligible customers or provided by eligible customers in the following manner:

(1) If the amount of electricity used by the customer during the billing period exceeds the amount of electricity produced by the customer, the electricity provider shall charge the customer for the net electricity supplied to and used by the customer as provided in subsection (e) of this Section.

(2) If the amount of electricity produced by a customer during the billing period exceeds the amount of electricity used by the customer during that billing period, the electricity provider supplying that customer shall apply a 1:1 kilowatt-hour credit to a subsequent bill for service to the customer for the net electricity supplied to the electricity provider. The electricity provider shall continue

to carry over any excess kilowatt-hour credits earned and apply those credits to subsequent billing periods to offset any customer-generator consumption in those billing periods until all credits are used or until the end of the annualized period.

(3) At the end of the year or annualized over the period that service is supplied by means of net metering, or in the event that the retail customer terminates service with the electricity provider prior to the end of the year or the annualized period, any remaining credits in the customer's account shall expire.

(e) An electricity provider shall provide to net metering customers electric service at non-discriminatory rates that are identical, with respect to rate structure, retail rate components, and any monthly charges, to the rates that the customer would be charged if not a net metering customer. An electricity provider shall not charge net metering customers any fee or charge or require additional equipment, insurance, or any other requirements not specifically authorized by interconnection standards authorized by the Commission, unless the fee, charge, or other requirement would apply to other similarly situated customers who are not net metering customers. The customer will remain responsible for all taxes, fees, and utility delivery charges that would otherwise be applicable to the net amount of electricity used by the customer. Subsections (c) through (e) of this Section shall not be construed to prevent an arms-length agreement between an electricity provider and an eligible customer that sets forth different prices, terms, and conditions for the provision of net metering service, including, but not limited to, the provision of the appropriate metering equipment for non-residential customers.

(f) Notwithstanding the requirements of subsections (c) through (e) of this Section, an electricity provider must require dual-channel metering for non-residential customers operating eligible renewable electrical generating facilities with a nameplate rating over 40 kilowatts and up to 2,000 kilowatts. In such cases, electricity charges and credits shall be determined as follows:

(1) The electricity provider shall assess and the customer remains responsible for all taxes, fees, and utility delivery charges that would otherwise be applicable to the gross amount of kilowatt-hours supplied to the eligible customer by the electricity provider.

(2) Each month that service is supplied by means of dual-channel metering, the electricity provider shall compensate the eligible customer for any excess kilowatt-hour credits at the electricity provider's avoided cost of electricity supply over the monthly period or as otherwise specified by the terms of a power-purchase agreement negotiated between the customer and electricity provider.

(3) For all eligible net metering customers taking service from an electricity provider under contracts or tariffs employing time of use rates, any monthly consumption of electricity shall be calculated according to the terms of the contract or tariff to which the same customer would be assigned to or be eligible for if the customer was not a net metering customer. When those same customer-generators are net generators during any discrete time of use period, the net kilowatt-hours produced shall be valued at the same price per kilowatt-hour as the electric service provider would charge for retail kilowatt-hour sales during that same time of use period.

(g) For purposes of federal and State laws providing renewable energy credits, reusable energy credits, or greenhouse gas credits, the eligible customer shall be treated as owning and having title to the renewable energy attributes, renewable energy credits, reusable energy credits, and greenhouse gas emission credits related to any electricity produced by the qualified generating unit. The electricity provider may not condition participation in a net metering program on the signing over of a customer's renewable or reusable energy credits; provided, however, this subsection (g) shall not be construed to prevent an arms-length agreement between an electricity provider and an eligible customer that sets forth the ownership or title of the credits.

(h) Within 120 days after the effective date of this amendatory Act of the 95th General Assembly, the Commission shall establish standards for net metering and, if the Commission has not already acted on its own initiative, standards for the interconnection of eligible renewable generating equipment to the utility system. The interconnection standards shall address any procedural barriers, delays, and administrative costs associated with the interconnection of customer-generation while ensuring the safety and reliability of the units and the electric utility system. The Commission shall consider the Institute of Electrical and Electronics Engineers (IEEE) Standard 1547 and the issues of (i) reasonable and fair fees and costs, (ii) clear timelines for major milestones in the interconnection process, (iii) nondiscriminatory terms of agreement, and (iv) any best practices for interconnection of distributed generation.

(i) All electricity providers shall begin to offer net metering no later than April 1, 2008.

(j) An electricity provider shall provide net metering to eligible customers until the load of its net metering customers equals 1% of the total peak demand supplied by that electricity provider during the

previous year. Electricity providers are authorized to offer net metering beyond the 1% level if they so choose. The number of new eligible customers with generators that have a nameplate rating of 40 kilowatts and below will be limited to 200 total new billing accounts for the utilities (Ameren Companies, ComEd, and MidAmerican) for the period of April 1, 2008 through March 31, 2009.

(k) Each electricity provider shall maintain records and report annually to the Commission the total number of net metering customers served by the provider, as well as the type, capacity, and energy sources of the generating systems used by the net metering customers. Nothing in this Section shall limit the ability of an electricity provider to request the redaction of information deemed by the Commission to be confidential business information. Each electricity provider shall notify the Commission when the total generating capacity of its net metering customers is equal to or in excess of the 1% cap specified in subsection (j) of this Section.

(l) Notwithstanding the definition of "eligible customer" in item (i) of subsection (b) of this Section, each electricity provider shall consider whether to allow meter aggregation for the purposes of net metering on:

(1) properties owned or leased by multiple customers that contribute to the operation of

an eligible renewable or reusable electrical generating facility, such as a community-owned wind project or a community methane digester processing livestock waste from multiple sources; and

(2) individual units, apartments, or properties owned or leased by multiple customers and collectively served by a common eligible renewable electrical generating facility, such as an apartment building served by photovoltaic panels on the roof.

For the purposes of this subsection (l), "meter aggregation" means the combination of reading and billing on a pro rata basis for the types of eligible customers described in this Section.

(m) Nothing in this Section shall affect the right of an electricity provider to continue to provide, or the right of a retail customer to continue to receive service pursuant to a contract for electric service between the electricity provider and the retail customer in accordance with the prices, terms, and conditions provided for in that contract. Either the electricity provider or the customer may require compliance with the prices, terms, and conditions of the contract.

(Source: P.A. 95-420, eff. 8-24-07.)

(220 ILCS 5/16-108)

Sec. 16-108. Recovery of costs associated with the provision of delivery services.

(a) An electric utility shall file a delivery services tariff with the Commission at least 210 days prior to the date that it is required to begin offering such services pursuant to this Act. An electric utility shall provide the components of delivery services that are subject to the jurisdiction of the Federal Energy Regulatory Commission at the same prices, terms and conditions set forth in its applicable tariff as approved or allowed into effect by that Commission. The Commission shall otherwise have the authority pursuant to Article IX to review, approve, and modify the prices, terms and conditions of those components of delivery services not subject to the jurisdiction of the Federal Energy Regulatory Commission, including the authority to determine the extent to which such delivery services should be offered on an unbundled basis. In making any such determination the Commission shall consider, at a minimum, the effect of additional unbundling on (i) the objective of just and reasonable rates, (ii) electric utility employees, and (iii) the development of competitive markets for electric energy services in Illinois.

(b) The Commission shall enter an order approving, or approving as modified, the delivery services tariff no later than 30 days prior to the date on which the electric utility must commence offering such services. The Commission may subsequently modify such tariff pursuant to this Act.

(c) The electric utility's tariffs shall define the classes of its customers for purposes of delivery services charges. Delivery services shall be priced and made available to all retail customers electing delivery services in each such class on a nondiscriminatory basis regardless of whether the retail customer chooses the electric utility, an affiliate of the electric utility, or another entity as its supplier of electric power and energy. Charges for delivery services shall be cost based, and shall allow the electric utility to recover the costs of providing delivery services through its charges to its delivery service customers that use the facilities and services associated with such costs. Such costs shall include the costs of owning, operating and maintaining transmission and distribution facilities. The Commission shall also be authorized to consider whether, and if so to what extent, the following costs are appropriately included in the electric utility's delivery services rates: (i) the costs of that portion of generation facilities used for the production and absorption of reactive power in order that retail customers located in the electric utility's service area can receive electric power and energy from suppliers other than the electric utility, and (ii) the costs associated with the use and redispatch of generation facilities to mitigate constraints on the transmission or distribution system in order that retail customers located in the electric utility's service area can receive

electric power and energy from suppliers other than the electric utility. Nothing in this subsection shall be construed as directing the Commission to allocate any of the costs described in (i) or (ii) that are found to be appropriately included in the electric utility's delivery services rates to any particular customer group or geographic area in setting delivery services rates.

(d) The Commission shall establish charges, terms and conditions for delivery services that are just and reasonable and shall take into account customer impacts when establishing such charges. In establishing charges, terms and conditions for delivery services, the Commission shall take into account voltage level differences. A retail customer shall have the option to request to purchase electric service at any delivery service voltage reasonably and technically feasible from the electric facilities serving that customer's premises provided that there are no significant adverse impacts upon system reliability or system efficiency. A retail customer shall also have the option to request to purchase electric service at any point of delivery that is reasonably and technically feasible provided that there are no significant adverse impacts on system reliability or efficiency. Such requests shall not be unreasonably denied.

(e) Electric utilities shall recover the costs of installing, operating or maintaining facilities for the particular benefit of one or more delivery services customers, including without limitation any costs incurred in complying with a customer's request to be served at a different voltage level, directly from the retail customer or customers for whose benefit the costs were incurred, to the extent such costs are not recovered through the charges referred to in subsections (c) and (d) of this Section.

(f) An electric utility shall be entitled but not required to implement transition charges in conjunction with the offering of delivery services pursuant to Section 16-104. If an electric utility implements transition charges, it shall implement such charges for all delivery services customers and for all customers described in subsection (h), but shall not implement transition charges for power and energy that a retail customer takes from cogeneration or self-generation facilities located on that retail customer's premises, if such facilities meet the following criteria:

(i) the cogeneration or self-generation facilities serve a single retail customer and are located on that retail customer's premises (for purposes of this subparagraph and subparagraph (ii), an industrial or manufacturing retail customer and a third party contractor that is served by such industrial or manufacturing customer through such retail customer's own electrical distribution facilities under the circumstances described in subsection (vi) of the definition of "alternative retail electric supplier" set forth in Section 16-102, shall be considered a single retail customer);

(ii) the cogeneration or self-generation facilities either (A) are sized pursuant to generally accepted engineering standards for the retail customer's electrical load at that premises (taking into account standby or other reliability considerations related to that retail customer's operations at that site) or (B) if the facility is a cogeneration facility located on the retail customer's premises, the retail customer is the thermal host for that facility and the facility has been designed to meet that retail customer's thermal energy requirements resulting in electrical output beyond that retail customer's electrical demand at that premises, comply with the operating and efficiency standards applicable to "qualifying facilities" specified in title 18 Code of Federal Regulations Section 292.205 as in effect on the effective date of this amendatory Act of 1999;

(iii) the retail customer on whose premises the facilities are located either has an exclusive right to receive, and corresponding obligation to pay for, all of the electrical capacity of the facility, or in the case of a cogeneration facility that has been designed to meet the retail customer's thermal energy requirements at that premises, an identified amount of the electrical capacity of the facility, over a minimum 5-year period; and

(iv) if the cogeneration facility is sized for the retail customer's thermal load at that premises but exceeds the electrical load, any sales of excess power or energy are made only at wholesale, are subject to the jurisdiction of the Federal Energy Regulatory Commission, and are not for the purpose of circumventing the provisions of this subsection (f).

If a generation facility located at a retail customer's premises does not meet the above criteria, an electric utility implementing transition charges shall implement a transition charge until December 31, 2006 for any power and energy taken by such retail customer from such facility as if such power and energy had been delivered by the electric utility. Provided, however, that an industrial retail customer that is taking power from a generation facility that does not meet the above criteria but that is located on such customer's premises will not be subject to a transition charge for the power and energy taken by such retail customer from such generation facility if the facility does not serve any other retail customer and either was installed on behalf of the customer and for its own use prior to January 1, 1997, or is both predominantly fueled by byproducts of such customer's manufacturing process at such premises and sells or offers an average of 300

megawatts or more of electricity produced from such generation facility into the wholesale market. Such charges shall be calculated as provided in Section 16-102, and shall be collected on each kilowatt-hour delivered under a delivery services tariff to a retail customer from the date the customer first takes delivery services until December 31, 2006 except as provided in subsection (h) of this Section. Provided, however, that an electric utility, other than an electric utility providing service to at least 1,000,000 customers in this State on January 1, 1999, shall be entitled to petition for entry of an order by the Commission authorizing the electric utility to implement transition charges for an additional period ending no later than December 31, 2008. The electric utility shall file its petition with supporting evidence no earlier than 16 months, and no later than 12 months, prior to December 31, 2006. The Commission shall hold a hearing on the electric utility's petition and shall enter its order no later than 8 months after the petition is filed. The Commission shall determine whether and to what extent the electric utility shall be authorized to implement transition charges for an additional period. The Commission may authorize the electric utility to implement transition charges for some or all of the additional period, and shall determine the mitigation factors to be used in implementing such transition charges; provided, that the Commission shall not authorize mitigation factors less than 110% of those in effect during the 12 months ended December 31, 2006. In making its determination, the Commission shall consider the following factors: the necessity to implement transition charges for an additional period in order to maintain the financial integrity of the electric utility; the prudence of the electric utility's actions in reducing its costs since the effective date of this amendatory Act of 1997; the ability of the electric utility to provide safe, adequate and reliable service to retail customers in its service area; and the impact on competition of allowing the electric utility to implement transition charges for the additional period.

(g) The electric utility shall file tariffs that establish the transition charges to be paid by each class of customers to the electric utility in conjunction with the provision of delivery services. The electric utility's tariffs shall define the classes of its customers for purposes of calculating transition charges. The electric utility's tariffs shall provide for the calculation of transition charges on a customer-specific basis for any retail customer whose average monthly maximum electrical demand on the electric utility's system during the 6 months with the customer's highest monthly maximum electrical demands equals or exceeds 3.0 megawatts for electric utilities having more than 1,000,000 customers, and for other electric utilities for any customer that has an average monthly maximum electrical demand on the electric utility's system of one megawatt or more, and (A) for which there exists data on the customer's usage during the 3 years preceding the date that the customer became eligible to take delivery services, or (B) for which there does not exist data on the customer's usage during the 3 years preceding the date that the customer became eligible to take delivery services, if in the electric utility's reasonable judgment there exists comparable usage information or a sufficient basis to develop such information, and further provided that the electric utility can require customers for which an individual calculation is made to sign contracts that set forth the transition charges to be paid by the customer to the electric utility pursuant to the tariff.

(h) An electric utility shall also be entitled to file tariffs that allow it to collect transition charges from retail customers in the electric utility's service area that do not take delivery services but that take electric power or energy from an alternative retail electric supplier or from an electric utility other than the electric utility in whose service area the customer is located. Such charges shall be calculated, in accordance with the definition of transition charges in Section 16-102, for the period of time that the customer would be obligated to pay transition charges if it were taking delivery services, except that no deduction for delivery services revenues shall be made in such calculation, and usage data from the customer's class shall be used where historical usage data is not available for the individual customer. The customer shall be obligated to pay such charges on a lump sum basis on or before the date on which the customer commences to take service from the alternative retail electric supplier or other electric utility, provided, that the electric utility in whose service area the customer is located shall offer the customer the option of signing a contract pursuant to which the customer pays such charges ratably over the period in which the charges would otherwise have applied.

(i) An electric utility shall be entitled to add to the bills of delivery services customers charges pursuant to Sections 9-221, 9-222 (except as provided in Section 9-222.1), and Section 16-114 of this Act, Section 5-5 of the Electricity Infrastructure Maintenance Fee Law, Section 6-5 of the Renewable Energy, Reusable Energy, Energy Efficiency, and Coal Resources Development Law of 1997, and Section 13 of the Energy Assistance Act.

(j) If a retail customer that obtains electric power and energy from cogeneration or self-generation facilities installed for its own use on or before January 1, 1997, subsequently takes service from an alternative retail electric supplier or an electric utility other than the electric utility in whose service area the

customer is located for any portion of the customer's electric power and energy requirements formerly obtained from those facilities (including that amount purchased from the utility in lieu of such generation and not as standby power purchases, under a cogeneration displacement tariff in effect as of the effective date of this amendatory Act of 1997), the transition charges otherwise applicable pursuant to subsections (f), (g), or (h) of this Section shall not be applicable in any year to that portion of the customer's electric power and energy requirements formerly obtained from those facilities, provided, that for purposes of this subsection (j), such portion shall not exceed the average number of kilowatt-hours per year obtained from the cogeneration or self-generation facilities during the 3 years prior to the date on which the customer became eligible for delivery services, except as provided in subsection (f) of Section 16-110.

(Source: P.A. 91-50, eff. 6-30-99; 92-690, eff. 7-18-02.)

(220 ILCS 5/16-111)

Sec. 16-111. Rates and restructuring transactions during mandatory transition period; restructuring and other transactions.

(a) During the mandatory transition period, notwithstanding any provision of Article IX of this Act, and except as provided in subsections (b) and (f) of this Section, the Commission shall not (i) initiate, authorize or order any change by way of increase (other than in connection with a request for rate increase which was filed after September 1, 1997 but prior to October 15, 1997, by an electric utility serving less than 12,500 customers in this State), (ii) initiate or, unless requested by the electric utility, authorize or order any change by way of decrease, restructuring or unbundling (except as provided in Section 16-109A), in the rates of any electric utility that were in effect on October 1, 1996, or (iii) in any order approving any application for a merger pursuant to Section 7-204 that was pending as of May 16, 1997, impose any condition requiring any filing for an increase, decrease, or change in, or other review of, an electric utility's rates or enforce any such condition of any such order; provided, however, that this subsection shall not prohibit the Commission from:

(1) approving the application of an electric utility to implement an alternative to rate of return regulation or a regulatory mechanism that rewards or penalizes the electric utility through adjustment of rates based on utility performance, pursuant to Section 9-244;

(2) authorizing an electric utility to eliminate its fuel adjustment clause and adjust its base rate tariffs in accordance with subsection (b), (d), or (f) of Section 9-220 of this Act, to fix its fuel adjustment factor in accordance with subsection (c) of Section 9-220 of this Act, or to eliminate its fuel adjustment clause in accordance with subsection (e) of Section 9-220 of this Act;

(3) ordering into effect tariffs for delivery services and transition charges in accordance with Sections 16-104 and 16-108, for real-time pricing in accordance with Section 16-107, or the options required by Section 16-110 and subsection (n) of 16-112, allowing a billing experiment in accordance with Section 16-106, or modifying delivery services tariffs in accordance with Section 16-109; or

(4) ordering or allowing into effect any tariff to recover charges pursuant to Sections 9-201.5, 9-220.1, 9-221, 9-222 (except as provided in Section 9-222.1), 16-108, and 16-114 of this Act, Section 5-5 of the Electricity Infrastructure Maintenance Fee Law, Section 6-5 of the Renewable Energy, Reusable Energy, Energy Efficiency, and Coal Resources Development Law of 1997, and Section 13 of the Energy Assistance Act.

After December 31, 2004, the provisions of this subsection (a) shall not apply to an electric utility whose average residential retail rate was less than or equal to 90% of the average residential retail rate for the "Midwest Utilities", as that term is defined in subsection (b) of this Section, based on data reported on Form 1 to the Federal Energy Regulatory Commission for calendar year 1995, and which served between 150,000 and 250,000 retail customers in this State on January 1, 1995 unless the electric utility or its holding company has been acquired by or merged with an affiliate of another electric utility subsequent to January 1, 2002. This exemption shall be limited to this subsection (a) and shall not extend to any other provisions of this Act.

(b) Notwithstanding the provisions of subsection (a), each Illinois electric utility serving more than 12,500 customers in Illinois shall file tariffs (i) reducing, effective August 1, 1998, each component of its base rates to residential retail customers by 15% from the base rates in effect immediately prior to January 1, 1998 and (ii) if the public utility provides electric service to (A) more than 500,000 customers but less than 1,000,000 customers in this State on January 1, 1999, reducing, effective May 1, 2002, each component of its base rates to residential retail customers by an additional 5% from the base rates in effect immediately prior to January 1, 1998, or (B) at least 1,000,000 customers in this State on January 1, 1999, reducing, effective October 1, 2001, each component of its base rates to residential retail customers by an

additional 5% from the base rates in effect immediately prior to January 1, 1998. Provided, however, that (A) if an electric utility's average residential retail rate is less than or equal to the average residential retail rate for a group of Midwest Utilities (consisting of all investor-owned electric utilities with annual system peaks in excess of 1000 megawatts in the States of Illinois, Indiana, Iowa, Kentucky, Michigan, Missouri, Ohio, and Wisconsin), based on data reported on Form 1 to the Federal Energy Regulatory Commission for calendar year 1995, then it shall only be required to file tariffs (i) reducing, effective August 1, 1998, each component of its base rates to residential retail customers by 5% from the base rates in effect immediately prior to January 1, 1998, (ii) reducing, effective October 1, 2000, each component of its base rates to residential retail customers by the lesser of 5% of the base rates in effect immediately prior to January 1, 1998 or the percentage by which the electric utility's average residential retail rate exceeds the average residential retail rate of the Midwest Utilities, based on data reported on Form 1 to the Federal Energy Regulatory Commission for calendar year 1999, and (iii) reducing, effective October 1, 2002, each component of its base rates to residential retail customers by an additional amount equal to the lesser of 5% of the base rates in effect immediately prior to January 1, 1998 or the percentage by which the electric utility's average residential retail rate exceeds the average residential retail rate of the Midwest Utilities, based on data reported on Form 1 to the Federal Energy Regulatory Commission for calendar year 2001; and (B) if the average residential retail rate of an electric utility serving between 150,000 and 250,000 retail customers in this State on January 1, 1995 is less than or equal to 90% of the average residential retail rate for the Midwest Utilities, based on data reported on Form 1 to the Federal Energy Regulatory Commission for calendar year 1995, then it shall only be required to file tariffs (i) reducing, effective August 1, 1998, each component of its base rates to residential retail customers by 2% from the base rates in effect immediately prior to January 1, 1998; (ii) reducing, effective October 1, 2000, each component of its base rates to residential retail customers by 2% from the base rate in effect immediately prior to January 1, 1998; and (iii) reducing, effective October 1, 2002, each component of its base rates to residential retail customers by 1% from the base rates in effect immediately prior to January 1, 1998. Provided, further, that any electric utility for which a decrease in base rates has been or is placed into effect between October 1, 1996 and the dates specified in the preceding sentences of this subsection, other than pursuant to the requirements of this subsection, shall be entitled to reduce the amount of any reduction or reductions in its base rates required by this subsection by the amount of such other decrease. The tariffs required under this subsection shall be filed 45 days in advance of the effective date. Notwithstanding anything to the contrary in Section 9-220 of this Act, no restatement of base rates in conjunction with the elimination of a fuel adjustment clause under that Section shall result in a lesser decrease in base rates than customers would otherwise receive under this subsection had the electric utility's fuel adjustment clause not been eliminated.

(c) Any utility reducing its base rates by 15% on August 1, 1998 pursuant to subsection (b) shall include the following statement on its bills for residential customers from August 1 through December 31, 1998: "Effective August 1, 1998, your rates have been reduced by 15% by the Electric Service Customer Choice and Rate Relief Law of 1997 passed by the Illinois General Assembly.". Any utility reducing its base rates by 5% on August 1, 1998, pursuant to subsection (b) shall include the following statement on its bills for residential customers from August 1 through December 31, 1998: "Effective August 1, 1998, your rates have been reduced by 5% by the Electric Service Customer Choice and Rate Relief Law of 1997 passed by the Illinois General Assembly.".

Any utility reducing its base rates by 2% on August 1, 1998 pursuant to subsection (b) shall include the following statement on its bills for residential customers from August 1 through December 31, 1998: "Effective August 1, 1998, your rates have been reduced by 2% by the Electric Service Customer Choice and Rate Relief Law of 1997 passed by the Illinois General Assembly.".

(d) (Blank.)

(e) (Blank.)

(f) During the mandatory transition period, an electric utility may file revised tariffs reducing the price of any tariffed service offered by the electric utility for all customers taking that tariffed service, which shall be effective 7 days after filing.

(g) Until all classes of tariffed services are declared competitive, an electric utility may, without obtaining any approval of the Commission other than that provided for in this subsection and notwithstanding any other provision of this Act or any rule or regulation of the Commission that would require such approval:

- (1) implement a reorganization, other than a merger of 2 or more public utilities as defined in Section 3-105 or their holding companies;
- (2) retire generating plants from service;

(3) sell, assign, lease or otherwise transfer assets to an affiliated or unaffiliated entity and as part of such transaction enter into service agreements, power purchase agreements, or other agreements with the transferee; provided, however, that the prices, terms and conditions of any power purchase agreement must be approved or allowed into effect by the Federal Energy Regulatory Commission; or

(4) use any accelerated cost recovery method including accelerated depreciation, accelerated amortization or other capital recovery methods, or record reductions to the original cost of its assets.

In order to implement a reorganization, retire generating plants from service, or sell, assign, lease or otherwise transfer assets pursuant to this Section, the electric utility shall comply with subsections (c) and (d) of Section 16-128, if applicable, and subsection (k) of this Section, if applicable, and provide the Commission with at least 30 days notice of the proposed reorganization or transaction, which notice shall include the following information:

(i) a complete statement of the entries that the electric utility will make on its books and records of account to implement the proposed reorganization or transaction together with a certification from an independent certified public accountant that such entries are in accord with generally accepted accounting principles and, if the Commission has previously approved guidelines for cost allocations between the utility and its affiliates, a certification from the chief accounting officer of the utility that such entries are in accord with those cost allocation guidelines;

(ii) a description of how the electric utility will use proceeds of any sale, assignment, lease or transfer to retire debt or otherwise reduce or recover the costs of services provided by such electric utility;

(iii) a list of all federal approvals or approvals required from departments and agencies of this State, other than the Commission, that the electric utility has or will obtain before implementing the reorganization or transaction;

(iv) an irrevocable commitment by the electric utility that it will not, as a result of the transaction, impose any stranded cost charges that it might otherwise be allowed to charge retail customers under federal law or increase the transition charges that it is otherwise entitled to collect under this Article XVI;

(v) if the electric utility proposes to sell, assign, lease or otherwise transfer a generating plant that brings the amount of net dependable generating capacity transferred pursuant to this subsection to an amount equal to or greater than 15% of the electric utility's net dependable capacity as of the effective date of this amendatory Act of 1997, and enters into a power purchase agreement with the entity to which such generating plant is sold, assigned, leased, or otherwise transferred, the electric utility also agrees, if its fuel adjustment clause has not already been eliminated, to eliminate its fuel adjustment clause in accordance with subsection (b) of Section 9-220 for a period of time equal to the length of any such power purchase agreement or successor agreement, or until January 1, 2005, whichever is longer; if the capacity of the generating plant so transferred and related power purchase agreement does not result in the elimination of the fuel adjustment clause under this subsection, and the fuel adjustment clause has not already been eliminated, the electric utility shall agree that the costs associated with the transferred plant that are included in the calculation of the rate per kilowatt-hour to be applied pursuant to the electric utility's fuel adjustment clause during such period shall not exceed the per kilowatt-hour cost associated with such generating plant included in the electric utility's fuel adjustment clause during the full calendar year preceding the transfer, with such limit to be adjusted each year thereafter by the Gross Domestic Product Implicit Price Deflator; and

(vi) in addition, if the electric utility proposes to sell, assign, or lease, (A) either (1) an amount of generating plant that brings the amount of net dependable generating capacity transferred pursuant to this subsection to an amount equal to or greater than 15% of its net dependable capacity on the effective date of this amendatory Act of 1997, or (2) one or more generating plants with a total net dependable capacity of 1100 megawatts, or (B) transmission and distribution facilities that either (1) bring the amount of transmission and distribution facilities transferred pursuant to this subsection to an amount equal to or greater than 15% of the electric utility's total depreciated original cost investment in such facilities, or (2) represent an investment of \$25,000,000 in terms of total depreciated original cost, the electric utility shall provide, in addition to the information listed in subparagraphs (i) through (v), the following information: (A) a description of how the electric utility will meet its service obligations under this Act in a safe and reliable manner and (B) the electric utility's projected earned rate of return on common equity for each year from the date of the notice through

December 31, 2006 both with and without the proposed transaction. If the Commission has not issued an order initiating a hearing on the proposed transaction within 30 days after the date the electric utility's notice is filed, the transaction shall be deemed approved. The Commission may, after notice and hearing, prohibit the proposed transaction if it makes either or both of the following findings: (1) that the proposed transaction will render the electric utility unable to provide its tariffed services in a safe and reliable manner, or (2) that there is a strong likelihood that consummation of the proposed transaction will result in the electric utility being entitled to request an increase in its base rates. Any hearing initiated by the Commission into the proposed transaction shall be completed, and the Commission's final order approving or prohibiting the proposed transaction shall be entered, within 90 days after the date the electric utility's notice was filed. Provided, however, that a sale, assignment, or lease of transmission facilities to an independent system operator that meets the requirements of Section 16-126 shall not be subject to Commission approval under this Section.

In any proceeding conducted by the Commission pursuant to this subparagraph (vi), intervention shall be limited to parties with a direct interest in the transaction which is the subject of the hearing and any statutory consumer protection agency as defined in subsection (d) of Section 9-102.1. Notwithstanding the provisions of Section 10-113 of this Act, any application seeking rehearing of an order issued under this subparagraph (vi), whether filed by the electric utility or by an intervening party, shall be filed within 10 days after service of the order.

The Commission shall not in any subsequent proceeding or otherwise, review such a reorganization or other transaction authorized by this Section, but shall retain the authority to allocate costs as stated in Section 16-111(i). An entity to which an electric utility sells, assigns, leases or transfers assets pursuant to this subsection (g) shall not, as a result of the transactions specified in this subsection (g), be deemed a public utility as defined in Section 3-105. Nothing in this subsection (g) shall change any requirement under the jurisdiction of the Illinois Department of Nuclear Safety including, but not limited to, the payment of fees. Nothing in this subsection (g) shall exempt a utility from obtaining a certificate pursuant to Section 8-406 of this Act for the construction of a new electric generating facility. Nothing in this subsection (g) is intended to exempt the transactions hereunder from the operation of the federal or State antitrust laws. Nothing in this subsection (g) shall require an electric utility to use the procedures specified in this subsection for any of the transactions specified herein. Any other procedure available under this Act may, at the electric utility's election, be used for any such transaction.

(h) During the mandatory transition period, the Commission shall not establish or use any rates of depreciation, which for purposes of this subsection shall include amortization, for any electric utility other than those established pursuant to subsection (c) of Section 5-104 of this Act or utilized pursuant to subsection (g) of this Section. Provided, however, that in any proceeding to review an electric utility's rates for tariffed services pursuant to Section 9-201, 9-202, 9-250 or 16-111(d) of this Act, the Commission may establish new rates of depreciation for the electric utility in the same manner provided in subsection (d) of Section 5-104 of this Act. An electric utility implementing an accelerated cost recovery method including accelerated depreciation, accelerated amortization or other capital recovery methods, or recording reductions to the original cost of its assets, pursuant to subsection (g) of this Section, shall file a statement with the Commission describing the accelerated cost recovery method to be implemented or the reduction in the original cost of its assets to be recorded. Upon the filing of such statement, the accelerated cost recovery method or the reduction in the original cost of assets shall be deemed to be approved by the Commission as though an order had been entered by the Commission.

(i) Subsequent to the mandatory transition period, the Commission, in any proceeding to establish rates and charges for tariffed services offered by an electric utility, shall consider only (1) the then current or projected revenues, costs, investments and cost of capital directly or indirectly associated with the provision of such tariffed services; (2) collection of transition charges in accordance with Sections 16-102 and 16-108 of this Act; (3) recovery of any employee transition costs as described in Section 16-128 which the electric utility is continuing to incur, including recovery of any unamortized portion of such costs previously incurred or committed, with such costs to be equitably allocated among bundled services, delivery services, and contracts with alternative retail electric suppliers; and (4) recovery of the costs associated with the electric utility's compliance with decommissioning funding requirements; and shall not consider any other revenues, costs, investments or cost of capital of either the electric utility or of any affiliate of the electric utility that are not associated with the provision of tariffed services. In setting rates for tariffed services, the Commission shall equitably allocate joint and common costs and investments between the electric utility's competitive and tariffed services. In determining the justness and reasonableness of the electric power and energy component of an electric utility's rates for tariffed services

subsequent to the mandatory transition period and prior to the time that the provision of such electric power and energy is declared competitive, the Commission shall consider the extent to which the electric utility's tariffed rates for such component for each customer class exceed the market value determined pursuant to Section 16-112, and, if the electric power and energy component of such tariffed rate exceeds the market value by more than 10% for any customer class, may establish such electric power and energy component at a rate equal to the market value plus 10%.

(j) During the mandatory transition period, an electric utility may elect to transfer to a non-operating income account under the Commission's Uniform System of Accounts either or both of (i) an amount of unamortized investment tax credit that is in addition to the ratable amount which is credited to the electric utility's operating income account for the year in accordance with Section 46(f)(2) of the federal Internal Revenue Code of 1986, as in effect prior to P.L. 101-508, or (ii) "excess tax reserves", as that term is defined in Section 203(e)(2)(A) of the federal Tax Reform Act of 1986, provided that (A) the amount transferred may not exceed the amount of the electric utility's assets that were created pursuant to Statement of Financial Accounting Standards No. 71 which the electric utility has written off during the mandatory transition period, and (B) the transfer shall not be effective until approved by the Internal Revenue Service. An electric utility electing to make such a transfer shall file a statement with the Commission stating the amount and timing of the transfer for which it intends to request approval of the Internal Revenue Service, along with a copy of its proposed request to the Internal Revenue Service for a ruling. The Commission shall issue an order within 14 days after the electric utility's filing approving, subject to receipt of approval from the Internal Revenue Service, the proposed transfer.

(k) If an electric utility is selling or transferring to a single buyer 5 or more generating plants located in this State with a total net dependable capacity of 5000 megawatts or more pursuant to subsection (g) of this Section and has obtained a sale price or consideration that exceeds 200% of the book value of such plants, the electric utility must provide to the Governor, the President of the Illinois Senate, the Minority Leader of the Illinois Senate, the Speaker of the Illinois House of Representatives, and the Minority Leader of the Illinois House of Representatives no later than 15 days after filing its notice under subsection (g) of this Section or 5 days after the date on which this subsection (k) becomes law, whichever is later, a written commitment in which such electric utility agrees to expend \$2 billion outside the corporate limits of any municipality with 1,000,000 or more inhabitants within such electric utility's service area, over a 6-year period beginning with the calendar year in which the notice is filed, on projects, programs, and improvements within its service area relating to transmission and distribution including, without limitation, infrastructure expansion, repair and replacement, capital investments, operations and maintenance, and vegetation management.

(l) Notwithstanding any other provision of this Act or any rule, regulation, or prior order of the Commission, a public utility providing electric and gas service may do any one or more of the following: transfer assets to, reorganize with, or merge with one or more public utilities under common holding company ownership or control in the manner prescribed in subsection (g) of this Section. No merger transaction costs, such as fees paid to attorneys, investment bankers, and other consultants, incurred in connection with a merger pursuant to this subsection (l) shall be recoverable in any subsequent rate proceeding. Approval of a merger pursuant to this subsection (l) shall not constitute approval of, or otherwise require, rate recovery of other costs incurred in connection with, or to implement the merger, such as the cost of restructuring, combining, or integrating debt, assets, or systems. Such other costs may be recovered only to the extent that the surviving utility can demonstrate that the cost savings produced by such restructuring, combination, or integration exceed the associated costs. Nothing in this subsection (l) shall impair the terms or conditions of employment or the collective bargaining rights of any employees of the utilities that are transferring assets, reorganizing, or merging.

(m) If an electric utility that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois transfers assets, reorganizes, or merges under this Section, then the same provisions apply that applied during the mandatory transition period under Section 16-128.

(Source: P.A. 95-331, eff. 8-21-07; 95-481, eff. 8-28-07; 95-876, eff. 8-21-08.)

(220 ILCS 5/16-111.1)

Sec. 16-111.1. Illinois Clean Energy Community Trust.

(a) An electric utility which has sold or transferred generating facilities in a transaction to which subsection (k) of Section 16-111 applies is authorized to establish an Illinois clean energy community trust or foundation for the purposes of providing financial support and assistance to entities, public or private, within the State of Illinois including, but not limited to, units of State and local government, educational institutions, corporations, and charitable, educational, environmental and community organizations, for

programs and projects that benefit the public by improving energy efficiency, developing renewable or reusable energy resources, supporting other energy related projects that improve the State's environmental quality, and supporting projects and programs intended to preserve or enhance the natural habitats and wildlife areas of the State. Provided, however, that the trust or foundation funds shall not be used for the remediation of environmentally impaired property. The trust or foundation may also assist in identifying other energy and environmental grant opportunities.

(b) Such trust or foundation shall be governed by a declaration of trust or articles of incorporation and bylaws which shall, at a minimum, provide that:

(1) There shall be 6 voting trustees of the trust or foundation, one of whom shall be appointed by the Governor, one of whom shall be appointed by the President of the Illinois Senate, one of whom shall be appointed by the Minority Leader of the Illinois Senate, one of whom shall be appointed by the Speaker of the Illinois House of Representatives, one of whom shall be appointed by the Minority Leader of the Illinois House of Representatives, and one of whom shall be appointed by the electric utility establishing the trust or foundation, provided that the voting trustee appointed by the utility shall be a representative of a recognized environmental action group selected by the utility. The Governor shall designate one of the 6 voting trustees to serve as chairman of the trust or foundation, who shall serve as chairman of the trust or foundation at the pleasure of the Governor. In addition, there shall be 4 non-voting trustees, one of whom shall be appointed by the Director of Commerce and Economic Opportunity, one of whom shall be appointed by the Director of the Illinois Environmental Protection Agency, one of whom shall be appointed by the Director of Natural Resources, and one of whom shall be appointed by the electric utility establishing the trust or foundation, provided that the non-voting trustee appointed by the utility shall bring financial expertise to the trust or foundation and shall have appropriate credentials therefor.

(2) All voting trustees and the non-voting trustee with financial expertise shall be entitled to compensation for their services as trustees, provided, however, that no member of the General Assembly and no employee of the electric utility establishing the trust or foundation serving as a voting trustee shall receive any compensation for his or her services as a trustee, and provided further that the compensation to the chairman of the trust shall not exceed \$25,000 annually and the compensation to any other trustee shall not exceed \$20,000 annually. All trustees shall be entitled to reimbursement for reasonable expenses incurred on behalf of the trust in the performance of their duties as trustees. All such compensation and reimbursements shall be paid out of the trust.

(3) Trustees shall be appointed within 30 days after the creation of the trust or foundation and shall serve for a term of 5 years commencing upon the date of their respective appointments, until their respective successors are appointed and qualified.

(4) A vacancy in the office of trustee shall be filled by the person holding the office responsible for appointing the trustee whose death or resignation creates the vacancy, and a trustee appointed to fill a vacancy shall serve the remainder of the term of the trustee whose resignation or death created the vacancy.

(5) The trust or foundation shall have an indefinite term, and shall terminate at such time as no trust assets remain.

(6) The trust or foundation shall be funded in the minimum amount of \$250,000,000, with the allocation and disbursement of funds for the various purposes for which the trust or foundation is established to be determined by the trustees in accordance with the declaration of trust or the articles of incorporation and bylaws; provided, however, that this amount may be reduced by up to \$25,000,000 if, at the time the trust or foundation is funded, a corresponding amount is contributed by the electric utility establishing the trust or foundation to the Board of Trustees of Southern Illinois University for the purpose of funding programs or projects related to clean coal and provided further that \$25,000,000 of the amount contributed to the trust or foundation shall be available to fund programs or projects related to clean coal.

(7) The trust or foundation shall be authorized to employ an executive director and other employees, to enter into leases, contracts and other obligations on behalf of the trust or foundation, and to incur expenses that the trustees deem necessary or appropriate for the fulfillment of the purposes for which the trust or foundation is established, provided, however, that salaries and administrative expenses incurred on behalf of the trust or foundation shall not exceed \$500,000 in the first fiscal year after the trust or foundation is established and shall not exceed \$1,000,000 in each subsequent fiscal year.

(8) The trustees may create and appoint advisory boards or committees to assist them with the administration of the trust or foundation, and to advise and make recommendations to them

regarding the contribution and disbursement of the trust or foundation funds.

(c)(1) In addition to the allocation and disbursement of funds for the purposes set forth in subsection (a) of this Section, the trustees of the trust or foundation shall annually contribute funds in amounts set forth in subparagraph (2) of this subsection to the Citizens Utility Board created by the Citizens Utility Board Act; provided, however, that any such funds shall be used solely for the representation of the interests of utility consumers before the Illinois Commerce Commission, the Federal Energy Regulatory Commission, and the Federal Communications Commission and for the provision of consumer education on utility service and prices and on benefits and methods of energy conservation. Provided, however, that no part of such funds shall be used to support (i) any lobbying activity, (ii) activities related to fundraising, (iii) advertising or other marketing efforts regarding a particular utility, or (iv) solicitation of support for, or advocacy of, a particular position regarding any specific utility or a utility's docketed proceeding.

(2) In the calendar year in which the trust or foundation is first funded, the trustees shall contribute \$1,000,000 to the Citizens Utility Board within 60 days after such trust or foundation is established; provided, however, that such contribution shall be made after December 31, 1999. In each of the 6 calendar years subsequent to the first contribution, if the trust or foundation is in existence, the trustees shall contribute to the Citizens Utility Board an amount equal to the total expenditures by such organization in the prior calendar year, as set forth in the report filed by the Citizens Utility Board with the chairman of such trust or foundation as required by subparagraph (3) of this subsection. Such subsequent contributions shall be made within 30 days of submission by the Citizens Utility Board of such report to the Chairman of the trust or foundation, but in no event shall any annual contribution by the trustees to the Citizens Utility Board exceed \$1,000,000. Following such 7-year period, an Illinois statutory consumer protection agency may petition the trust or foundation for contributions to fund expenditures of the type identified in paragraph (1), but in no event shall annual contributions by the trust or foundation for such expenditures exceed \$1,000,000.

(3) The Citizens Utility Board shall file a report with the chairman of such trust or foundation for each year in which it expends any funds received from the trust or foundation setting forth the amount of any expenditures (regardless of the source of funds for such expenditures) for: (i) the representation of the interests of utility consumers before the Illinois Commerce Commission, the Federal Energy Regulatory Commission, and the Federal Communications Commission, and (ii) the provision of consumer education on utility service and prices and on benefits and methods of energy conservation. Such report shall separately state the total amount of expenditures for the purposes or activities identified by items (i) and (ii) of this paragraph, the name and address of the external recipient of any such expenditure, if applicable, and the specific purposes or activities (including internal purposes or activities) for which each expenditure was made. Any report required by this subsection shall be filed with the chairman of such trust or foundation no later than March 31 of the year immediately following the year for which the report is required.

(d) In addition to any other allocation and disbursement of funds in this Section, the trustees of the trust or foundation shall contribute an amount up to \$125,000,000 (1) for deposit into the General Obligation Bond Retirement and Interest Fund held in the State treasury to assist in the repayment on general obligation bonds issued under subsection (d) of Section 7 of the General Obligation Bond Act, and (2) for deposit into funds administered by agencies with responsibility for environmental activities to assist in payment for environmental programs. The amount required to be contributed shall be provided to the trustees in a certification letter from the Director of the Bureau of the Budget that shall be provided no later than August 1, 2003. The payment from the trustees shall be paid to the State no later than December 31st following the receipt of the letter.

(Source: P.A. 93-32, eff. 6-20-03; 94-793, eff. 5-19-06.)

(220 ILCS 5/16-111.5)

Sec. 16-111.5. Provisions relating to procurement.

(a) An electric utility that on December 31, 2005 served at least 100,000 customers in Illinois shall procure power and energy for its eligible retail customers in accordance with the applicable provisions set forth in Section 1-75 of the Illinois Power Agency Act and this Section. "Eligible retail customers" for the purposes of this Section means those retail customers that purchase power and energy from the electric utility under fixed-price bundled service tariffs, other than those retail customers whose service is declared or deemed competitive under Section 16-113 and those other customer groups specified in this Section, including self-generating customers, customers electing hourly pricing, or those customers who are otherwise ineligible for fixed-price bundled tariff service. Those customers that are excluded from the

definition of "eligible retail customers" shall not be included in the procurement plan load requirements, and the utility shall procure any supply requirements, including capacity, ancillary services, and hourly priced energy, in the applicable markets as needed to serve those customers, provided that the utility may include in its procurement plan load requirements for the load that is associated with those retail customers whose service has been declared or deemed competitive pursuant to Section 16-113 of this Act to the extent that those customers are purchasing power and energy during one of the transition periods identified in subsection (b) of Section 16-113 of this Act.

(b) A procurement plan shall be prepared for each electric utility consistent with the applicable requirements of the Illinois Power Agency Act and this Section. For purposes of this Section, Illinois electric utilities that are affiliated by virtue of a common parent company are considered to be a single electric utility. Each procurement plan shall analyze the projected balance of supply and demand for eligible retail customers over a 5-year period with the first planning year beginning on June 1 of the year following the year in which the plan is filed. The plan shall specifically identify the wholesale products to be procured following plan approval, and shall follow all the requirements set forth in the Public Utilities Act and all applicable State and federal laws, statutes, rules, or regulations, as well as Commission orders. Nothing in this Section precludes consideration of contracts longer than 5 years and related forecast data. Unless specified otherwise in this Section, in the procurement plan or in the implementing tariff, any procurement occurring in accordance with this plan shall be competitively bid through a request for proposals process. Approval and implementation of the procurement plan shall be subject to review and approval by the Commission according to the provisions set forth in this Section. A procurement plan shall include each of the following components:

- (1) Hourly load analysis. This analysis shall include:
 - (i) multi-year historical analysis of hourly loads;
 - (ii) switching trends and competitive retail market analysis;
 - (iii) known or projected changes to future loads; and
 - (iv) growth forecasts by customer class.
- (2) Analysis of the impact of any demand side and renewable or reusable energy initiatives. This analysis shall include:
 - (i) the impact of demand response programs, both current and projected;
 - (ii) supply side needs that are projected to be offset by purchases of renewable energy resources or reusable energy resources, or both, if any; and
 - (iii) the impact of energy efficiency programs, both current and projected.
- (3) A plan for meeting the expected load requirements that will not be met through preexisting contracts. This plan shall include:
 - (i) definitions of the different retail customer classes for which supply is being purchased;
 - (ii) the proposed mix of demand-response products for which contracts will be executed during the next year. The cost-effective demand-response measures shall be procured whenever the cost is lower than procuring comparable capacity products, provided that such products shall:
 - (A) be procured by a demand-response provider from eligible retail customers;
 - (B) at least satisfy the demand-response requirements of the regional transmission organization market in which the utility's service territory is located, including, but not limited to, any applicable capacity or dispatch requirements;
 - (C) provide for customers' participation in the stream of benefits produced by the demand-response products;
 - (D) provide for reimbursement by the demand-response provider of the utility for any costs incurred as a result of the failure of the supplier of such products to perform its obligations thereunder; and
 - (E) meet the same credit requirements as apply to suppliers of capacity, in the applicable regional transmission organization market;
 - (iii) monthly forecasted system supply requirements, including expected minimum, maximum, and average values for the planning period;
 - (iv) the proposed mix and selection of standard wholesale products for which contracts will be executed during the next year, separately or in combination, to meet that portion of its load requirements not met through pre-existing contracts, including but not limited to monthly 5 x 16 peak period block energy, monthly off-peak wrap energy, monthly 7 x 24 energy, annual 5 x 16

energy, annual off-peak wrap energy, annual 7 x 24 energy, monthly capacity, annual capacity, peak load capacity obligations, capacity purchase plan, and ancillary services;

(v) proposed term structures for each wholesale product type included in the proposed procurement plan portfolio of products; and

(vi) an assessment of the price risk, load uncertainty, and other factors that are associated with the proposed procurement plan; this assessment, to the extent possible, shall include an analysis of the following factors: contract terms, time frames for securing products or services, fuel costs, weather patterns, transmission costs, market conditions, and the governmental regulatory environment; the proposed procurement plan shall also identify alternatives for those portfolio measures that are identified as having significant price risk.

(4) Proposed procedures for balancing loads. The procurement plan shall include, for load requirements included in the procurement plan, the process for (i) hourly balancing of supply and demand and (ii) the criteria for portfolio re-balancing in the event of significant shifts in load.

(c) The procurement process set forth in Section 1-75 of the Illinois Power Agency Act and subsection (e) of this Section shall be administered by a procurement administrator and monitored by a procurement monitor.

(1) The procurement administrator shall:

(i) design the final procurement process in accordance with Section 1-75 of the Illinois Power Agency Act and subsection (e) of this Section following Commission approval of the procurement plan;

(ii) develop benchmarks in accordance with subsection (e)(3) to be used to evaluate bids; these benchmarks shall be submitted to the Commission for review and approval on a confidential basis prior to the procurement event;

(iii) serve as the interface between the electric utility and suppliers;

(iv) manage the bidder pre-qualification and registration process;

(v) obtain the electric utilities' agreement to the final form of all supply contracts and credit collateral agreements;

(vi) administer the request for proposals process;

(vii) have the discretion to negotiate to determine whether bidders are willing to lower the price of bids that meet the benchmarks approved by the Commission; any post-bid negotiations with bidders shall be limited to price only and shall be completed within 24 hours after opening the sealed bids and shall be conducted in a fair and unbiased manner; in conducting the negotiations, there shall be no disclosure of any information derived from proposals submitted by competing bidders; if information is disclosed to any bidder, it shall be provided to all competing bidders;

(viii) maintain confidentiality of supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs;

(ix) submit a confidential report to the Commission recommending acceptance or rejection of bids;

(x) notify the utility of contract counterparties and contract specifics; and

(xi) administer related contingency procurement events.

(2) The procurement monitor, who shall be retained by the Commission, shall:

(i) monitor interactions among the procurement administrator, suppliers, and utility;

(ii) monitor and report to the Commission on the progress of the procurement process;

(iii) provide an independent confidential report to the Commission regarding the results of the procurement event;

(iv) assess compliance with the procurement plans approved by the Commission for each utility that on December 31, 2005 provided electric service to a least 100,000 customers in Illinois;

(v) preserve the confidentiality of supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs;

(vi) provide expert advice to the Commission and consult with the procurement administrator regarding issues related to procurement process design, rules, protocols, and policy-related matters; and

(vii) consult with the procurement administrator regarding the development and use of benchmark criteria, standard form contracts, credit policies, and bid documents.

(d) Except as provided in subsection (j), the planning process shall be conducted as follows:

(1) Beginning in 2008, each Illinois utility procuring power pursuant to this Section shall annually provide a range of load forecasts to the Illinois Power Agency by July 15 of each year, or such other date as may be required by the Commission or Agency. The load forecasts shall cover the 5-year procurement planning period for the next procurement plan and shall include hourly data representing a high-load, low-load and expected-load scenario for the load of the eligible retail customers. The utility shall provide supporting data and assumptions for each of the scenarios.

(2) Beginning in 2008, the Illinois Power Agency shall prepare a procurement plan by August 15th of each year, or such other date as may be required by the Commission. The procurement plan shall identify the portfolio of demand-response and power and energy products to be procured. Cost-effective demand-response measures shall be procured as set forth in item (iii) of subsection (b) of this Section. Copies of the procurement plan shall be posted and made publicly available on the Agency's and Commission's websites, and copies shall also be provided to each affected electric utility. An affected utility shall have 30 days following the date of posting to provide comment to the Agency on the procurement plan. Other interested entities also may comment on the procurement plan. All comments submitted to the Agency shall be specific, supported by data or other detailed analyses, and, if objecting to all or a portion of the procurement plan, accompanied by specific alternative wording or proposals. All comments shall be posted on the Agency's and Commission's websites. During this 30-day comment period, the Agency shall hold at least one public hearing within each utility's service area for the purpose of receiving public comment on the procurement plan. Within 14 days following the end of the 30-day review period, the Agency shall revise the procurement plan as necessary based on the comments received and file the procurement plan with the Commission and post the procurement plan on the websites.

(3) Within 5 days after the filing of the procurement plan, any person objecting to the procurement plan shall file an objection with the Commission. Within 10 days after the filing, the Commission shall determine whether a hearing is necessary. The Commission shall enter its order confirming or modifying the procurement plan within 90 days after the filing of the procurement plan by the Illinois Power Agency.

(4) The Commission shall approve the procurement plan, including expressly the forecast used in the procurement plan, if the Commission determines that it will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.

(e) The procurement process shall include each of the following components:

(1) Solicitation, pre-qualification, and registration of bidders. The procurement administrator shall disseminate information to potential bidders to promote a procurement event, notify potential bidders that the procurement administrator may enter into a post-bid price negotiation with bidders that meet the applicable benchmarks, provide supply requirements, and otherwise explain the competitive procurement process. In addition to such other publication as the procurement administrator determines is appropriate, this information shall be posted on the Illinois Power Agency's and the Commission's websites. The procurement administrator shall also administer the prequalification process, including evaluation of credit worthiness, compliance with procurement rules, and agreement to the standard form contract developed pursuant to paragraph (2) of this subsection (e). The procurement administrator shall then identify and register bidders to participate in the procurement event.

(2) Standard contract forms and credit terms and instruments. The procurement administrator, in consultation with the utilities, the Commission, and other interested parties and subject to Commission oversight, shall develop and provide standard contract forms for the supplier contracts that meet generally accepted industry practices. Standard credit terms and instruments that meet generally accepted industry practices shall be similarly developed. The procurement administrator shall make available to the Commission all written comments it receives on the contract forms, credit terms, or instruments. If the procurement administrator cannot reach agreement with the applicable electric utility as to the contract terms and conditions, the procurement administrator must notify the Commission of any disputed terms and the Commission shall resolve the dispute. The terms of the contracts shall not be subject to negotiation by winning bidders, and the bidders must agree to the terms of the contract in advance so that winning bids are selected solely on the basis of price.

(3) Establishment of a market-based price benchmark. As part of the development of the procurement process, the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor, shall establish benchmarks for evaluating the final prices in the contracts for each of the products that will be procured through the procurement process. The

benchmarks shall be based on price data for similar products for the same delivery period and same delivery hub, or other delivery hubs after adjusting for that difference. The price benchmarks may also be adjusted to take into account differences between the information reflected in the underlying data sources and the specific products and procurement process being used to procure power for the Illinois utilities. The benchmarks shall be confidential but shall be provided to, and will be subject to Commission review and approval, prior to a procurement event.

(4) Request for proposals competitive procurement process. The procurement administrator shall design and issue a request for proposals to supply electricity in accordance with each utility's procurement plan, as approved by the Commission. The request for proposals shall set forth a procedure for sealed, binding commitment bidding with pay-as-bid settlement, and provision for selection of bids on the basis of price.

(5) A plan for implementing contingencies in the event of supplier default or failure of the procurement process to fully meet the expected load requirement due to insufficient supplier participation, Commission rejection of results, or any other cause.

(i) Event of supplier default: In the event of supplier default, the utility shall review the contract of the defaulting supplier to determine if the amount of supply is 200 megawatts or greater, and if there are more than 60 days remaining of the contract term. If both of these conditions are met, and the default results in termination of the contract, the utility shall immediately notify the Illinois Power Agency that a request for proposals must be issued to procure replacement power, and the procurement administrator shall run an additional procurement event. If the contracted supply of the defaulting supplier is less than 200 megawatts or there are less than 60 days remaining of the contract term, the utility shall procure power and energy from the applicable regional transmission organization market, including ancillary services, capacity, and day-ahead or real time energy, or both, for the duration of the contract term to replace the contracted supply; provided, however, that if a needed product is not available through the regional transmission organization market it shall be purchased from the wholesale market.

(ii) Failure of the procurement process to fully meet the expected load requirement: If the procurement process fails to fully meet the expected load requirement due to insufficient supplier participation or due to a Commission rejection of the procurement results, the procurement administrator, the procurement monitor, and the Commission staff shall meet within 10 days to analyze potential causes of low supplier interest or causes for the Commission decision. If changes are identified that would likely result in increased supplier participation, or that would address concerns causing the Commission to reject the results of the prior procurement event, the procurement administrator may implement those changes and rerun the request for proposals process according to a schedule determined by those parties and consistent with Section 1-75 of the Illinois Power Agency Act and this subsection. In any event, a new request for proposals process shall be implemented by the procurement administrator within 90 days after the determination that the procurement process has failed to fully meet the expected load requirement.

(iii) In all cases where there is insufficient supply provided under contracts awarded through the procurement process to fully meet the electric utility's load requirement, the utility shall meet the load requirement by procuring power and energy from the applicable regional transmission organization market, including ancillary services, capacity, and day-ahead or real time energy or both; provided, however, that if a needed product is not available through the regional transmission organization market it shall be purchased from the wholesale market.

(6) The procurement process described in this subsection is exempt from the requirements of the Illinois Procurement Code, pursuant to Section 20-10 of that Code.

(f) Within 2 business days after opening the sealed bids, the procurement administrator shall submit a confidential report to the Commission. The report shall contain the results of the bidding for each of the products along with the procurement administrator's recommendation for the acceptance and rejection of bids based on the price benchmark criteria and other factors observed in the process. The procurement monitor also shall submit a confidential report to the Commission within 2 business days after opening the sealed bids. The report shall contain the procurement monitor's assessment of bidder behavior in the process as well as an assessment of the procurement administrator's compliance with the procurement process and rules. The Commission shall review the confidential reports submitted by the procurement administrator and procurement monitor, and shall accept or reject the recommendations of the procurement administrator within 2 business days after receipt of the reports.

(g) Within 3 business days after the Commission decision approving the results of a procurement event,

the utility shall enter into binding contractual arrangements with the winning suppliers using the standard form contracts; except that the utility shall not be required either directly or indirectly to execute the contracts if a tariff that is consistent with subsection (l) of this Section has not been approved and placed into effect for that utility.

(h) The names of the successful bidders and the load weighted average of the winning bid prices for each contract type and for each contract term shall be made available to the public at the time of Commission approval of a procurement event. The Commission, the procurement monitor, the procurement administrator, the Illinois Power Agency, and all participants in the procurement process shall maintain the confidentiality of all other supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs. Confidential information, including the confidential reports submitted by the procurement administrator and procurement monitor pursuant to subsection (f) of this Section, shall not be made publicly available and shall not be discoverable by any party in any proceeding, absent a compelling demonstration of need, nor shall those reports be admissible in any proceeding other than one for law enforcement purposes.

(i) Within 2 business days after a Commission decision approving the results of a procurement event or such other date as may be required by the Commission from time to time, the utility shall file for informational purposes with the Commission its actual or estimated retail supply charges, as applicable, by customer supply group reflecting the costs associated with the procurement and computed in accordance with the tariffs filed pursuant to subsection (l) of this Section and approved by the Commission.

(j) Within 60 days following the effective date of this amendatory Act, each electric utility that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois shall prepare and file with the Commission an initial procurement plan, which shall conform in all material respects to the requirements of the procurement plan set forth in subsection (b); provided, however, that the Illinois Power Agency Act shall not apply to the initial procurement plan prepared pursuant to this subsection. The initial procurement plan shall identify the portfolio of power and energy products to be procured and delivered for the period June 2008 through May 2009, and shall identify the proposed procurement administrator, who shall have the same experience and expertise as is required of a procurement administrator hired pursuant to Section 1-75 of the Illinois Power Agency Act. Copies of the procurement plan shall be posted and made publicly available on the Commission's website. The initial procurement plan may include contracts for renewable resources that extend beyond May 2009.

(i) Within 14 days following filing of the initial procurement plan, any person may file a detailed objection with the Commission contesting the procurement plan submitted by the electric utility. All objections to the electric utility's plan shall be specific, supported by data or other detailed analyses. The electric utility may file a response to any objections to its procurement plan within 7 days after the date objections are due to be filed. Within 7 days after the date the utility's response is due, the Commission shall determine whether a hearing is necessary. If it determines that a hearing is necessary, it shall require the hearing to be completed and issue an order on the procurement plan within 60 days after the filing of the procurement plan by the electric utility.

(ii) The order shall approve or modify the procurement plan, approve an independent procurement administrator, and approve or modify the electric utility's tariffs that are proposed with the initial procurement plan. The Commission shall approve the procurement plan if the Commission determines that it will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.

(k) In order to promote price stability for residential and small commercial customers during the transition to competition in Illinois, and notwithstanding any other provision of this Act, each electric utility subject to this Section shall enter into one or more multi-year financial swap contracts that become effective on the effective date of this amendatory Act. These contracts may be executed with generators and power marketers, including affiliated interests of the electric utility. These contracts shall be for a term of no more than 5 years and shall, for each respective utility or for any Illinois electric utilities that are affiliated by virtue of a common parent company and that are thereby considered a single electric utility for purposes of this subsection (k), not exceed in the aggregate 3,000 megawatts for any hour of the year. The contracts shall be financial contracts and not energy sales contracts. The contracts shall be executed as transactions under a negotiated master agreement based on the form of master agreement for financial swap contracts sponsored by the International Swaps and Derivatives Association, Inc. and shall be considered pre-existing contracts in the utilities' procurement plans for residential and small commercial customers. Costs incurred pursuant to a contract authorized by this subsection (k) shall be deemed prudently incurred and reasonable in amount and the electric utility shall be entitled to full cost recovery pursuant to the tariffs

filed with the Commission.

(l) An electric utility shall recover its costs incurred under this Section, including, but not limited to, the costs of procuring power and energy demand-response resources under this Section. The utility shall file with the initial procurement plan its proposed tariffs through which its costs of procuring power that are incurred pursuant to a Commission-approved procurement plan and those other costs identified in this subsection (l), will be recovered. The tariffs shall include a formula rate or charge designed to pass through both the costs incurred by the utility in procuring a supply of electric power and energy for the applicable customer classes with no mark-up or return on the price paid by the utility for that supply, plus any just and reasonable costs that the utility incurs in arranging and providing for the supply of electric power and energy. The formula rate or charge shall also contain provisions that ensure that its application does not result in over or under recovery due to changes in customer usage and demand patterns, and that provide for the correction, on at least an annual basis, of any accounting errors that may occur. A utility shall recover through the tariff all reasonable costs incurred to implement or comply with any procurement plan that is developed and put into effect pursuant to Section 1-75 of the Illinois Power Agency Act and this Section, including any fees assessed by the Illinois Power Agency, costs associated with load balancing, and contingency plan costs. The electric utility shall also recover its full costs of procuring electric supply for which it contracted before the effective date of this Section in conjunction with the provision of full requirements service under fixed-price bundled service tariffs subsequent to December 31, 2006. All such costs shall be deemed to have been prudently incurred. The pass-through tariffs that are filed and approved pursuant to this Section shall not be subject to review under, or in any way limited by, Section 16-111(i) of this Act.

(m) The Commission has the authority to adopt rules to carry out the provisions of this Section. For the public interest, safety, and welfare, the Commission also has authority to adopt rules to carry out the provisions of this Section on an emergency basis immediately following the effective date of this amendatory Act.

(n) Notwithstanding any other provision of this Act, any affiliated electric utilities that submit a single procurement plan covering their combined needs may procure for those combined needs in conjunction with that plan, and may enter jointly into power supply contracts, purchases, and other procurement arrangements, and allocate capacity and energy and cost responsibility therefor among themselves in proportion to their requirements.

(o) On or before June 1 of each year, the Commission shall hold an informal hearing for the purpose of receiving comments on the prior year's procurement process and any recommendations for change.

(p) An electric utility subject to this Section may propose to invest, lease, own, or operate an electric generation facility as part of its procurement plan, provided the utility demonstrates that such facility is the least-cost option to provide electric service to eligible retail customers. If the facility is shown to be the least-cost option and is included in a procurement plan prepared in accordance with Section 1-75 of the Illinois Power Agency Act and this Section, then the electric utility shall make a filing pursuant to Section 8-406 of the Act, and may request of the Commission any statutory relief required thereunder. If the Commission grants all of the necessary approvals for the proposed facility, such supply shall thereafter be considered as a pre-existing contract under subsection (b) of this Section. The Commission shall in any order approving a proposal under this subsection specify how the utility will recover the prudently incurred costs of investing in, leasing, owning, or operating such generation facility through just and reasonable rates charged to eligible retail customers. Cost recovery for facilities included in the utility's procurement plan pursuant to this subsection shall not be subject to review under or in any way limited by the provisions of Section 16-111(i) of this Act. Nothing in this Section is intended to prohibit a utility from filing for a fuel adjustment clause as is otherwise permitted under Section 9-220 of this Act.

(Source: P.A. 95-481, eff. 8-28-07; 95-1027, eff. 6-1-09.)

(220 ILCS 5/16-115)

Sec. 16-115. Certification of alternative retail electric suppliers.

(a) Any alternative retail electric supplier must obtain a certificate of service authority from the Commission in accordance with this Section before serving any retail customer or other user located in this State. An alternative retail electric supplier may request, and the Commission may grant, a certificate of service authority for the entire State or for a specified geographic area of the State.

(b) An alternative retail electric supplier seeking a certificate of service authority shall file with the Commission a verified application containing information showing that the applicant meets the requirements of this Section. The alternative retail electric supplier shall publish notice of its application in the official State newspaper within 10 days following the date of its filing. No later than 45 days after the

application is properly filed with the Commission, and such notice is published, the Commission shall issue its order granting or denying the application.

(c) An application for a certificate of service authority shall identify the area or areas in which the applicant intends to offer service and the types of services it intends to offer. Applicants that seek to serve residential or small commercial retail customers within a geographic area that is smaller than an electric utility's service area shall submit evidence demonstrating that the designation of this smaller area does not violate Section 16-115A. An applicant that seeks to serve residential or small commercial retail customers may state in its application for certification any limitations that will be imposed on the number of customers or maximum load to be served.

(d) The Commission shall grant the application for a certificate of service authority if it makes the findings set forth in this subsection based on the verified application and such other information as the applicant may submit:

(1) That the applicant possesses sufficient technical, financial and managerial resources and abilities to provide the service for which it seeks a certificate of service authority. In determining the level of technical, financial and managerial resources and abilities which the applicant must demonstrate, the Commission shall consider (i) the characteristics, including the size and financial sophistication, of the customers that the applicant seeks to serve, and (ii) whether the applicant seeks to provide electric power and energy using property, plant and equipment which it owns, controls or operates;

(2) That the applicant will comply with all applicable federal, State, regional and industry rules, policies, practices and procedures for the use, operation, and maintenance of the safety, integrity and reliability, of the interconnected electric transmission system;

(3) That the applicant will only provide service to retail customers in an electric utility's service area that are eligible to take delivery services under this Act;

(4) That the applicant will comply with such informational or reporting requirements as the Commission may by rule establish and provide the information required by Section 16-112. Any data related to contracts for the purchase and sale of electric power and energy shall be made available for review by the Staff of the Commission on a confidential and proprietary basis and only to the extent and for the purposes which the Commission determines are reasonably necessary in order to carry out the purposes of this Act;

(5) That the applicant will procure renewable energy resources or reusable energy resources, or both, in accordance with

Section 16-115D of this Act, and will source electricity from clean coal facilities, as defined in Section 1-10 of the Illinois Power Agency Act, in amounts at least equal to the percentages set forth in subsections (c) and (d) of Section 1-75 of the Illinois Power Agency Act. For purposes of this Section:

(i) (Blank);

(ii) (Blank);

(iii) the required sourcing of electricity generated by clean coal facilities, other than the initial clean coal facility, shall be limited to the amount of electricity that can be procured or sourced at a price at or below the benchmarks approved by the Commission each year in accordance with item (1) of subsection (c) and items (1) and (5) of subsection (d) of Section 1-75 of the Illinois Power Agency Act;

(iv) all alternative retail electric suppliers shall execute a sourcing agreement to source electricity from the initial clean coal facility, on the terms set forth in paragraphs (3) and (4) of subsection (d) of Section 1-75 of the Illinois Power Agency Act, except that in lieu of the requirements in subparagraphs (A)(v), (B)(i), (C)(v), and (C)(vi) of paragraph (3) of that subsection (d), the applicant shall execute one or more of the following:

(1) if the sourcing agreement is a power purchase agreement, a contract with the initial clean coal facility to purchase in each hour an amount of electricity equal to all clean coal energy made available from the initial clean coal facility during such hour, which the utilities are not required to procure under the terms of subsection (d) of Section 1-75 of the Illinois Power Agency Act, multiplied by a fraction, the numerator of which is the alternative retail electric supplier's retail market sales of electricity (expressed in kilowatthours sold) in the State during the prior calendar month and the denominator of which is the total sales of electricity (expressed in kilowatthours sold) in the State by alternative retail electric suppliers during such prior month that are subject to the requirements of this paragraph (5) of subsection (d) of this Section and subsection (d) of Section 1-75 of the Illinois Power Agency Act plus the total sales of electricity (expressed in

kilowatthours sold) by utilities outside of their service areas during such prior month, pursuant to subsection (c) of Section 16-116 of this Act; or

(2) if the sourcing agreement is a contract for differences, a contract with the initial clean coal facility in each hour with respect to an amount of electricity equal to all clean coal energy made available from the initial clean coal facility during such hour, which the utilities are not required to procure under the terms of subsection (d) of Section 1-75 of the Illinois Power Agency Act, multiplied by a fraction, the numerator of which is the alternative retail electric supplier's retail market sales of electricity (expressed in kilowatthours sold) in the State during the prior calendar month and the denominator of which is the total sales of electricity (expressed in kilowatthours sold) in the State by alternative retail electric suppliers during such prior month that are subject to the requirements of this paragraph (5) of subsection (d) of this Section and subsection (d) of Section 1-75 of the Illinois Power Agency Act plus the total sales of electricity (expressed in kilowatthours sold) by utilities outside of their service areas during such prior month, pursuant to subsection (c) of Section 16-116 of this Act;

(v) if, in any year after the first year of commercial operation, the owner of the clean coal facility fails to demonstrate to the Commission that the initial clean coal facility captured and sequestered at least 50% of the total carbon emissions that the facility would otherwise emit or that sequestration of emissions from prior years has failed, resulting in the release of carbon into the atmosphere, the owner of the facility must offset excess emissions. Any such carbon offsets must be permanent, additional, verifiable, real, located within the State of Illinois, and legally and practicably enforceable. The costs of any such offsets that are not recoverable shall not exceed \$15 million in any given year. No costs of any such purchases of carbon offsets may be recovered from an alternative retail electric supplier or its customers. All carbon offsets purchased for this purpose and any carbon emission credits associated with sequestration of carbon from the facility must be permanently retired. The initial clean coal facility shall not forfeit its designation as a clean coal facility if the facility fails to fully comply with the applicable carbon sequestration requirements in any given year, provided the requisite offsets are purchased. However, the Attorney General, on behalf of the People of the State of Illinois, may specifically enforce the facility's sequestration requirement and the other terms of this contract provision. Compliance with the sequestration requirements and offset purchase requirements that apply to the initial clean coal facility shall be reviewed annually by an independent expert retained by the owner of the initial clean coal facility, with the advance written approval of the Attorney General;

(vi) The Commission shall, after notice and hearing, revoke the certification of any alternative retail electric supplier that fails to execute a sourcing agreement with the initial clean coal facility as required by item (5) of subsection (d) of this Section. The sourcing agreements with this initial clean coal facility shall be subject to both approval of the initial clean coal facility by the General Assembly and satisfaction of the requirements of item (4) of subsection (d) of Section 1-75 of the Illinois Power Agency Act, and shall be executed within 90 days after any such approval by the General Assembly. The Commission shall not accept an application for certification from an alternative retail electric supplier that has lost certification under this subsection (d), or any corporate affiliate thereof, for at least one year from the date of revocation;

(6) With respect to an applicant that seeks to serve residential or small commercial retail customers, that the area to be served by the applicant and any limitations it proposes on the number of customers or maximum amount of load to be served meet the provisions of Section 16-115A, provided, that the Commission can extend the time for considering such a certificate request by up to 90 days, and can schedule hearings on such a request;

(7) That the applicant meets the requirements of subsection (a) of Section 16-128; and

(8) That the applicant will comply with all other applicable laws and regulations.

(d-5) (Blank).

(e) A retail customer that owns a cogeneration or self-generation facility and that seeks certification only to provide electric power and energy from such facility to retail customers at separate locations which customers are both (i) owned by, or a subsidiary or other corporate affiliate of, such applicant and (ii) eligible for delivery services, shall be granted a certificate of service authority upon filing an application and notifying the Commission that it has entered into an agreement with the relevant electric utilities pursuant to Section 16-118. Provided, however, that if the retail customer owning such cogeneration or self-generation facility would not be charged a transition charge due to the exemption provided under subsection (f) of Section 16-108 prior to the certification, and the retail customers at separate locations are

taking delivery services in conjunction with purchasing power and energy from the facility, the retail customer on whose premises the facility is located shall not thereafter be required to pay transition charges on the power and energy that such retail customer takes from the facility.

(f) The Commission shall have the authority to promulgate rules and regulations to carry out the provisions of this Section. On or before May 1, 1999, the Commission shall adopt a rule or rules applicable to the certification of those alternative retail electric suppliers that seek to serve only nonresidential retail customers with maximum electrical demands of one megawatt or more which shall provide for (i) expedited and streamlined procedures for certification of such alternative retail electric suppliers and (ii) specific criteria which, if met by any such alternative retail electric supplier, shall constitute the demonstration of technical, financial and managerial resources and abilities to provide service required by subsection (d) (1) of this Section, such as a requirement to post a bond or letter of credit, from a responsible surety or financial institution, of sufficient size for the nature and scope of the services to be provided; demonstration of adequate insurance for the scope and nature of the services to be provided; and experience in providing similar services in other jurisdictions.

(Source: P.A. 95-130, eff. 1-1-08; 95-1027, eff. 6-1-09; 96-159, eff. 8-10-09.)

(220 ILCS 5/16-115D)

Sec. 16-115D. Renewable and reusable portfolio standard for alternative retail electric suppliers and electric utilities operating outside their service territories.

(a) An alternative retail electric supplier shall be responsible for procuring cost-effective renewable energy resources or reusable energy resources, or both, as required under item (5) of subsection (d) of Section 16-115 of this Act as outlined herein:

(1) The definition of renewable energy resources contained in Section 1-10 of the Illinois Power Agency Act applies to all renewable energy resources required to be procured by alternative retail electric suppliers. The definition of reusable energy resources contained in Section 1-10 of the Illinois Power Agency Act applies to all reusable energy resources required to be procured by alternative retail electric suppliers.

(2) The quantity of renewable energy resources or reusable energy resources, or both, shall be measured as a percentage of the actual amount of metered electricity (megawatt-hours) delivered by the alternative retail electric supplier to Illinois retail customers during the 12-month period June 1 through May 31, commencing June 1, 2009, and the comparable 12-month period in each year thereafter except as provided in item (6) of this subsection (a).

(3) The quantity of renewable energy resources or reusable energy resources, or both, shall be in amounts at least equal to the annual percentages set forth in item (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act. At least 60% of the renewable energy resources procured pursuant to items (1) through (3) of subsection (b) of this Section shall come from wind generation and, starting June 1, 2015, at least 6% of the renewable energy resources procured pursuant to items (1) through (3) of subsection (b) of this Section shall come from solar photovoltaics. If, in any given year, an alternative retail electric supplier does not purchase at least these levels of renewable energy resources or reusable energy resources, or both, then the alternative retail electric supplier shall make alternative compliance payments, as described in subsection (d) of this Section.

(4) The quantity and source of renewable energy resources or reusable energy resources, or both, shall be independently verified through the PJM Environmental Information System Generation Attribute Tracking System (PJM-GATS) or the Midwest Renewable Energy Tracking System (M-RETS), which shall document the location of generation, resource type, month, and year of generation for all qualifying renewable energy resources or reusable energy resources, or both, that an alternative retail electric supplier uses to comply with this Section. No later than June 1, 2009, the Illinois Power Agency shall provide PJM-GATS, M-RETS, and alternative retail electric suppliers with all information necessary to identify resources located in Illinois, within states that adjoin Illinois or within portions of the PJM and MISO footprint in the United States that qualify under the definition of renewable energy resources or reusable energy resources in Section 1-10 of the Illinois Power Agency Act for compliance with this Section 16-115D. Alternative retail electric suppliers shall not be subject to the requirements in item (3) of subsection (c) of Section 1-75 of the Illinois Power Agency Act.

(5) All renewable energy credits or reusable energy credits, or both, used to comply with this Section shall be permanently

retired.

(6) The required procurement of renewable energy resources or reusable energy resources, or both, by an alternative retail

electric supplier shall apply to all metered electricity delivered to Illinois retail customers by the alternative retail electric supplier pursuant to contracts executed or extended after March 15, 2009.

(b) An alternative retail electric supplier shall comply with the renewable energy portfolio standards by making an alternative compliance payment, as described in subsection (d) of this Section, to cover at least one-half of the alternative retail electric supplier's compliance obligation and any one or combination of the following means to cover the remainder of the alternative retail electric supplier's compliance obligation:

(1) Generating electricity using renewable energy resources or reusable energy resources, or both, identified pursuant to item

(4) of subsection (a) of this Section.

(2) Purchasing electricity generated using renewable energy resources or reusable energy resources, or both, identified

pursuant to item (4) of subsection (a) of this Section through an energy contract.

(3) Purchasing renewable energy credits or reusable energy credits, or both, from renewable energy resources or reusable energy resources, or both, identified

pursuant to item (4) of subsection (a) of this Section.

(4) Making an alternative compliance payment as described in subsection (d) of this Section.

(c) Use of renewable or reusable energy credits.

(1) Renewable energy credits or reusable energy credits, or both, that are not used by an alternative retail electric

supplier to comply with a renewable and reusable portfolio standard in a compliance year may be banked and carried forward up to 2 12-month compliance periods after the compliance period in which the credit was generated for the purpose of complying with a renewable and reusable portfolio standard in those 2 subsequent compliance periods. For the 2009-2010 and 2010-2011 compliance periods, an alternative retail electric supplier may use renewable credits generated after December 31, 2008 and before June 1, 2009 to comply with this Section.

(2) An alternative retail electric supplier is responsible for demonstrating that a renewable energy credit or reusable energy credit, or both, used to comply with a renewable and reusable portfolio standard is derived from a renewable energy resource or reusable energy resources, or both, and that the alternative retail electric supplier has not used, traded, sold, or otherwise transferred the credit.

(3) The same renewable or reusable energy credit may be used by an alternative retail electric supplier to comply with a federal renewable portfolio standard and a renewable and reusable portfolio standard established under this Act. An alternative retail electric supplier that uses a renewable energy credit or reusable energy credit, or both, to comply with a renewable portfolio standard imposed by any other state may not use the same credit to comply with a renewable and reusable portfolio standard established under this Act.

(d) Alternative compliance payments.

(1) The Commission shall establish and post on its website, within 5 business days after entering an order approving a procurement plan pursuant to Section 1-75 of the Illinois Power Agency Act, maximum alternative compliance payment rates, expressed on a per kilowatt-hour basis, that will be applicable in the first compliance period following the plan approval. A separate maximum alternative compliance payment rate shall be established for the service territory of each electric utility that is subject to subsection (c) of Section 1-75 of the Illinois Power Agency Act. Each maximum alternative compliance payment rate shall be equal to the maximum allowable annual estimated average net increase due to the costs of the utility's purchase of renewable energy resources or reusable energy resources, or both, included in the amounts paid by eligible retail customers in connection with electric service, as described in item (2) of subsection (c) of Section 1-75 of the Illinois Power Agency Act for the compliance period, and as established in the approved procurement plan. Following each procurement event through which renewable energy resources or reusable energy resources, or both, are purchased for one or more of these utilities for the compliance period, the Commission shall establish and post on its website estimates of the alternative compliance payment rates, expressed on a per kilowatt-hour basis, that shall apply for that compliance period. Posting of the estimates shall occur no later than 10 business days following the procurement event, however, the Commission shall not be required to establish and post such estimates more often than once per calendar month. By July 1 of each year, the Commission

shall establish and post on its website the actual alternative compliance payment rates for the preceding compliance year. Each alternative compliance payment rate shall be equal to the total amount of dollars for which the utility contracted to spend on renewable energy resources or reusable energy resources, or both, for the compliance period divided by the forecasted load of eligible retail customers, at the customers' meters, as previously established in the Commission-approved procurement plan for that compliance year. The actual alternative compliance payment rates may not exceed the maximum alternative compliance payment rates established for the compliance period. For purposes of this subsection (d), the term "eligible retail customers" has the same meaning as found in Section 16-111.5 of this Act.

(2) In any given compliance year, an alternative retail electric supplier may elect to use alternative compliance payments to comply with all or a part of the applicable renewable and reusable portfolio standard. In the event that an alternative retail electric supplier elects to make alternative compliance payments to comply with all or a part of the applicable renewable and reusable portfolio standard, such payments shall be made by September 1, 2010 for the period of June 1, 2009 to May 1, 2010 and by September 1 of each year thereafter for the subsequent compliance period, in the manner and form as determined by the Commission. Any election by an alternative retail electric supplier to use alternative compliance payments is subject to review by the Commission under subsection (e) of this Section.

(3) An alternative retail electric supplier's alternative compliance payments shall be computed separately for each electric utility's service territory within which the alternative retail electric supplier provided retail service during the compliance period, provided that the electric utility was subject to subsection (c) of Section 1-75 of the Illinois Power Agency Act. For each service territory, the alternative retail electric supplier's alternative compliance payment shall be equal to (i) the actual alternative compliance payment rate established in item (1) of this subsection (d), multiplied by (ii) the actual amount of metered electricity delivered by the alternative retail electric supplier to retail customers within the service territory during the compliance period, multiplied by (iii) the result of one minus the ratios of the quantity of renewable energy resources or reusable energy resources, or both, used by the alternative retail electric supplier to comply with the requirements of this Section within the service territory to the product of the percentage of renewable energy resources or reusable energy resources, or both, required under item (3) of subsection (a) of this Section and the actual amount of metered electricity delivered by the alternative retail electric supplier to retail customers within the service territory during the compliance period.

(4) All alternative compliance payments by alternative retail electric suppliers shall be deposited in the Illinois Power Agency Renewable and Reusable Energy Resources Fund and used to purchase renewable energy credits or reusable energy credits, or both, in accordance with Section 1-56 of the Illinois Power Agency Act.

(5) The Commission, in consultation with the Illinois Power Agency, shall establish a process or proceeding to consider the impact of a federal renewable portfolio standard, if enacted, on the operation of the alternative compliance mechanism, which shall include, but not be limited to, developing, to the extent permitted by the applicable federal statute, an appropriate methodology to apportion renewable energy credits or reusable energy credits, or both, retired as a result of alternative compliance payments made in accordance with this Section. The Commission shall commence any such process or proceeding within 35 days after enactment of a federal renewable portfolio standard.

(e) Each alternative retail electric supplier shall, by September 1, 2010 and by September 1 of each year thereafter, prepare and submit to the Commission a report, in a format to be specified by the Commission on or before December 31, 2009, that provides information certifying compliance by the alternative retail electric supplier with this Section, including copies of all PJM-GATS and M-RETS reports, and documentation relating to banking, retiring renewable energy credits, and any other information that the Commission determines necessary to ensure compliance with this Section. An alternative retail electric supplier may file commercially or financially sensitive information or trade secrets with the Commission as provided under the rules of the Commission. To be filed confidentially, the information shall be accompanied by an affidavit that sets forth both the reasons for the confidentiality and a public synopsis of the information.

(f) The Commission may initiate a contested case to review allegations that the alternative retail electric supplier has violated this Section, including an order issued or rule promulgated under this Section. In any such proceeding, the alternative retail electric supplier shall have the burden of proof. If the Commission

finds, after notice and hearing, that an alternative retail electric supplier has violated this Section, then the Commission shall issue an order requiring the alternative retail electric supplier to:

(1) immediately comply with this Section; and

(2) if the violation involves a failure to procure the requisite quantity of renewable energy resources or reusable energy resources, or both, or pay the applicable alternative compliance payment by the annual deadline, the Commission shall require the alternative retail electric supplier to double the applicable alternative compliance payment that would otherwise be required to bring the alternative retail electric supplier into compliance with this Section.

If an alternative retail electric supplier fails to comply with the renewable and reusable energy resource portfolio requirement in this Section more than once in a 5-year period, then the Commission shall revoke the alternative electric supplier's certificate of service authority. The Commission shall not accept an application for a certificate of service authority from an alternative retail electric supplier that has lost certification under this subsection (f), or any corporate affiliate thereof, for at least one year after the date of revocation.

(g) All of the provisions of this Section apply to electric utilities operating outside their service area except under item (2) of subsection (a) of this Section the quantity of renewable energy resources or reusable energy resources, or both, shall be measured as a percentage of the actual amount of electricity (megawatt-hours) supplied in the State outside of the utility's service territory during the 12-month period June 1 through May 31, commencing June 1, 2009, and the comparable 12-month period in each year thereafter except as provided in item (6) of subsection (a) of this Section.

If any such utility fails to procure the requisite quantity of renewable energy resources or reusable energy resources, or both, by the annual deadline, then the Commission shall require the utility to double the alternative compliance payment that would otherwise be required to bring the utility into compliance with this Section.

If any such utility fails to comply with the renewable and reusable energy resource portfolio requirement in this Section more than once in a 5-year period, then the Commission shall order the utility to cease all sales outside of the utility's service territory for a period of at least one year.

(h) The provisions of this Section and the provisions of subsection (d) of Section 16-115 of this Act relating to procurement of renewable energy resources or reusable energy resources, or both, shall not apply to an alternative retail electric supplier that operates a combined heat and power system in this State or that has a corporate affiliate that operates such a combined heat and power system in this State that supplies electricity primarily to or for the benefit of: (i) facilities owned by the supplier, its subsidiary, or other corporate affiliate; (ii) facilities electrically integrated with the electrical system of facilities owned by the supplier, its subsidiary, or other corporate affiliate; or (iii) facilities that are adjacent to the site on which the combined heat and power system is located.

(Source: P.A. 96-33, eff. 7-10-09; 96-159, eff. 8-10-09.)

(220 ILCS 5/16-127)

Sec. 16-127. Environmental disclosure.

(a) Effective January 1, 1999, every electric utility and alternative retail electric supplier shall provide the following information, to the maximum extent practicable, with its bills to its customers on a quarterly basis:

(i) the known sources of electricity supplied, broken-out by percentages, of biomass power, coal-fired power, hydro power, natural gas-fired power, nuclear power, oil-fired power, solar power, wind power and other resources, respectively;

(ii) a pie-chart that graphically depicts the percentages of the sources of the electricity supplied as set forth in subparagraph (i) of this subsection; and

(iii) a pie-chart that graphically depicts the quantity of renewable energy resources or reusable energy resources, or both.

procured pursuant to Section 1-75 of the Illinois Power Agency Act as a percentage of electricity supplied to serve eligible retail customers as defined in Section 16-111.5(a) of this Act.

(b) In addition, every electric utility and alternative retail electric supplier shall provide, to the maximum extent practicable, with its bills to its customers on a quarterly basis, a standardized chart in a format to be determined by the Commission in a rule following notice and hearings which provides the amounts of carbon dioxide, nitrogen oxides and sulfur dioxide emissions and nuclear waste attributable to the known sources of electricity supplied as set forth in subparagraph (i) of subsection (a) of this Section.

(c) The electric utilities and alternative retail electric suppliers may provide their customers with such other information as they believe relevant to the information required in subsections (a) and (b) of this

Section.

(d) For the purposes of subsection (a) of this Section, "biomass" means dedicated crops grown for energy production and organic wastes.

(e) All of the information provided in subsections (a) and (b) of this Section shall be presented to the Commission for inclusion in its World Wide Web Site.

(Source: P.A. 95-481, eff. 8-28-07.)

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

The foregoing motion prevailed and the amendment was adopted.

There being no further amendment(s), the bill, as amended, was advanced to the order of Third Reading.

RECALL

At the request of the principal sponsor, Representative Golar, SENATE BILL 3780 was recalled from the order of Third Reading to the order of Second Reading and held on that order.

SENATE BILLS ON SECOND READING

SENATE BILL 2494. Having been reproduced, was taken up and read by title a second time. Representative Joyce offered the following amendment and moved its adoption:

AMENDMENT NO. 1. Amend Senate Bill 2494 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the School Choice Act.

Section 5. Findings and declaration of policy. The General Assembly finds and declares the following:

(1) There is a crisis in the elementary and secondary education programs in Chicago and elsewhere in Illinois. Many schools and their pupils are performing significantly below relevant national standards and are unable to access functions of federal and State law designed to improve their performance. Consequently, many pupils are dropping out of school before completing the ordinary course of secondary education or are leaving school without the basic skills and knowledge that will enable them to find and hold a job or otherwise become functioning, productive members of our society.

(2) Within Chicago and elsewhere in Illinois there are many public and nonpublic schools and independent education services competently and efficiently educating or contributing to the education of children. Most pupils in those schools or receiving those services perform at or above relevant national standards, complete their secondary education, and matriculate to institutions of higher education at an extremely high rate. These services and schools should be accessible to all and should enjoy a cooperative relationship with public school districts, schools, and employees of this State.

(3) Custodians of school age children in Chicago and elsewhere in Illinois are frequently unable to enroll their children in schools that will provide them a quality education due to a lack of funds.

(4) Adopting a pilot school choice program for students enrolled in the lowest performing schools in Chicago, with the potential to expand elsewhere in Illinois, would enable parents to select schools or services they believe will provide a quality education for their children, empower them to influence the educational policies and procedures in the schools their children attend, and provide them with at least a portion of the funds necessary to pay for a quality education. Such a program would help alleviate the crisis in the Chicago school system, assist Chicago children in becoming productive members of society, and test a new approach to education that could be expanded to the rest of the State.

(5) The provisions of this Act are in the public interest, for the public benefit, and serve a secular public purpose.

Section 10. Definitions. As used in this Act:

"Base year" means the 2010-2011 school year.

"Custodian" means, with respect to a qualifying pupil, a parent or legal guardian who is a resident of the City of Chicago.

"Low-performing school" means a school in City of Chicago School District 299 that enrolls students in any of grades kindergarten through 8 and that is ranked within the lowest 10% of schools in that district in terms of the percentage of students meeting or exceeding standards on the Illinois Standards Achievement Test.

"Nonpublic school" means any State-recognized, nonpublic elementary school in the City of Chicago that elects to participate in the school choice program established under this Act and does not discriminate on the basis of race, color, or national origin under 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 in Section 26-1 shall be construed to require a child to attend any particular nonpublic school.

"Overcrowded school" means a school in City of Chicago School District 299 that (i) enrolls students in any of grades kindergarten through 8, (ii) has a percentage of low-income students of 70% or more, as identified in the most recently available School Report Card published by the State Board of Education, and (iii) is determined by the Chicago Board of Education to be in the most severely overcrowded 5% of schools in the district. On or before November 1 of each year, the Chicago Board of Education shall file a report with the State Board of Education on which schools in the district meet the definition of "overcrowded school".

"Qualified education expenses" means costs reasonably incurred on behalf of a qualifying pupil for the services of a participating nonpublic school in which the qualifying pupil is enrolled during the regular school year. Qualified education expenses does not include costs incurred for supplies or extra-curricular activities.

"Qualifying pupil" means an individual who:

- (1) is a resident of the City of Chicago;
- (2) is enrolled in any of grades kindergarten through 8 in a low-performing school or an overcrowded school or has received a School Choice Voucher in the previous school year or would enter kindergarten in a low-performing school or overcrowded school during the school year for which a voucher is sought; and
- (3) during the school year for which a voucher is sought, is a full-time pupil enrolled in a kindergarten through 8th grade education program.

"School Choice Voucher" means a written instrument issued by the State Board of Education directly to the custodian of a qualifying pupil. The instrument shall be for a sum certain, which must not exceed an amount equal to:

- (1) the amount of the portion of the foundation level of support, on a per pupil basis, funded by the State pursuant to subsection (B) of Section 18-18.05 of the School Code for the previous fiscal year; plus
- (2) the amount equal to the total supplemental general State aid grant awarded to City of Chicago School District 299 pursuant to subsection (H) of Section 18-18.05 of the School Code for the previous fiscal year divided by the total average daily attendance of City of Chicago School District 299 for the previous fiscal year.

The custodian may present the instrument only to a participating nonpublic school as payment for qualified education expenses incurred on behalf of the qualifying pupil.

Section 15. Establishment of program. There is established the School Choice Program. Under the program, after the base year, a custodian of a qualifying pupil shall be entitled to a School Choice Voucher for payment incurred on behalf of the qualifying pupil at any participating nonpublic school in which the qualifying pupil is enrolled. A qualifying pupil shall be entitled to enroll at and attend any participating nonpublic school of his or her choice.

Section 20. Notification of vouchers. The principal of each low-performing school and of each overcrowded school in City of Chicago School District 299 shall notify custodians of qualifying pupils that vouchers under this Act are available for the next school year. Notification shall occur in January of each school year beginning with the base year.

Section 25. Request for voucher. A custodian who applies in accordance with procedures established by the State Board of Education shall receive a voucher under this Act within the dollar limits set out in this Act. The procedure shall require application for the voucher, with documentation as to eligibility, between March 1 and May 1 prior to the school year in which the voucher is to be used.

Section 30. Issuance and payment of voucher. A voucher may only be issued to a custodian who has made proper application pursuant to Section 25 of this Act. The custodian shall present the voucher to a participating nonpublic school of his or her choice as payment for qualified education expenses. Upon presentment, the State Board of Education shall honor the voucher and, as issuer of the instrument, pay the

participating nonpublic school in accordance with procedures established by the State Board of Education. The procedures shall require all of the following:

- (1) that the applying custodian be notified of the voucher award by August 1 of the school year in which the voucher is to be used;
- (2) that the voucher instrument be issued to the custodian no later than September 15 of the school year in which the voucher is to be used;
- (3) that the custodian present the voucher instrument to the participating school no later than October 1 of the school year in which the voucher is to be used;
- (4) that the participating school present the voucher instrument, with proof of service to the custodian of the qualifying pupil, to the State Board of Education no later than October 31 of the school year in which the voucher is to be used;
- (5) that the State Board of Education shall honor the voucher instrument and as issuer pay the participating school no later than December 31 of the school year in which the voucher is to be used;
- (6) that participating schools must not be required to accept vouchers as full payment for services but neither shall they charge voucher pupils tuition or any other educational expenses at a higher rate than other pupils; and
- (7) that if a student attending a nonpublic school under the School Choice Program is expelled or withdraws from the nonpublic school or moves out of the boundaries of City of Chicago School District 299 before the State Board of Education has honored the voucher of the school, then the State Board of Education shall pay the corresponding prorated portion of the voucher amount to the nonpublic school; and that if the State Board of Education has paid the voucher amount to the nonpublic school and the pupil is expelled, withdraws, or moves out of the boundaries of City of Chicago School District 299, then the nonpublic school shall refund the corresponding prorated portion of the voucher to the State Board of Education. Any funds returned to the State Board of Education must be distributed via the general State aid claim to City of Chicago School District 299.

Section 35. Amount of voucher. A School Choice Voucher for qualified education expenses incurred through participating schools during any school year after the base year shall be for the lesser of (i) the amount of the portion of the foundation level of support, on a per pupil basis, funded by the State pursuant to subsection (B) of Section 18-18.05 of the School Code for the previous fiscal year, plus the amount equal to the total supplemental general State aid grant awarded to City of Chicago School District 299 pursuant to subsection (H) of Section 18-18.05 of the School Code for the previous fiscal year divided by the total average daily attendance of City of Chicago School District 299 for the previous fiscal year or (ii) the actual qualified education expenses related to the qualifying pupil's enrollment.

Section 40. Renewal of voucher. School Choice Vouchers shall be renewable every year through grade 8 so long as the pupil continues to reside in the City of Chicago and the recognized nonpublic school elects to continue participating in the School Choice Program.

Section 45. Assessment. All pupils receiving services obtained through School Choice Vouchers shall be assessed annually in the same manner as Illinois' public school students. The State Board of Education may adopt rules with respect to the assessment of such pupils, which may include, but is not limited to, rules pertaining to test security, test administration and location, and reporting procedures.

Section 50. Longitudinal Data System. The State Board of Education may adopt rules to ensure that all pupils receiving services obtained through School Choice Vouchers shall continue to be included in the Longitudinal Data System.

Section 51. Funding. The total cost of the School Choice Vouchers issued under this Act shall come from the portion of general State aid City of Chicago School District 299 receives under Section 18-8.05 of the School Code for that fiscal year.

Section 52. Nonpublic school student. For the purposes of this Act, students receiving a School Choice Voucher are considered nonpublic school students who have been voluntarily placed in a private setting by the parent or guardian.

Section 55. Not base income. The amount of any voucher redeemed under this Act shall not be considered base income under subsection (a) of Section 203 of the Illinois Income Tax Act and shall not be taxable for Illinois income tax purposes.

Section 60. Report and expansion. On or before December 31, 2015, the State Board of Education shall submit a report to the General Assembly reviewing the current status of the program operating under this Act. This report shall include, but not be limited to, the numbers of qualifying pupils receiving each School Choice Voucher, the names of the schools from which and to which pupils transferred, the financial

ramifications of the program, and the results of pupil assessments. In its report, the State Board of Education shall assess whether the program has been financially and academically beneficial and shall make a recommendation on whether the program should be expanded to other schools in the City of Chicago or to other areas of this State.

Section 65. Penalties. It shall be a Class 3 felony to use or attempt to use a voucher under this Act for any purpose other than those permitted by this Act. It shall also be a Class 3 felony for any person, with intent to defraud, to knowingly forge, alter, or misrepresent information on a voucher application or on any documents submitted in application for a voucher, to deliver any such document knowing it to have been thus forged, altered, or based on misrepresentation, or to possess, with intent to issue or deliver, any such document knowing it to have been thus forged, altered, or based on misrepresentation.

Section 70. Rules. The State Board of Education shall adopt rules to implement this Act. The creation of the School Choice Program does not expand the regulatory authority of the State, its officers, or any school district to impose any additional regulation of nonpublic schools beyond those reasonably necessary to enforce the requirements of the program.

Section 900. The Illinois Income Tax Act is amended by changing Section 203 as follows:

(35 ILCS 5/203) (from Ch. 120, par. 2-203)

Sec. 203. Base income defined.

(a) Individuals.

(1) In general. In the case of an individual, base income means an amount equal to the taxpayer's adjusted gross income for the taxable year as modified by paragraph (2).

(2) Modifications. The adjusted gross income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of adjusted gross income, except stock dividends of qualified public utilities described in Section 305(e) of the Internal Revenue Code;

(B) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of adjusted gross income for the taxable year;

(C) An amount equal to the amount received during the taxable year as a recovery or refund of real property taxes paid with respect to the taxpayer's principal residence under the Revenue Act of 1939 and for which a deduction was previously taken under subparagraph (L) of this paragraph (2) prior to July 1, 1991, the retrospective application date of Article 4 of Public Act 87-17. In the case of multi-unit or multi-use structures and farm dwellings, the taxes on the taxpayer's principal residence shall be that portion of the total taxes for the entire property which is attributable to such principal residence;

(D) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of adjusted gross income;

(D-5) An amount, to the extent not included in adjusted gross income, equal to the amount of money withdrawn by the taxpayer in the taxable year from a medical care savings account and the interest earned on the account in the taxable year of a withdrawal pursuant to subsection (b) of Section 20 of the Medical Care Savings Account Act or subsection (b) of Section 20 of the Medical Care Savings Account Act of 2000;

(D-10) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the individual deducted in computing adjusted gross income and for which the individual claims a credit under subsection (l) of Section 201;

(D-15) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code;

(D-16) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-15), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (Z) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for 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 amendatory Act of the 92nd General Assembly are exempt from the provisions of Section 250;

(F) An amount equal to all amounts included in such total pursuant to the provisions of Sections 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and 408 of the Internal Revenue Code, or included in such total as distributions under the provisions of any retirement or disability plan for employees of any governmental agency or unit, or retirement payments to retired partners, which payments are excluded in computing net earnings from self employment by Section 1402 of the Internal Revenue Code and regulations adopted pursuant thereto;

(G) The valuation limitation amount;

(H) An amount equal to the amount of any tax imposed by this Act which was refunded to the taxpayer and included in such total for the taxable year;

(I) An amount equal to all amounts included in such total pursuant to the provisions of Section 111 of the Internal Revenue Code as a recovery of items previously deducted from adjusted gross income in the computation of taxable income;

(J) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act, and conducts substantially all of its operations in an Enterprise Zone or zones or a River Edge Redevelopment Zone or zones. This subparagraph (J) is exempt from the provisions of Section 250;

(K) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (J) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (K);

(L) For taxable years ending after December 31, 1983, an amount equal to all social security benefits and railroad retirement benefits included in such total pursuant to Sections 72(r) and 86 of the Internal Revenue Code;

(M) With the exception of any amounts subtracted under subparagraph (N), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a)(2), and 265(2) of the Internal Revenue Code of 1954, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code of 1954, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(N) An amount equal to all amounts included in such total which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State 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 of 1986;

(Q) An amount equal to any amounts included in such total, received by the taxpayer as an acceleration in the payment of life, endowment or annuity benefits in advance of the time they would otherwise be payable as an indemnity for a terminal illness;

(R) An amount equal to the amount of any federal or State bonus paid to veterans of the Persian Gulf War;

(S) An amount, to the extent included in adjusted gross income, equal to the amount of a contribution made in the taxable year on behalf of the taxpayer to a medical care savings account established under the Medical Care Savings Account Act or the Medical Care Savings Account Act of 2000 to the extent the contribution is accepted by the account administrator as provided in that Act;

(T) An amount, to the extent included in adjusted gross income, equal to the amount of interest earned in the taxable year on a medical care savings account established under the Medical Care Savings Account Act or the Medical Care Savings Account Act of 2000 on behalf of the taxpayer, other than interest added pursuant to item (D-5) of this paragraph (2);

(U) For one taxable year beginning on or after January 1, 1994, an amount equal to the total amount of tax imposed and paid under subsections (a) and (b) of Section 201 of this Act on grant amounts received by the taxpayer under the Nursing Home Grant Assistance Act during the taxpayer's taxable years 1992 and 1993;

(V) Beginning with tax years ending on or after December 31, 1995 and ending with tax years ending on or before December 31, 2004, an amount equal to the amount paid by a taxpayer who is a self-employed taxpayer, a partner of a partnership, or a shareholder in a Subchapter S corporation for health insurance or long-term care insurance for that taxpayer or that taxpayer's spouse or dependents, to the extent that the amount paid for that health insurance or long-term care insurance may be deducted under Section 213 of the Internal Revenue Code of 1986, has not been deducted on the federal income tax return of the taxpayer, and does not exceed the taxable income attributable to that taxpayer's income, self-employment income, or Subchapter S corporation income; except that no deduction shall be allowed under this item (V) if the taxpayer is eligible to participate in any health insurance or long-term care insurance plan of an employer of the taxpayer or the taxpayer's spouse. The amount of the health insurance and long-term care insurance subtracted under this item (V) shall be determined by multiplying total health insurance and long-term care insurance premiums paid by the taxpayer times a number that represents the fractional percentage of eligible medical expenses under Section 213 of the Internal Revenue Code of 1986 not actually deducted on the taxpayer's federal income tax return;

(W) For taxable years beginning on or after January 1, 1998, all amounts included in the taxpayer's federal gross income in the taxable year from amounts converted from a regular IRA to a Roth IRA. This paragraph is exempt from the provisions of Section 250;

(X) For taxable year 1999 and thereafter, an amount equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime by European insurance companies immediately prior to and during World War II; provided, however, this subtraction from federal adjusted gross income does not apply to assets acquired with such assets or with the proceeds from the sale of such assets; provided, further, this paragraph shall only apply to a taxpayer who was the first recipient of such assets after their recovery and who is a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim. The amount of and the eligibility for any public assistance, benefit, or similar entitlement is not affected by the inclusion of items (i) and (ii) of this paragraph in gross income for federal income tax purposes. This paragraph is exempt from the provisions of Section 250;

(Y) For taxable years beginning on or after January 1, 2002 and ending on or before December 31, 2004, moneys contributed in the taxable year to a College Savings Pool account under Section 16.5 of the State Treasurer Act, except that amounts excluded from gross income under Section 529(c)(3)(C)(i) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (Y). For taxable years beginning on or after January 1, 2005, a maximum of \$10,000 contributed in the taxable year to (i) a College Savings Pool account under Section 16.5 of the State Treasurer Act or (ii) the Illinois Prepaid Tuition Trust Fund, except that amounts excluded from gross income under Section 529(c)(3)(C)(i) of the Internal Revenue Code shall not be considered moneys contributed under this subparagraph (Y). 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; and

(EE) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a 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) For taxable years ending on or after December 31, 2010, an amount, to the extent that it is included in adjusted gross income, equal to any voucher redeemed under the School Choice Act. This subparagraph 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
- (ii) 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, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(a)(1) of the Internal Revenue Code, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(J) An amount equal to all amounts included in such total which are exempt from taxation by this State either by reason of its statutes or Constitution or by reason of the Constitution, treaties or statutes of the United States; provided that, in the case of any statute of this State 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 964 of the Internal Revenue Code, exceed the amount of the modification provided under subparagraph (G) of paragraph (2) of this subsection (b) which is related to such dividends, and including, for taxable years ending on or after December 31, 2008, dividends received from a 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 of 1986;

(R) On and after July 20, 1999, in the case of an attorney-in-fact with respect to whom an interinsurer or a reciprocal insurer has made the election under Section 835 of the Internal Revenue Code, 26 U.S.C. 835, an amount equal to the excess, if any, of the amounts paid or incurred by that interinsurer or reciprocal insurer in the taxable year to the attorney-in-fact over the deduction allowed to that interinsurer or reciprocal insurer with respect to the attorney-in-fact under Section 835(b) of the Internal Revenue Code for the taxable year; the provisions of this subparagraph are exempt from the provisions of Section 250;

(S) For taxable years ending on or after December 31, 1997, in the case of a Subchapter S corporation, an amount equal to all amounts of income allocable to a shareholder subject to the Personal Property Tax Replacement Income Tax imposed by subsections (c) and (d) of Section 201 of this Act, including amounts allocable to organizations exempt from federal income tax by reason of Section 501(a) of the Internal Revenue Code. This subparagraph (S) is exempt from the provisions of Section 250;

(T) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (T) is exempt from the provisions of Section 250;

(U) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (E-10), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (U) is exempt from the provisions of Section 250;

(V) The amount of: (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification, (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; and

(X) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (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.

(3) Special rule. For purposes of paragraph (2) (A), "gross income" in the case of a life insurance company, for tax years ending on and after December 31, 1994, shall mean the gross investment income for the taxable year.

(c) Trusts and estates.

(1) In general. In the case of a trust or estate, base income means an amount equal to the taxpayer's taxable income for the taxable year as modified by paragraph (2).

(2) Modifications. Subject to the provisions of paragraph (3), the taxable income referred to in paragraph (1) shall be modified by adding thereto the sum of the following amounts:

(A) An amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income in the computation of taxable income;

(B) In the case of (i) an estate, \$600; (ii) a trust which, under its governing instrument, is required to distribute all of its income currently, \$300; and (iii) any other trust, \$100, but in each such case, only to the extent such amount was deducted in the computation of taxable income;

(C) An amount equal to the amount of tax imposed by this Act to the extent deducted from gross income in the computation of taxable income for the taxable year;

(D) The amount of any net operating loss deduction taken in arriving at taxable income, other than a net operating loss carried forward from a taxable year ending prior to December 31, 1986;

(E) For taxable years in which a net operating loss carryback or carryforward from a taxable year ending prior to December 31, 1986 is an element of taxable income under paragraph (1) of subsection (e) or subparagraph (E) of paragraph (2) of subsection (e), the amount by which addition modifications other than those provided by this subparagraph (E) exceeded subtraction modifications in such taxable year, with the following limitations applied in the order that they are listed:

(i) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall be reduced by the amount of addition modification under this subparagraph (E) which related to that net operating loss and which was taken into account in calculating the base income of an earlier taxable year, and

(ii) the addition modification relating to the net operating loss carried back or forward to the taxable year from any taxable year ending prior to December 31, 1986 shall not exceed the amount of such carryback or carryforward;

For taxable years in which there is a net operating loss carryback or carryforward from more than one other taxable year ending prior to December 31, 1986, the addition modification

provided in this subparagraph (E) shall be the sum of the amounts computed independently under the preceding provisions of this subparagraph (E) for each such taxable year;

(F) For taxable years ending on or after January 1, 1989, an amount equal to the tax deducted pursuant to Section 164 of the Internal Revenue Code if the trust or estate is claiming the same tax for purposes of the Illinois foreign tax credit under Section 601 of this Act;

(G) An amount equal to the amount of the capital gain deduction allowable under the Internal Revenue Code, to the extent deducted from gross income in the computation of taxable income;

(G-5) For taxable years ending after December 31, 1997, an amount equal to any eligible remediation costs that the trust or estate deducted in computing adjusted gross income and for which the trust or estate claims a credit under subsection (l) of Section 201;

(G-10) For taxable years 2001 and thereafter, an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under subsection (k) of Section 168 of the Internal Revenue Code; and

(G-11) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to the aggregate amount of the deductions taken in all taxable years under subparagraph (R) with respect to that property.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was allowed in any taxable year to make a subtraction modification under subparagraph (R), then an amount equal to that subtraction modification.

The taxpayer is required to make the addition modification under this subparagraph only once with respect to any one piece of property;

(G-12) An 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, as now or hereafter amended, and all amounts of expenses allocable to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code of 1954, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(M) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act or a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations in an Enterprise Zone or Zones or a River Edge Redevelopment Zone or zones. This subparagraph (M) is exempt from the provisions of Section 250;

(N) An amount equal to any contribution made to a job training project established pursuant to the Tax Increment Allocation Redevelopment Act;

(O) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (M) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (O);

(P) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

(Q) For taxable year 1999 and thereafter, an amount equal to the amount of any (i) distributions, to the extent includible in gross income for federal income tax purposes, made to the taxpayer because of his or her status as a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim and (ii) items of income, to the extent includible in gross income for federal income tax purposes, attributable to, derived from or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime immediately prior to, during, and

immediately after World War II, including, but not limited to, interest on the proceeds receivable as insurance under policies issued to a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime by European insurance companies immediately prior to and during World War II; provided, however, this subtraction from federal adjusted gross income does not apply to assets acquired with such assets or with the proceeds from the sale of such assets; provided, further, this paragraph shall only apply to a taxpayer who was the first recipient of such assets after their recovery and who is a victim of persecution for racial or religious reasons by Nazi Germany or any other Axis regime or as an heir of the victim. The amount of and the eligibility for any public assistance, benefit, or similar entitlement is not affected by the inclusion of items (i) and (ii) of this paragraph in gross income for federal income tax purposes. This paragraph is exempt from the provisions of Section 250;

(R) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (R) is exempt from the provisions of Section 250;

(S) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (G-10), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (S) is exempt from the provisions of Section 250;

(T) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification. 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; and

(V) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (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.

(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;

(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, provided that the deduction under this subparagraph (I) shall not be allowed to a publicly traded partnership under Section 7704 of the Internal Revenue Code for any taxable year ending on or after December 31, 2009;

(J) With the exception of any amounts subtracted under subparagraph (G), an amount equal to the sum of all amounts disallowed as deductions by (i) Sections 171(a) (2), and 265(2) of the Internal Revenue Code of 1954, as now or hereafter amended, and all amounts of expenses allocable

to interest and disallowed as deductions by Section 265(1) of the Internal Revenue Code, as now or hereafter amended; and (ii) for taxable years ending on or after August 13, 1999, Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the Internal Revenue Code; the provisions of this subparagraph are exempt from the provisions of Section 250;

(K) An amount equal to those dividends included in such total which were paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act, enacted by the 82nd General Assembly, or a River Edge Redevelopment Zone or zones created under the River Edge Redevelopment Zone Act and conducts substantially all of its operations in an Enterprise Zone or Zones or from a River Edge Redevelopment Zone or zones. This subparagraph (K) is exempt from the provisions of Section 250;

(L) An amount equal to any contribution made to a job training project established pursuant to the Real Property Tax Increment Allocation Redevelopment Act;

(M) An amount equal to those dividends included in such total that were paid by a corporation that conducts business operations in a federally designated Foreign Trade Zone or Sub-Zone and that is designated a High Impact Business located in Illinois; provided that dividends eligible for the deduction provided in subparagraph (K) of paragraph (2) of this subsection shall not be eligible for the deduction provided under this subparagraph (M);

(N) An amount equal to the amount of the deduction used to compute the federal income tax credit for restoration of substantial amounts held under claim of right for the taxable year pursuant to Section 1341 of the Internal Revenue Code of 1986;

(O) For taxable years 2001 and thereafter, for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to "x", where:

(1) "y" equals the amount of the depreciation deduction taken for the taxable year on the taxpayer's federal income tax return on property for which the bonus depreciation deduction was taken in any year under subsection (k) of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction;

(2) for taxable years ending on or before December 31, 2005, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(3) for taxable years ending after December 31, 2005:

(i) for property on which a bonus depreciation deduction of 30% of the adjusted basis was taken, "x" equals "y" multiplied by 30 and then divided by 70 (or "y" multiplied by 0.429); and

(ii) for property on which a bonus depreciation deduction of 50% of the adjusted basis was taken, "x" equals "y" multiplied by 1.0.

The aggregate amount deducted under this subparagraph in all taxable years for any one piece of property may not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under subsection (k) of Section 168 of the Internal Revenue Code. This subparagraph (O) is exempt from the provisions of Section 250;

(P) If the taxpayer sells, transfers, abandons, or otherwise disposes of property for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

If the taxpayer continues to own property through the last day of the last tax year for which the taxpayer may claim a depreciation deduction for federal income tax purposes and for which the taxpayer was required in any taxable year to make an addition modification under subparagraph (D-5), then an amount equal to that addition modification.

The taxpayer is allowed to take the deduction under this subparagraph only once with respect to any one piece of property.

This subparagraph (P) is exempt from the provisions of Section 250;

(Q) The amount of (i) any interest income (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-17), 203(b)(2)(E-12), 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed the amount of such addition modification and (ii) any income from intangible property (net of the deductions allocable thereto) taken into account for the taxable year with respect to a transaction with a taxpayer that is required to make an addition modification with respect to such transaction under Section 203(a)(2)(D-18),

203(b)(2)(E-13), 203(c)(2)(G-13), or 203(d)(2)(D-8), but not to exceed the amount of such addition modification. 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; and

(S) An amount equal to the income from intangible property taken into account for the taxable year (net of the deductions allocable thereto) with respect to transactions with (i) a foreign person who would be a member of the taxpayer's unitary business group but for the fact that the foreign person's business activity outside the United States is 80% or more of that person's total business activity and (ii) for taxable years ending on or after December 31, 2008, to a 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.

(e) Gross income; adjusted gross income; taxable income.

(1) In general. Subject to the provisions of paragraph (2) and subsection (b) (3), for purposes of this Section and Section 803(e), a taxpayer's gross income, adjusted gross income, or taxable income for the taxable year shall mean the amount of gross income, adjusted gross income or taxable income properly reportable for federal income tax purposes for the taxable year under the provisions of the Internal Revenue Code. Taxable income may be less than zero. However, for taxable years ending on or after December 31, 1986, net operating loss carryforwards from taxable years ending prior to December 31, 1986, may not exceed the sum of federal taxable income for the taxable year before net operating loss deduction, plus the excess of addition modifications over subtraction modifications for the taxable year. For taxable years ending prior to December 31, 1986, taxable income may never be an amount in excess of the net operating loss for the taxable year as defined in subsections (c) and (d) of Section 172 of the Internal Revenue Code, provided that when taxable income of a corporation (other than a Subchapter S corporation), trust, or estate is less than zero and addition modifications, other than those provided by subparagraph (E) of paragraph (2) of subsection (b) for corporations or subparagraph (E) of paragraph (2) of subsection (c) for trusts and estates, exceed subtraction modifications, an addition modification must be made under those subparagraphs for any other taxable year to which the taxable income less than zero (net operating loss) is applied under Section 172 of the Internal Revenue Code or under subparagraph (E) of paragraph (2) of this subsection (e) applied in conjunction with Section 172 of the Internal Revenue Code.

(2) Special rule. For purposes of paragraph (1) of this subsection, the taxable income properly reportable for federal income tax purposes shall mean:

(A) Certain life insurance companies. In the case of a life insurance company subject to the tax imposed by Section 801 of the Internal Revenue Code, life insurance company taxable income, plus the amount of distribution from pre-1984 policyholder surplus accounts as calculated under Section 815a of the Internal Revenue Code;

(B) Certain other insurance companies. In the case of mutual insurance companies subject to the tax imposed by Section 831 of the Internal Revenue Code, insurance company taxable income;

(C) Regulated investment companies. In the case of a regulated investment company subject to the tax imposed by Section 852 of the Internal Revenue Code, investment company taxable income;

(D) Real estate investment trusts. In the case of a real estate investment trust subject to the tax imposed by Section 857 of the Internal Revenue Code, real estate investment trust

taxable income;

(E) Consolidated corporations. In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated income tax return for the taxable year for federal income tax purposes, taxable income determined as if such corporation had filed a separate return for federal income tax purposes for the taxable year and each preceding taxable year for which it was a member of an affiliated group. For purposes of this subparagraph, the taxpayer's separate taxable income shall be determined as if the election provided by Section 243(b) (2) of the Internal Revenue Code had been in effect for all such years;

(F) Cooperatives. In the case of a cooperative corporation or association, the taxable income of such organization determined in accordance with the provisions of Section 1381 through 1388 of the Internal Revenue Code;

(G) Subchapter S corporations. In the case of: (i) a Subchapter S corporation for which there is in effect an election for the taxable year under Section 1362 of the Internal Revenue Code, the taxable income of such corporation determined in accordance with Section 1363(b) of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 1363(b)(1) of the Internal Revenue Code to be separately stated; and (ii) a Subchapter S corporation for which there is in effect a federal election to opt out of the provisions of the Subchapter S Revision Act of 1982 and have applied instead the prior federal Subchapter S rules as in effect on July 1, 1982, the taxable income of such corporation determined in accordance with the federal Subchapter S rules as in effect on July 1, 1982; and

(H) Partnerships. In the case of a partnership, taxable income determined in accordance with Section 703 of the Internal Revenue Code, except that taxable income shall take into account those items which are required by Section 703(a)(1) to be separately stated but which would be taken into account by an individual in calculating his taxable income.

(3) Recapture of business expenses on disposition of asset or business. Notwithstanding any other law to the contrary, if in prior years income from an asset or business has been classified as business income and in a later year is demonstrated to be non-business income, then all expenses, without limitation, deducted in such later year and in the 2 immediately preceding taxable years related to that asset or business that generated the non-business income shall be added back and recaptured as business income in the year of the disposition of the asset or business. Such amount shall be apportioned to Illinois using the greater of the apportionment fraction computed for the business under Section 304 of this Act for the taxable year or the average of the apportionment fractions computed for the business under Section 304 of this Act for the taxable year and for the 2 immediately preceding taxable years.

(f) Valuation limitation amount.

(1) In general. The valuation limitation amount referred to in subsections (a) (2) (G),

(c) (2) (I) and (d)(2) (E) is an amount equal to:

(A) The sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of gain reportable under the provisions of Section 1245 or 1250 of the Internal Revenue Code) for all property in respect of which such gain was reported for the taxable year; plus

(B) The lesser of (i) the sum of the pre-August 1, 1969 appreciation amounts (to the extent consisting of capital gain) for all property in respect of which such gain was reported for federal income tax purposes for the taxable year, or (ii) the net capital gain for the taxable year, reduced in either case by any amount of such gain included in the amount determined under subsection (a) (2) (F) or (c) (2) (H).

(2) Pre-August 1, 1969 appreciation amount.

(A) If the fair market value of property referred to in paragraph (1) was readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is the lesser of (i) the excess of such fair market value over the taxpayer's basis (for determining gain) for such property on that date (determined under the Internal Revenue Code as in effect on that date), or (ii) the total gain realized and reportable for federal income tax purposes in respect of the sale, exchange or other disposition of such property.

(B) If the fair market value of property referred to in paragraph (1) was not readily ascertainable on August 1, 1969, the pre-August 1, 1969 appreciation amount for such property is that amount which bears the same ratio to the total gain reported in respect of the property for federal income tax purposes for the taxable year, as the number of full calendar months in that part of the taxpayer's holding period for the property ending July 31, 1969 bears to the number of full calendar months in the taxpayer's entire holding period for the property.

(C) The Department shall prescribe such regulations as may be necessary to carry out the purposes of this paragraph.

(g) Double deductions. Unless specifically provided otherwise, nothing in this Section shall permit the same item to be deducted more than once.

(h) Legislative intention. Except as expressly provided by this Section there shall be no modifications or limitations on the amounts of income, gain, loss or deduction taken into account in determining gross income, adjusted gross income or taxable income for federal income tax purposes for the taxable year, or in the amount of such items entering into the computation of base income and net income under this Act for such taxable year, whether in respect of property values as of August 1, 1969 or otherwise.

(Source: P.A. 95-23, eff. 8-3-07; 95-233, eff. 8-16-07; 95-286, eff. 8-20-07; 95-331, eff. 8-21-07; 95-707, eff. 1-11-08; 95-876, eff. 8-21-08; 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.)

Section 905. The School Code is amended by changing Section 18-8.05 as follows:

(105 ILCS 5/18-8.05)

Sec. 18-8.05. Basis for apportionment of general State financial aid and supplemental general State aid to the common schools for the 1998-1999 and subsequent school years.

(A) General Provisions.

(1) The provisions of this Section apply to the 1998-1999 and subsequent school years. The system of general State financial aid provided for in this Section is designed to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of general State financial aid that, when added to Available Local Resources, equals or exceeds the Foundation Level. The amount of per pupil general State financial aid for school districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon each school district's Average Daily Attendance as that term is defined in this Section.

(2) In addition to general State financial aid, school districts with specified levels or concentrations of pupils from low income households are eligible to receive supplemental general State financial aid grants as provided pursuant to subsection (H). The supplemental State aid grants provided for school districts under subsection (H) shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section.

(3) To receive financial assistance under this Section, school districts are required to file claims with the State Board of Education, subject to the following requirements:

(a) Any school district which fails for any given school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion which the Average Daily Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A "recognized school" means any public school which meets the standards as established for recognition by the State Board of Education. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim which was filed while it was recognized.

(b) School district claims filed under this Section are subject to Sections 18-9 and 18-12, except as otherwise provided in this Section.

(c) If a school district operates a full year school under Section 10-19.1, the general State aid to the school district shall be determined by the State Board of Education in accordance with this Section as near as may be applicable.

(d) (Blank).

(4) Except as provided in subsections (H) and (L), the board of any district receiving any of the grants provided for in this Section may apply those funds to any fund so received for which that board is authorized to make expenditures by law.

School districts are not required to exert a minimum Operating Tax Rate in order to qualify for assistance under this Section.

(5) As used in this Section the following terms, when capitalized, shall have the meaning ascribed herein:

(a) "Average Daily Attendance": A count of pupil attendance in school, averaged as provided for in subsection (C) and utilized in deriving per pupil financial support levels.

(b) "Available Local Resources": A computation of local financial support, calculated on the basis of Average Daily Attendance and derived as provided pursuant to subsection (D).

(c) "Corporate Personal Property Replacement Taxes": Funds paid to local school districts pursuant to "An Act in relation to the abolition of ad valorem personal property tax and the replacement of revenues lost thereby, and amending and repealing certain Acts and parts of Acts in connection therewith", certified August 14, 1979, as amended (Public Act 81-1st S.S.-1).

(d) "Foundation Level": A prescribed level of per pupil financial support as provided for in subsection (B).

(e) "Operating Tax Rate": All school district property taxes extended for all purposes, except Bond and Interest, Summer School, Rent, Capital Improvement, and Vocational Education Building purposes.

(B) Foundation Level.

(1) The Foundation Level is a figure established by the State representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to exert a sufficient local taxing effort such that, in combination with the aggregate of general State financial aid provided the district, an aggregate of State and local resources are available to meet the basic education needs of pupils in the district.

(2) For the 1998-1999 school year, the Foundation Level of support is \$4,225. For the 1999-2000 school year, the Foundation Level of support is \$4,325. For the 2000-2001 school year, the Foundation Level of support is \$4,425. For the 2001-2002 school year and 2002-2003 school year, the Foundation Level of support is \$4,560. For the 2003-2004 school year, the Foundation Level of support is \$4,810. For the 2004-2005 school year, the Foundation Level of support is \$4,964. For the 2005-2006 school year, the Foundation Level of support is \$5,164. For the 2006-2007 school year, the Foundation Level of support is \$5,334. For the 2007-2008 school year, the Foundation Level of support is \$5,734. For the 2008-2009 school year, the Foundation Level of support is \$5,959.

(3) For the 2009-2010 school year and each school year thereafter, the Foundation Level of support is \$6,119 or such greater amount as may be established by law by the General Assembly.

(C) Average Daily Attendance.

(1) For purposes of calculating general State aid pursuant to subsection (E), an Average Daily Attendance figure shall be utilized. The Average Daily Attendance figure for formula calculation purposes shall be the monthly average of the actual number of pupils in attendance of each school district, as further averaged for the best 3 months of pupil attendance for each school district. In compiling the figures for the number of pupils in attendance, school districts and the State Board of Education shall, for purposes of general State aid funding, conform attendance figures to the requirements of subsection (F).

(2) The Average Daily Attendance figures utilized in subsection (E) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated or the average of the attendance data for the 3 preceding school years, whichever is greater. The Average Daily Attendance figures utilized in subsection (H) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated.

(D) Available Local Resources.

(1) For purposes of calculating general State aid pursuant to subsection (E), a representation of Available Local Resources per pupil, as that term is defined and determined in this subsection, shall be utilized. Available Local Resources per pupil shall include a calculated dollar amount representing local school district revenues from local property taxes and from Corporate Personal Property Replacement Taxes, expressed on the basis of pupils in Average Daily Attendance. Calculation of Available Local Resources shall exclude any tax amnesty funds received as a result of Public Act 93-26.

(2) In determining a school district's revenue from local property taxes, the State Board of Education shall utilize the equalized assessed valuation of all taxable property of each school district as of September 30 of the previous year. The equalized assessed valuation utilized shall be obtained and determined as provided in subsection (G).

(3) For school districts maintaining grades kindergarten through 12, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 3.00%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades kindergarten through 8, local property tax revenues per pupil shall be calculated as the product of the applicable equalized assessed valuation for the district multiplied by 2.30%, and divided by the district's Average Daily Attendance figure. For school districts maintaining grades 9 through 12, local property tax

revenues per pupil shall be the applicable equalized assessed valuation of the district multiplied by 1.05%, and divided by the district's Average Daily Attendance figure.

For partial elementary unit districts created pursuant to Article 11E of this Code, local property tax revenues per pupil shall be calculated as the product of the equalized assessed valuation for property within the partial elementary unit district for elementary purposes, as defined in Article 11E of this Code, multiplied by 2.06% and divided by the district's Average Daily Attendance figure, plus the product of the equalized assessed valuation for property within the partial elementary unit district for high school purposes, as defined in Article 11E of this Code, multiplied by 0.94% and divided by the district's Average Daily Attendance figure.

(4) The Corporate Personal Property Replacement Taxes paid to each school district during the calendar year one year before the calendar year in which a school year begins, divided by the Average Daily Attendance figure for that district, shall be added to the local property tax revenues per pupil as derived by the application of the immediately preceding paragraph (3). The sum of these per pupil figures for each school district shall constitute Available Local Resources as that term is utilized in subsection (E) in the calculation of general State aid.

(E) Computation of General State Aid.

(1) For each school year, the amount of general State aid allotted to a school district shall be computed by the State Board of Education as provided in this subsection.

(2) For any school district for which Available Local Resources per pupil is less than the product of 0.93 times the Foundation Level, general State aid for that district shall be calculated as an amount equal to the Foundation Level minus Available Local Resources, multiplied by the Average Daily Attendance of the school district.

(3) For any school district for which Available Local Resources per pupil is equal to or greater than the product of 0.93 times the Foundation Level and less than the product of 1.75 times the Foundation Level, the general State aid per pupil shall be a decimal proportion of the Foundation Level derived using a linear algorithm. Under this linear algorithm, the calculated general State aid per pupil shall decline in direct linear fashion from 0.07 times the Foundation Level for a school district with Available Local Resources equal to the product of 0.93 times the Foundation Level, to 0.05 times the Foundation Level for a school district with Available Local Resources equal to the product of 1.75 times the Foundation Level. The allocation of general State aid for school districts subject to this paragraph 3 shall be the calculated general State aid per pupil figure multiplied by the Average Daily Attendance of the school district.

(4) For any school district for which Available Local Resources per pupil equals or exceeds the product of 1.75 times the Foundation Level, the general State aid for the school district shall be calculated as the product of \$218 multiplied by the Average Daily Attendance of the school district.

(5) The amount of general State aid allocated to a school district for the 1999-2000 school year meeting the requirements set forth in paragraph (4) of subsection (G) shall be increased by an amount equal to the general State aid that would have been received by the district for the 1998-1999 school year by utilizing the Extension Limitation Equalized Assessed Valuation as calculated in paragraph (4) of subsection (G) less the general State aid allotted for the 1998-1999 school year. This amount shall be deemed a one time increase, and shall not affect any future general State aid allocations.

(F) Compilation of Average Daily Attendance.

(1) Each school district shall, by July 1 of each year, submit to the State Board of Education, on forms prescribed by the State Board of Education, attendance figures for the school year that began in the preceding calendar year. The attendance information so transmitted shall identify the average daily attendance figures for each month of the school year. Beginning with the general State aid claim form for the 2002-2003 school year, districts shall calculate Average Daily Attendance as provided in subdivisions (a), (b), and (c) of this paragraph (1).

(a) In districts that do not hold year-round classes, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(b) In districts in which all buildings hold year-round classes, days of attendance in July and August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(c) In districts in which some buildings, but not all, hold year-round classes, for the non-year-round buildings, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May. The average daily attendance for the year-round buildings shall be computed as provided in subdivision (b) of this paragraph (1). To calculate

the Average Daily Attendance for the district, the average daily attendance for the year-round buildings shall be multiplied by the days in session for the non-year-round buildings for each month and added to the monthly attendance of the non-year-round buildings.

Except as otherwise provided in this Section, days of attendance by pupils shall be counted only for sessions of not less than 5 clock hours of school work per day under direct supervision of: (i) teachers, or (ii) non-teaching personnel or volunteer personnel when engaging in non-teaching duties and supervising in those instances specified in subsection (a) of Section 10-22.34 and paragraph 10 of Section 34-18, with pupils of legal school age and in kindergarten and grades 1 through 12.

Days of attendance by tuition pupils shall be accredited only to the districts that pay the tuition to a recognized school.

(2) Days of attendance by pupils of less than 5 clock hours of school shall be subject to the following provisions in the compilation of Average Daily Attendance.

(a) Pupils regularly enrolled in a public school for only a part of the school day may be counted on the basis of 1/6 day for every class hour of instruction of 40 minutes or more attended pursuant to such enrollment, unless a pupil is enrolled in a block-schedule format of 80 minutes or more of instruction, in which case the pupil may be counted on the basis of the proportion of minutes of school work completed each day to the minimum number of minutes that school work is required to be held that day.

(b) Days of attendance may be less than 5 clock hours on the opening and closing of the school term, and upon the first day of pupil attendance, if preceded by a day or days utilized as an institute or teachers' workshop.

(c) A session of 4 or more clock hours may be counted as a day of attendance upon certification by the regional superintendent, and approved by the State Superintendent of Education to the extent that the district has been forced to use daily multiple sessions.

(d) A session of 3 or more clock hours may be counted as a day of attendance (1) when the remainder of the school day or at least 2 hours in the evening of that day is utilized for an in-service training program for teachers, up to a maximum of 5 days per school year, provided a district conducts an in-service training program for teachers in accordance with Section 10-22.39 of this Code; or, in lieu of 4 such days, 2 full days may be used, in which event each such day may be counted as a day required for a legal school calendar pursuant to Section 10-19 of this Code; (1.5) when, of the 5 days allowed under item (1), a maximum of 4 days are used for parent-teacher conferences, or, in lieu of 4 such days, 2 full days are used, in which case each such day may be counted as a calendar day required under Section 10-19 of this Code, provided that the full-day, parent-teacher conference consists of (i) a minimum of 5 clock hours of parent-teacher conferences, (ii) both a minimum of 2 clock hours of parent-teacher conferences held in the evening following a full day of student attendance, as specified in subsection (F)(1)(c), and a minimum of 3 clock hours of parent-teacher conferences held on the day immediately following evening parent-teacher conferences, or (iii) multiple parent-teacher conferences held in the evenings following full days of student attendance, as specified in subsection (F)(1)(c), in which the time used for the parent-teacher conferences is equivalent to a minimum of 5 clock hours; and (2) when days in addition to those provided in items (1) and (1.5) are scheduled by a school pursuant to its school improvement plan adopted under Article 34 or its revised or amended school improvement plan adopted under Article 2, provided that (i) such sessions of 3 or more clock hours are scheduled to occur at regular intervals, (ii) the remainder of the school days in which such sessions occur are utilized for in-service training programs or other staff development activities for teachers, and (iii) a sufficient number of minutes of school work under the direct supervision of teachers are added to the school days between such regularly scheduled sessions to accumulate not less than the number of minutes by which such sessions of 3 or more clock hours fall short of 5 clock hours. Any full days used for the purposes of this paragraph shall not be considered for computing average daily attendance. Days scheduled for in-service training programs, staff development activities, or parent-teacher conferences may be scheduled separately for different grade levels and different attendance centers of the district.

(e) A session of not less than one clock hour of teaching hospitalized or homebound pupils on-site or by telephone to the classroom may be counted as 1/2 day of attendance, however these pupils must receive 4 or more clock hours of instruction to be counted for a full day of attendance.

(f) A session of at least 4 clock hours may be counted as a day of attendance for first grade pupils, and pupils in full day kindergartens, and a session of 2 or more hours may be counted as 1/2 day of attendance by pupils in kindergartens which provide only 1/2 day of attendance.

(g) For children with disabilities who are below the age of 6 years and who cannot

attend 2 or more clock hours because of their disability or immaturity, a session of not less than one clock hour may be counted as 1/2 day of attendance; however for such children whose educational needs so require a session of 4 or more clock hours may be counted as a full day of attendance.

(h) A recognized kindergarten which provides for only 1/2 day of attendance by each pupil shall not have more than 1/2 day of attendance counted in any one day. However, kindergartens may count 2 1/2 days of attendance in any 5 consecutive school days. When a pupil attends such a kindergarten for 2 half days on any one school day, the pupil shall have the following day as a day absent from school, unless the school district obtains permission in writing from the State Superintendent of Education. Attendance at kindergartens which provide for a full day of attendance by each pupil shall be counted the same as attendance by first grade pupils. Only the first year of attendance in one kindergarten shall be counted, except in case of children who entered the kindergarten in their fifth year whose educational development requires a second year of kindergarten as determined under the rules and regulations of the State Board of Education.

(i) On the days when the Prairie State Achievement Examination is administered under subsection (c) of Section 2-3.64 of this Code, the day of attendance for a pupil whose school day must be shortened to accommodate required testing procedures may be less than 5 clock hours and shall be counted towards the 176 days of actual pupil attendance required under Section 10-19 of this Code, provided that a sufficient number of minutes of school work in excess of 5 clock hours are first completed on other school days to compensate for the loss of school work on the examination days.

(G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year and (ii) the limiting rate for all school districts subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law.

The Department of Revenue shall add to the equalized assessed value of all taxable property of each school district situated entirely or partially within a county that is or was subject to the provisions of Section 15-176 or 15-177 of the Property Tax Code (a) an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 or 15-177 of the Property Tax Code for real property situated in that school district exceeds the total amount that would have been allowed in that school district if the maximum reduction under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in all other counties in tax year 2003 or (ii) \$5,000 in all counties in tax year 2004 and thereafter and (b) an amount equal to the aggregate amount for the taxable year of all additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. The county clerk of any county that is or was subject to the provisions of Section 15-176 or 15-177 of the Property Tax Code shall annually calculate and certify to the Department of Revenue for each school district all homestead exemption amounts under Section 15-176 or 15-177 of the Property Tax Code and all amounts of additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of \$30,000 or less. It is the intent of this paragraph that if the general homestead exemption for a parcel of property is determined under Section 15-176 or 15-177 of the Property Tax Code rather than Section 15-175, then the calculation of Available Local Resources shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed for that parcel of property under Section 15-176 or 15-177 of the Property Tax Code and the amount that would have been allowed had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code. It is further the intent of this paragraph that if additional exemptions are allowed under Section 15-175 of the Property Tax Code for owners with a household income of less than \$30,000, then the calculation of Available Local Resources shall not be affected by the difference, if any, because of those additional exemptions.

This equalized assessed valuation, as adjusted further by the requirements of this subsection, shall be utilized in the calculation of Available Local Resources.

(2) The equalized assessed valuation in paragraph (1) shall be adjusted, as applicable, in the following manner:

(a) For the purposes of calculating State aid under this Section, with respect to any part of a school district within a redevelopment project area in respect to which a municipality has adopted tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 of the Illinois Municipal Code or the Industrial Jobs

Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the Illinois Municipal Code, no part of the current equalized assessed valuation of real property located in any such project area which is attributable to an increase above the total initial equalized assessed valuation of such property shall be used as part of the equalized assessed valuation of the district, until such time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the equalized assessed valuation of the district, the total initial equalized assessed valuation or the current equalized assessed valuation, whichever is lower, shall be used until such time as all redevelopment project costs have been paid.

(b) The real property equalized assessed valuation for a school district shall be adjusted by subtracting from the real property value as equalized or assessed by the Department of Revenue for the district an amount computed by dividing the amount of any abatement of taxes under Section 18-170 of the Property Tax Code by 3.00% for a district maintaining grades kindergarten through 12, by 2.30% for a district maintaining grades kindergarten through 8, or by 1.05% for a district maintaining grades 9 through 12 and adjusted by an amount computed by dividing the amount of any abatement of taxes under subsection (a) of Section 18-165 of the Property Tax Code by the same percentage rates for district type as specified in this subparagraph (b).

(3) For the 1999-2000 school year and each school year thereafter, if a school district meets all of the criteria of this subsection (G)(3), the school district's Available Local Resources shall be calculated under subsection (D) using the district's Extension Limitation Equalized Assessed Valuation as calculated under this subsection (G)(3).

For purposes of this subsection (G)(3) the following terms shall have the following meanings:

"Budget Year": The school year for which general State aid is calculated and awarded under subsection (E).

"Base Tax Year": The property tax levy year used to calculate the Budget Year allocation of general State aid.

"Preceding Tax Year": The property tax levy year immediately preceding the Base Tax Year.

"Base Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Base Tax Year multiplied by the limiting rate as calculated by the County Clerk and defined in the Property Tax Extension Limitation Law.

"Preceding Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Preceding Tax Year multiplied by the Operating Tax Rate as defined in subsection (A).

"Extension Limitation Ratio": A numerical ratio, certified by the County Clerk, in which the numerator is the Base Tax Year's Tax Extension and the denominator is the Preceding Tax Year's Tax Extension.

"Operating Tax Rate": The operating tax rate as defined in subsection (A).

If a school district is subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. Except as otherwise provided in this paragraph for a school district that has approved or does approve an increase in its limiting rate, for the 2000-2001 school year and each school year thereafter, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of a school district as calculated under this subsection (G)(3) is less than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant to subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources under subsection (D). For the 2009-2010 school year and each school year thereafter, if a school district has approved or does approve an increase in its limiting rate, pursuant to Section 18-190 of the Property Tax Code, affecting the Base Tax Year, the Extension Limitation Equalized Assessed Valuation of the school district, as calculated by the State Board of Education, shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid times an amount equal to one plus the

percentage increase, if any, in the Consumer Price Index for all Urban Consumers for all items published by the United States Department of Labor for the 12-month calendar year preceding the Base Tax Year, plus the Equalized Assessed Valuation of new property, annexed property, and recovered tax increment value and minus the Equalized Assessed Valuation of disconnected property. New property and recovered tax increment value shall have the meanings set forth in the Property Tax Extension Limitation Law.

Partial elementary unit districts created in accordance with Article 11E of this Code shall not be eligible for the adjustment in this subsection (G)(3) until the fifth year following the effective date of the reorganization.

(4) For the purposes of calculating general State aid for the 1999-2000 school year only, if a school district experienced a triennial reassessment on the equalized assessed valuation used in calculating its general State financial aid apportionment for the 1998-1999 school year, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal the product of the equalized assessed valuation used to calculate general State aid for the 1997-1998 school year and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of the school district as calculated under this paragraph (4) is less than the district's equalized assessed valuation utilized in calculating the district's 1998-1999 general State aid allocation, then for purposes of calculating the district's general State aid pursuant to paragraph (5) of subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources.

(5) For school districts having a majority of their equalized assessed valuation in any county except Cook, DuPage, Kane, Lake, McHenry, or Will, if the amount of general State aid allocated to the school district for the 1999-2000 school year under the provisions of subsection (E), (H), and (J) of this Section is less than the amount of general State aid allocated to the district for the 1998-1999 school year under these subsections, then the general State aid of the district for the 1999-2000 school year only shall be increased by the difference between these amounts. The total payments made under this paragraph (5) shall not exceed \$14,000,000. Claims shall be prorated if they exceed \$14,000,000.

(H) Supplemental General State Aid.

(1) In addition to the general State aid a school district is allotted pursuant to subsection (E), qualifying school districts shall receive a grant, paid in conjunction with a district's payments of general State aid, for supplemental general State aid based upon the concentration level of children from low-income households within the school district. Supplemental State aid grants provided for school districts under this subsection shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section. If the appropriation in any fiscal year for general State aid and supplemental general State aid is insufficient to pay the amounts required under the general State aid and supplemental general State aid calculations, then the State Board of Education shall ensure that each school district receives the full amount due for general State aid and the remainder of the appropriation shall be used for supplemental general State aid, which the State Board of Education shall calculate and pay to eligible districts on a prorated basis.

(1.5) This paragraph (1.5) applies only to those school years preceding the 2003-2004 school year. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall be the low-income eligible pupil count from the most recently available federal census divided by the Average Daily Attendance of the school district. If, however, (i) the percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more the percentage change in the total low-income eligible pupil count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, or (ii) a high school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the high school district, has a percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count and there is a percentage increase in the total low-income eligible pupil count of a majority of the elementary school districts in excess of 50% from the 2 most recent federal censuses, then the high school district's low-income eligible pupil count from the earlier federal census shall be the number used as the low-income eligible pupil count for the high school district, for purposes of this subsection (H). The changes made to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school years preceding the 2003-2004 school year that are paid in fiscal year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was repealed on July 1, 1998), and any high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in any of those fiscal years. This recomputation shall

not be affected by any other funding.

(1.10) This paragraph (1.10) applies to the 2003-2004 school year and each school year thereafter. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall, for each fiscal year, be the low-income eligible pupil count as of July 1 of the immediately preceding fiscal year (as determined by the Department of Human Services based on the number of pupils who are eligible for at least one of the following low income programs: Medicaid, the Children's Health Insurance Program, TANF, or Food Stamps, excluding pupils who are eligible for services provided by the Department of Children and Family Services, averaged over the 2 immediately preceding fiscal years for fiscal year 2004 and over the 3 immediately preceding fiscal years for each fiscal year thereafter) divided by the Average Daily Attendance of the school district.

(2) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 1998-1999, 1999-2000, and 2000-2001 school years only:

(a) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for any school year shall be \$800 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for the 1998-1999 school year shall be \$1,100 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for the 1998-99 school year shall be \$1,500 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of 60% or more, the grant for the 1998-99 school year shall be \$1,900 multiplied by the low income eligible pupil count.

(e) For the 1999-2000 school year, the per pupil amount specified in subparagraphs (b), (c), and (d) immediately above shall be increased to \$1,243, \$1,600, and \$2,000, respectively.

(f) For the 2000-2001 school year, the per pupil amounts specified in subparagraphs (b), (c), and (d) immediately above shall be \$1,273, \$1,640, and \$2,050, respectively.

(2.5) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2002-2003 school year:

(a) For any school district with a Low Income Concentration Level of less than 10%, the grant for each school year shall be \$355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 10% and less than 20%, the grant for each school year shall be \$675 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for each school year shall be \$1,330 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for each school year shall be \$1,362 multiplied by the low income eligible pupil count.

(e) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for each school year shall be \$1,680 multiplied by the low income eligible pupil count.

(f) For any school district with a Low Income Concentration Level of 60% or more, the grant for each school year shall be \$2,080 multiplied by the low income eligible pupil count.

(2.10) Except as otherwise provided, supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2003-2004 school year and each school year thereafter:

(a) For any school district with a Low Income Concentration Level of 15% or less, the grant for each school year shall be \$355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level greater than 15%, the grant for each school year shall be \$294.25 added to the product of \$2,700 and the square of the Low Income Concentration Level, all multiplied by the low income eligible pupil count.

For the 2003-2004 school year and each school year thereafter through the 2008-2009 school year only, the grant shall be no less than the grant for the 2002-2003 school year. For the 2009-2010 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.66. For the 2010-2011 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.33. Notwithstanding the provisions of this paragraph to the contrary, if for any school year

supplemental general State aid grants are prorated as provided in paragraph (1) of this subsection (H), then the grants under this paragraph shall be prorated.

For the 2003-2004 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.25 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.50 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year.

(3) School districts with an Average Daily Attendance of more than 1,000 and less than 50,000 that qualify for supplemental general State aid pursuant to this subsection shall submit a plan to the State Board of Education prior to October 30 of each year for the use of the funds resulting from this grant of supplemental general State aid for the improvement of instruction in which priority is given to meeting the education needs of disadvantaged children. Such plan shall be submitted in accordance with rules and regulations promulgated by the State Board of Education.

(4) School districts with an Average Daily Attendance of 50,000 or more that qualify for supplemental general State aid pursuant to this subsection shall be required to distribute from funds available pursuant to this Section, no less than \$261,000,000 in accordance with the following requirements:

(a) The required amounts shall be distributed to the attendance centers within the district in proportion to the number of pupils enrolled at each attendance center who are eligible to receive free or reduced-price lunches or breakfasts under the federal Child Nutrition Act of 1966 and under the National School Lunch Act during the immediately preceding school year.

(b) The distribution of these portions of supplemental and general State aid among attendance centers according to these requirements shall not be compensated for or contravened by adjustments of the total of other funds appropriated to any attendance centers, and the Board of Education shall utilize funding from one or several sources in order to fully implement this provision annually prior to the opening of school.

(c) Each attendance center shall be provided by the school district a distribution of noncategorical funds and other categorical funds to which an attendance center is entitled under law in order that the general State aid and supplemental general State aid provided by application of this subsection supplements rather than supplants the noncategorical funds and other categorical funds provided by the school district to the attendance centers.

(d) Any funds made available under this subsection that by reason of the provisions of this subsection are not required to be allocated and provided to attendance centers may be used and appropriated by the board of the district for any lawful school purpose.

(e) Funds received by an attendance center pursuant to this subsection shall be used by the attendance center at the discretion of the principal and local school council for programs to improve educational opportunities at qualifying schools through the following programs and services: early childhood education, reduced class size or improved adult to student classroom ratio, enrichment programs, remedial assistance, attendance improvement, and other educationally beneficial expenditures which supplement the regular and basic programs as determined by the State Board of Education. Funds provided shall not be expended for any political or lobbying purposes as defined by board rule.

(f) Each district subject to the provisions of this subdivision (H)(4) shall submit an acceptable plan to meet the educational needs of disadvantaged children, in compliance with the requirements of this paragraph, to the State Board of Education prior to July 15 of each year. This plan shall be consistent with the decisions of local school councils concerning the school expenditure plans developed in accordance with part 4 of Section 34-2.3. The State Board shall approve or reject the plan within 60 days after its submission. If the plan is rejected, the district shall give written notice of intent to modify the plan within 15 days of the notification of rejection and then submit a modified plan within 30 days after the date of the written notice of intent to modify. Districts may amend approved plans pursuant to rules promulgated by the State Board of Education.

Upon notification by the State Board of Education that the district has not submitted a plan prior to July 15 or a modified plan within the time period specified herein, the State aid funds

affected by that plan or modified plan shall be withheld by the State Board of Education until a plan or modified plan is submitted.

If the district fails to distribute State aid to attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, in addition to the funds otherwise required by this subsection, to those attendance centers which were underfunded during the previous year in amounts equal to such underfunding.

For purposes of determining compliance with this subsection in relation to the requirements of attendance center funding, each district subject to the provisions of this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any affected local school council. The district shall within 45 days of receipt of that notification inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected funds.

The State Board of Education shall promulgate rules and regulations to implement the provisions of this subsection. No funds shall be released under this subdivision (H)(4) to any district that has not submitted a plan that has been approved by the State Board of Education.

(5) Beginning in fiscal year 2012, the State Board of Education shall annually calculate the amount of funding required for voucher reimbursement under the School Choice Program for school districts with an Average Daily Attendance of 50,000 or more that qualify for supplemental general State aid under this Section. That amount shall be withheld from the district and distributed by the State Board of Education to reimburse eligible claims submitted by nonpublic schools.

(I) (Blank).

(J) Supplementary Grants in Aid.

(1) Notwithstanding any other provisions of this Section, the amount of the aggregate general State aid in combination with supplemental general State aid under this Section for which each school district is eligible shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-98 school year, pursuant to the provisions of that Section as it was then in effect. If a school district qualifies to receive a supplementary payment made under this subsection (J), the amount of the aggregate general State aid in combination with supplemental general State aid under this Section which that district is eligible to receive for each school year shall be no less than the amount of the aggregate general State aid entitlement that was received by the district under Section 18-8 (exclusive of amounts received under subsections 5(p) and 5(p-5) of that Section) for the 1997-1998 school year, pursuant to the provisions of that Section as it was then in effect.

(2) If, as provided in paragraph (1) of this subsection (J), a school district is to receive aggregate general State aid in combination with supplemental general State aid under this Section for the 1998-99 school year and any subsequent school year that in any such school year is less than the amount of the aggregate general State aid entitlement that the district received for the 1997-98 school year, the school district shall also receive, from a separate appropriation made for purposes of this subsection (J), a supplementary payment that is equal to the amount of the difference in the aggregate State aid figures as described in paragraph (1).

(3) (Blank).

(K) Grants to Laboratory and Alternative Schools.

In calculating the amount to be paid to the governing board of a public university that operates a laboratory school under this Section or to any alternative school that is operated by a regional superintendent of schools, the State Board of Education shall require by rule such reporting requirements as it deems necessary.

As used in this Section, "laboratory school" means a public school which is created and operated by a public university and approved by the State Board of Education. The governing board of a public university which receives funds from the State Board under this subsection (K) may not increase the number of students enrolled in its laboratory school from a single district, if that district is already sending 50 or more students, except under a mutual agreement between the school board of a student's district of residence and the university which operates the laboratory school. A laboratory school may not have more than 1,000

students, excluding students with disabilities in a special education program.

As used in this Section, "alternative school" means a public school which is created and operated by a Regional Superintendent of Schools and approved by the State Board of Education. Such alternative schools may offer courses of instruction for which credit is given in regular school programs, courses to prepare students for the high school equivalency testing program or vocational and occupational training. A regional superintendent of schools may contract with a school district or a public community college district to operate an alternative school. An alternative school serving more than one educational service region may be established by the regional superintendents of schools of the affected educational service regions. An alternative school serving more than one educational service region may be operated under such terms as the regional superintendents of schools of those educational service regions may agree.

Each laboratory and alternative school shall file, on forms provided by the State Superintendent of Education, an annual State aid claim which states the Average Daily Attendance of the school's students by month. The best 3 months' Average Daily Attendance shall be computed for each school. The general State aid entitlement shall be computed by multiplying the applicable Average Daily Attendance by the Foundation Level as determined under this Section.

(L) Payments, Additional Grants in Aid and Other Requirements.

(1) For a school district operating under the financial supervision of an Authority created under Article 34A, the general State aid otherwise payable to that district under this Section, but not the supplemental general State aid, shall be reduced by an amount equal to the budget for the operations of the Authority as certified by the Authority to the State Board of Education, and an amount equal to such reduction shall be paid to the Authority created for such district for its operating expenses in the manner provided in Section 18-11. The remainder of general State school aid for any such district shall be paid in accordance with Article 34A when that Article provides for a disposition other than that provided by this Article.

(2) (Blank).

(3) Summer school. Summer school payments shall be made as provided in Section 18-4.3.

(M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the Governor, by and with the advice and consent of the Senate. The members appointed shall include representatives of education, business, and the general public. One of the members so appointed shall be designated by the Governor at the time the appointment is made as the chairperson of the Board. The initial members of the Board may be appointed any time after the effective date of this amendatory Act of 1997. The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, by lots drawn at the first meeting of the Board that is held after all 5 members are appointed, shall determine 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2000. All members appointed to serve on the Board shall serve until their respective successors are appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. If a vacancy in membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a person to fill that membership for the unexpired term. If the Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of vacancies.

The Education Funding Advisory Board shall be deemed established, and the initial members appointed by the Governor to serve as members of the Board shall take office, on the date that the Governor makes his or her appointment of the fifth initial member of the Board, whether those initial members are then serving pursuant to appointment and confirmation or pursuant to temporary appointments that are made by the Governor as in the case of vacancies.

The State Board of Education shall provide such staff assistance to the Education Funding Advisory Board as is reasonably required for the proper performance by the Board of its responsibilities.

For school years after the 2000-2001 school year, the Education Funding Advisory Board, in consultation with the State Board of Education, shall make recommendations as provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section and for the supplemental general State aid grant level under subsection (H) of this Section for districts with high

concentrations of children from poverty. The recommended foundation level shall be determined based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance. The Education Funding Advisory Board shall make such recommendations to the General Assembly on January 1 of odd numbered years, beginning January 1, 2001.

(N) (Blank).

(O) References.

(1) References in other laws to the various subdivisions of Section 18-8 as that Section existed before its repeal and replacement by this Section 18-8.05 shall be deemed to refer to the corresponding provisions of this Section 18-8.05, to the extent that those references remain applicable.

(2) References in other laws to State Chapter 1 funds shall be deemed to refer to the supplemental general State aid provided under subsection (H) of this Section.

(P) Public Act 93-838 and Public Act 93-808 make inconsistent changes to this Section. Under Section 6 of the Statute on Statutes there is an irreconcilable conflict between Public Act 93-808 and Public Act 93-838. Public Act 93-838, being the last acted upon, is controlling. The text of Public Act 93-838 is the law regardless of the text of Public Act 93-808.

(Source: P.A. 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff. 1-11-08; 95-744, eff. 7-18-08; 95-903, eff. 8-25-08; 96-45, eff. 7-15-09; 96-152, eff. 8-7-09; 96-300, eff. 8-11-09; 96-328, eff. 8-11-09; 96-640, eff. 8-24-09; revised 10-23-09.)"

The foregoing motion prevailed and the amendment was adopted.

There being no further amendments, the bill was ordered held on the order of Second Reading.

Having been reproduced, the following bill was taken up, read by title a second time and held on the order of Second Reading: SENATE BILL 2987.

ACTION ON MOTIONS

Pursuant to the motion submitted previously, Representative Moffitt moved to reconsider the vote by which SENATE BILL 3661 passed.

And on that motion, a vote was taken resulting as follows:

43, Yeas; 71, Nays; 0, Answering Present.

(ROLL CALL 18)

The motion lost.

ADJOURNMENT RESOLUTION HOUSE JOINT RESOLUTION 118

Representative Currie offered the following resolution:

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that when the two Houses adjourn on Friday, April 30, 2010, the House of Representatives stands adjourned until Monday, May 3, 2010 at 12:00 o'clock noon, or until the call of the Speaker; and the Senate stands adjourned until Monday, May 3, 2010, at 12:00 o'clock noon, or until the call of the President.

HOUSE JOINT RESOLUTION 118 was taken up for immediate consideration.

Representative Currie moved the adoption of the resolution.

The motion prevailed and the resolution was adopted.

Ordered that the Clerk inform the Senate and ask their concurrence.

AGREED RESOLUTIONS

HOUSE RESOLUTIONS 1184, 1186, 1187, 1189 and 1190 were taken up for consideration.
Representative Currie moved the adoption of the agreed resolutions.
The motion prevailed and the agreed resolutions were adopted.

At the hour of 11:20 o'clock a.m., Representative Currie moved that the House do now adjourn, allowing perfunctory time for the Clerk.

The motion prevailed.

And in accordance therewith and pursuant to HOUSE JOINT RESOLUTION 118, the House stood adjourned until Monday, May 3, 2010, at 12:00 o'clock noon.

STATE OF ILLINOIS
 NINETY-SIXTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 QUORUM ROLL CALL FOR ATTENDANCE

April 30, 2010

0 YEAS

0 NAYS

115 PRESENT

P Acevedo	P Davis, Monique	P Joyce	P Reis
P Arroyo	P Davis, William	P Kosel	P Reitz
P Bassi	P DeLuca	P Lang	P Riley
P Beaubien	P Dugan	P Leitch	P Rita
P Beiser	P Dunkin	P Lilly	P Rose
P Bellock	P Durkin	P Lyons	P Sacia
P Berrios	P Eddy	E Mathias	P Saviano
P Biggins	P Farnham	P Mautino	P Schmitz
E Black	P Feigenholtz	P May	P Senger
P Boland	P Flider	P McAsey	P Sente
P Bost	P Flowers	P McAuliffe	P Smith
P Bradley	P Ford	P McCarthy	P Sommer
P Brady	P Fortner	P McGuire	P Soto
P Brauer	P Franks	P Mell	P Stephens
P Burke	P Fritchey	P Mendoza	P Sullivan
P Burns	P Froehlich	P Miller	P Thapedi
P Carberry	P Gabel	P Mitchell, Bill	P Tracy
P Cavaletto	P Golar	P Mitchell, Jerry	P Tryon
P Chapa LaVia	P Gordon, Careen	P Moffitt	P Turner
P Coladipietro	P Gordon, Jehan	P Mulligan	P Verschoore
P Cole	P Hannig	P Myers	P Wait
E Collins	P Harris	P Nekritz	P Walker
P Colvin	P Hatcher	P Osmond	P Washington
P Connelly	P Hernandez	P Osterman	P Watson
P Coulson	P Hoffman	P Phelps	P Winters
P Crespo	P Holbrook	P Pihos	P Yarbrough
P Cross	P Howard	P Poe	P Zalewski
P Cultra	P Jackson	P Pritchard	P Mr. Speaker
P Currie	P Jakobsson	P Ramey	
P D'Amico	P Jefferson	P Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 731
HOSPITAL LICENSURE FUND-FEE
THIRD READING
LOST

April 30, 2010

42 YEAS

72 NAYS

0 PRESENT

Y Acevedo	Y Davis, Monique	N Joyce	N Reis
Y Arroyo	Y Davis, William	N Kosel	N Reitz
N Bassi	Y DeLuca	Y Lang	Y Riley
N Beaubien	N Dugan	N Leitch	Y Rita
N Beiser	NV Dunkin	Y Lilly	N Rose
N Bellock	N Durkin	Y Lyons	N Sacia
Y Berrios	N Eddy	E Mathias	N Saviano
N Biggins	N Farnham	N Mautino	N Schmitz
E Black	Y Feigenholtz	N May	N Senger
N Boland	N Flider	N McAsey	N Sente
N Bost	Y Flowers	N McAuliffe	N Smith
N Bradley	Y Ford	N McCarthy	N Sommer
N Brady	N Fortner	Y McGuire	Y Soto
N Brauer	N Franks	Y Mell	N Stephens
Y Burke	Y Fritchey	N Mendoza	N Sullivan
N Burns	Y Froehlich	N Miller	Y Thapedi
N Carberry	Y Gabel	N Mitchell, Bill	N Tracy
N Cavaletto	Y Golar	N Mitchell, Jerry	N Tryon
Y Chapa LaVia	Y Gordon, Careen	N Moffitt	Y Turner
N Coladipietro	N Gordon, Jehan	N Mulligan	N Verschoore
N Cole	Y Hannig	N Myers	N Wait
E Collins	Y Harris	Y Nekritz	N Walker
Y Colvin	N Hatcher	N Osmond	Y Washington
N Connelly	Y Hernandez	Y Osterman	N Watson
N Coulson	Y Hoffman	N Phelps	N Winters
N Crespo	N Holbrook	N Pihos	Y Yarbrough
N Cross	Y Howard	N Poe	N Zalewski
N Cultra	Y Jackson	N Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	N Ramey	
Y D'Amico	Y Jefferson	N Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 851
HEALTH-TECH
THIRD READING
PASSED

April 30, 2010

114 YEAS

0 NAYS

0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	NV Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-SIXTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 SENATE BILL 2554
 PEN CD-IMRF-RETURN TO WORK
 THIRD READING
 PASSED

April 30, 2010

115 YEAS

0 NAYS

0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 2819
INS CD-FIN REG FUND
THIRD READING
PASSED

April 30, 2010

114 YEAS

1 NAY

0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
N Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-SIXTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 SENATE BILL 580
 WATER COMMISSIONS-COUNTIES
 THIRD READING
 PASSED

April 30, 2010

111 YEAS

1 NAY

3 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	P Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
P Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	N Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	P Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-SIXTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 SENATE BILL 3118
 TOLL HWY ACT-INSPECTOR GENERAL
 THIRD READING
 PASSED

April 30, 2010

112 YEAS

3 NAYS

0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
N Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
N Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
N Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-SIXTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 SENATE BILL 3295
 CRIMINAL ID-EXPUNGEMENT&SEAL
 THIRD READING
 PASSED

April 30, 2010

91 YEAS	23 NAYS	0 PRESENT	
Y Acevedo	Y Davis, Monique	Y Joyce	N Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	N DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
N Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	N Eddy	E Mathias	Y Saviano
Y Biggins	N Farnham	Y Mautino	N Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	N Flider	N McAsey	N Sente
Y Bost	Y Flowers	N McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
NV Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	N Franks	Y Mell	N Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	N Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
N Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	N Gordon, Jehan	N Mulligan	Y Verschoore
N Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	N Walker
Y Colvin	Y Hatcher	N Osmond	Y Washington
N Connelly	Y Hernandez	Y Osterman	Y Watson
N Coulson	Y Hoffman	Y Phelps	Y Winters
N Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	N Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-SIXTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 SENATE BILL 3320
 EPA-STORAGE TANK-CORRECTIVE
 THIRD READING
 PASSED

April 30, 2010

115 YEAS

0 NAYS

0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3346
MERCURY THERMOSTAT COLLECTION
THIRD READING
PASSED

April 30, 2010

115 YEAS

0 NAYS

0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-SIXTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 SENATE BILL 3359
 CRIM CD-SCLERAL TATTOOING
 THIRD READING
 PASSED

April 30, 2010

63 YEAS

49 NAYS

2 PRESENT

Y Acevedo	Y Davis, Monique	N Joyce	N Reis
Y Arroyo	Y Davis, William	N Kosel	N Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
N Beaubien	Y Dugan	N Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	N Rose
N Bellock	N Durkin	P Lyons	N Sacia
Y Berrios	N Eddy	E Mathias	N Saviano
N Biggins	Y Farnham	Y Mautino	N Schmitz
E Black	Y Feigenholtz	Y May	N Senger
Y Boland	N Flider	Y McAsey	Y Sente
N Bost	Y Flowers	N McAuliffe	Y Smith
N Bradley	Y Ford	NV McCarthy	N Sommer
N Brady	N Fortner	Y McGuire	Y Soto
N Brauer	Y Franks	Y Mell	N Stephens
Y Burke	Y Fritchey	Y Mendoza	N Sullivan
Y Burns	N Froehlich	Y Miller	P Thapedi
Y Carberry	Y Gabel	N Mitchell, Bill	N Tracy
N Cavaletto	Y Golar	N Mitchell, Jerry	N Tryon
Y Chapa LaVia	Y Gordon, Careen	N Moffitt	Y Turner
N Coladipietro	Y Gordon, Jehan	Y Mulligan	N Verschoore
Y Cole	Y Hannig	N Myers	N Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	N Hatcher	N Osmond	Y Washington
N Connelly	Y Hernandez	Y Osterman	N Watson
Y Coulson	Y Hoffman	N Phelps	N Winters
Y Crespo	Y Holbrook	N Pihos	Y Yarbrough
N Cross	Y Howard	N Poe	Y Zalewski
N Cultra	Y Jackson	N Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	N Ramey	
Y D'Amico	Y Jefferson	N Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3446
PROP TX-BILLING AND INTEREST
THIRD READING
PASSED

April 30, 2010

115 YEAS

0 NAYS

0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-SIXTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 SENATE BILL 3509
 HEALTH CARE PROFESSIONAL-ADS
 THIRD READING
 PASSED

April 30, 2010

115 YEAS

0 NAYS

0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3635
SCH CD-BILINGUAL INSTRUCTIONAL
THIRD READING
PASSED

April 30, 2010

114 YEAS

0 NAYS

1 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
P Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-SIXTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 SENATE BILL 3628
 CRIM CD-DOG FIGHTING-CHILD
 THIRD READING
 PASSED

April 30, 2010

115 YEAS

0 NAYS

0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	Y Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3661
ENTERPRISE ZONES-30 ADDITIONAL
THIRD READING
PASSED

April 30, 2010

106 YEAS

9 NAYS

0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	N Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	N Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	N Sommer
N Brady	N Fortner	Y McGuire	Y Soto
Y Brauer	N Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
N Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	N Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
N Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3781
MORTGAGE LOAN ORIGINATOR LIC
THIRD READING
PASSED

April 30, 2010

113 YEAS

0 NAYS

1 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	Y Kosel	Y Reitz
Y Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	Y Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	Y Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	Y Eddy	E Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
E Black	Y Feigenholtz	Y May	Y Senger
Y Boland	Y Flider	Y McAsey	Y Sente
Y Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	Y Sommer
Y Brady	Y Fortner	Y McGuire	Y Soto
Y Brauer	P Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	NV Miller	Y Thapedi
Y Carberry	Y Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
Y Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
E Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	Y Watson
Y Coulson	Y Hoffman	Y Phelps	Y Winters
Y Crespo	Y Holbrook	Y Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	Y Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
Y D'Amico	Y Jefferson	Y Reboletti	

E - Denotes Excused Absence

STATE OF ILLINOIS
 NINETY-SIXTH
 GENERAL ASSEMBLY
 HOUSE ROLL CALL
 SENATE BILL 3661
 ENTERPRISE ZONES-30 ADDITIONAL
 MOTION TO RECONSIDER VOTE
 LOST

April 30, 2010

43 YEAS

71 NAYS

0 PRESENT

N Acevedo	N Davis, Monique	N Joyce	Y Reis
N Arroyo	N Davis, William	Y Kosel	N Reitz
Y Bassi	N DeLuca	N Lang	N Riley
Y Beaubien	Y Dugan	Y Leitch	N Rita
N Beiser	N Dunkin	N Lilly	Y Rose
N Bellock	Y Durkin	N Lyons	Y Sacia
N Berrios	Y Eddy	E Mathias	Y Saviano
N Biggins	N Farnham	N Mautino	Y Schmitz
E Black	N Feigenholtz	Y May	N Senger
N Boland	N Flider	N McAsey	NV Sente
N Bost	N Flowers	Y McAuliffe	N Smith
N Bradley	N Ford	N McCarthy	Y Sommer
Y Brady	Y Fortner	N McGuire	N Soto
Y Brauer	N Franks	N Mell	Y Stephens
N Burke	N Fritchey	N Mendoza	Y Sullivan
N Burns	N Froehlich	N Miller	N Thapedi
N Carberry	N Gabel	Y Mitchell, Bill	Y Tracy
Y Cavaletto	N Golar	N Mitchell, Jerry	N Tryon
N Chapa LaVia	N Gordon, Careen	Y Moffitt	N Turner
Y Coladipietro	N Gordon, Jehan	N Mulligan	N Verschoore
Y Cole	N Hannig	Y Myers	Y Wait
E Collins	N Harris	N Nekritz	N Walker
N Colvin	Y Hatcher	Y Osmond	N Washington
Y Connelly	N Hernandez	Y Osterman	Y Watson
Y Coulson	N Hoffman	N Phelps	Y Winters
N Crespo	N Holbrook	N Pihos	N Yarbrough
Y Cross	N Howard	Y Poe	N Zalewski
Y Cultra	N Jackson	Y Pritchard	N Mr. Speaker
Y Currie	Y Jakobsson	Y Ramey	
N D'Amico	N Jefferson	Y Reboletti	

E - Denotes Excused Absence

134TH LEGISLATIVE DAY**Perfunctory Session****FRIDAY, APRIL 30, 2010**

At the hour of 3:04 o'clock p.m., the House convened perfunctory session.

INTRODUCTION AND FIRST READING OF BILLS

The following bill was introduced, read by title a first time, ordered reproduced and placed in the Committee on Rules:

HOUSE BILL 6862. Introduced by Representative Cross, AN ACT concerning education.

SENATE BILL ON FIRST READING

Having been reproduced, the following bill was taken up, read by title a first time and placed in the Committee on Rules: SENATE BILL 3064 (Turner).

At the hour of 3:04 o'clock p.m., the House Perfunctory Session adjourned.