STATE OF ILLINOIS

HOUSE JOURNAL

HOUSE OF REPRESENTATIVES

NINETY-SIXTH GENERAL ASSEMBLY

137TH LEGISLATIVE DAY

REGULAR & PERFUNCTORY SESSION

WEDNESDAY, MAY 5, 2010

11:18 O'CLOCK A.M.

NO. 137

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137th Legislative Day

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The House met pursuant to adjournment.
Representative Lyons in the chair.
Prayer by Reverend David Upchurch, who is with Rochester Christian Church in Rochester, IL.
Representative Collins 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:
118 present. (ROLL CALL 1)

LETTER OF TRANSMITTAL

May 5, 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 Final Action Deadline to May 8, 2010, for the following Senate Bills:

Senate Bills: 82 and 3721.

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

TEMPORARY COMMITTEE ASSIGNMENTS

Representative Jefferson replaced Representative Turner in the Committee on Rules on May 5, 2010.

Representative McGuire replaced Representative Lang in the Committee on Rules (A) on May 5, 2010.

Representative Colvin replaced Representative Turner in the Committee on Rules (A) on May 5, 2010.

Representative Hernandez replaced Representative Miller in the Committee on Elementary & Secondary Education on May 5, 2010.

Representative Bost replaced Representative Pihos in the Committee on Elementary & Secondary Education on May 5, 2010.

Representative Leitch replaced Representative Senger in the Committee on Elementary & Secondary Education on May 5, 2010.

Representative Black replaced Representative Cavaletto in the Committee on Elementary & Secondary Education on May 5, 2010.

Representative Mendoza replaced Representative Crespo in the Committee on Elementary & Secondary Education on May 5, 2010.

Representative Currie replaced Representative Turner in the Committee on Executive on May 5, 2010.

REPORT FROM THE COMMITTEE ON RULES

Representative Currie, Chairperson, from the Committee on Rules to which the following were referred, action taken on May 5, 2010, reported the same back with the following recommendations:

LEGISLATIVE MEASURES APPROVED FOR FLOOR CONSIDERATION:

That the Floor Amendment be reported "recommends be adopted":
Amendment No. 5 to SENATE BILL 107.
Amendments No. 2 and 3 to SENATE BILL 3514.

That the bill be reported "approved for consideration" and be placed on the order of Second Reading--Short Debate: SENATE BILL 82.

LEGISLATIVE MEASURES ASSIGNED TO COMMITTEE:

Environment & Energy: Motion to concur with SENATE AMENDMENT No. 1 to HOUSE BILL 156.
Executive: HOUSE AMENDMENT No. 3 to SENATE BILL 1526.
Insurance: HOUSE RESOLUTION 1171.

The committee roll call vote on the foregoing Legislative Measures is as follows:
3, Yeas; 0, Nays; 0, Answering Present.

Y Currie(D), Chairperson
A Lang(D)
Y Jefferson(D) (replacing Turner)
Y Black(R), Republican Spokesperson
A Schmitz(R)

Representative Currie, Chairperson, from the Committee on Rules to which the following were referred, action taken on May 5, 2010, (A) reported the same back with the following recommendations:

LEGISLATIVE MEASURES APPROVED FOR FLOOR CONSIDERATION:

That the Floor Amendment be reported "recommends be adopted":
Amendment No. 2 to SENATE BILL 3658.

LEGISLATIVE MEASURES ASSIGNED TO COMMITTEE:

Environment & Energy: SENATE BILL 3721.
Environmental Health: HOUSE RESOLUTION 1166.
Human Services: HOUSE AMENDMENT No. 5 to SENATE BILL 44.

The committee roll call vote on the foregoing Legislative Measures is as follows:
4, Yeas; 0, Nays; 0, Answering Present.

Y Currie(D), Chairperson
Y McGuire(D) (replacing Lang)
Y Colvin(D) (replacing Turner)
Y Black(R), Republican Spokesperson
A Schmitz(R)

REPORTS FROM STANDING COMMITTEES

Representative Mendoza, Chairperson, from the Committee on International Trade & Commerce to which the following were referred, action taken on May 5, 2010, reported the same back with the following recommendations:

That the resolution be reported "recommends be adopted" and be placed on the House Calendar: HOUSE RESOLUTION 888.

The committee roll call vote on House Resolution 888 is as follows:

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

Y Mendoza(D), Chairperson
A Sommer(R), Republican Spokesperson
Y Berrios(D)
Y Davis, William(D)
Y Sacia(R)
Y Walker(D)
A Franks(D), Vice-Chairperson
A Beaubien(R)
A Coladipietro(R)
A Dunkin(D)
Y Senger(R)

Representative Smith, Chairperson, from the Committee on Elementary & Secondary Education to which the following were referred, action taken on May 5, 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 BILLS 2647 and 3460.

The committee roll call vote on Senate Bill 2647 is as follows:

16, Yeas; 1, Nay; 0, Answering Present.

Y Smith(D), Chairperson
Y Mitchell, Jerry(R), Republican Spokesperson
Y Black(R) (replacing Cavaletto)
A Davis, Monique(D)
Y Eddy(R)
Y Froehlich(D)
Y Hernandez(D) (replacing Miller)
Y Bost(R) (replacing Pihos)
Y Reis(R)
A Watson(R)
Y Mendoza(D) (replacing Crespo)
A Bassi(R)
Y Colvin(D)
Y Dugan(D)
N Flider(D)
Y Golar(D)
Y Osterman(D)
Y Pritchard(R)
Y Leitch(R) (replacing Senger)
Y Yarbrough(D)

The committee roll call vote on Senate Bill 3460 is as follows:

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

Y Smith(D), Chairperson
Y Mitchell, Jerry(R), Republican Spokesperson
Y Black(R) (replacing Cavaletto)
A Davis, Monique(D)
Y Eddy(R)
Y Froehlich(D)
Y Hernandez(D) (replacing Miller)
Y Bost(R) (replacing Pihos)
Y Reis(R)
A Watson(R)
Y Mendoza(D) (replacing Crespo)
A Bassi(R)
Y Colvin(D)
Y Dugan(D)
Y Flider(D)
Y Golar(D)
Y Osterman(D)
Y Pritchard(R)
Y Leitch(R) (replacing Senger)
Y Yarbrough(D)

Representative Burke, Chairperson, from the Committee on Executive to which the following were referred, action taken on May 5, 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 BILLS 49, 377, 2660, 3514, 3638, 3655, 3658, 3659, 3683 and 3702.

That the resolution be reported "recommends be adopted" and be placed on the House Calendar: SENATE JOINT RESOLUTION 110.

The committee roll call vote on Senate Bills 49 and 3514 is as follows:

7, Yeas; 4, Nays; 0, Answering Present.

Y Burke(D), Chairperson
N Brady(R), Republican Spokesperson
Y Arroyo(D)
N Biggins(R)
N Sullivan(R)
Y Currie(D) (replacing Turner)
Y Lyons(D), Vice-Chairperson
Y Acevedo(D)
Y Berrios(D)
Y Rita(D)
N Tryon(R)

The committee roll call vote on Senate Bills 377, 2660, 3638, 3655, 3658, 3659, 3683, 3702 and Senate Joint Resolution 110 is as follows:

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

Y Burke(D), Chairperson
Y Brady(R), Republican Spokesperson
Y Arroyo(D)
Y Biggins(R)
Y Sullivan(R)
Y Currie(D) (replacing Turner)
Y Lyons(D), Vice-Chairperson
Y Acevedo(D)
Y Berrios(D)
Y Rita(D)
Y Tryon(R)

MOTIONS SUBMITTED

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

MOTION

I move to concur with Senate Amendments numbered 1 and 2 to HOUSE BILL 5055.

Representative Pritchard 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 5193.

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

MOTION

I move to concur with Senate Amendments numbered 1, 2 and 3 to HOUSE BILL 5409.

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

MOTION

I move to concur with Senate Amendments numbered 1 and 2 to HOUSE BILL 6420.

Representative Reitz 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 5331.

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

MOTION

I move to concur with Senate Amendments numbered 1, 2 and 3 to HOUSE BILL 6462.

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

MOTION

I move to concur with Senate Amendments numbered 1 and 3 to HOUSE BILL 5080.

Representative Leitch 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 5306.

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

MOTION

I move to concur with Senate Amendments numbered 2 and 3 to HOUSE BILL 6419.

Representative Chapa LaVia 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 5340.

Representative Biggins 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 6151.

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 5513.

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

MOTION

Pursuant to Rule 25, I move to suspend the posting requirements of Rule 21 in relation to HOUSE RESOLUTION 1166 to be heard in Environmental Health Committee, SENATE BILL 3721 to be heard in Environment & Energy Committee and SENATE JOINT RESOLUTION 72 to be heard in Human Services Committee.

Representative Poe 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 4644.

Representative Schmitz 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 5749.

PENSION NOTE SUPPLIED

Pension Notes have been supplied for HOUSE BILL 5480, as amended, and SENATE BILL 2494, as amended.

LAND CONVEYANCE APPRAISAL NOTE SUPPLIED

A Land Conveyance Appraisal Note has been supplied for HOUSE BILL 5480, as amended, and SENATE BILL 2494, as amended.

JUDICIAL NOTE SUPPLIED

A Judicial Note has been supplied for HOUSE BILL 5480, as amended.

STATE MANDATES FISCAL NOTES SUPPLIED

State Mandates Fiscal Notes have been supplied for HOUSE BILLS 5480, as amended and 5849.

CORRECTIONAL NOTE SUPPLIED

Correctional Notes have been supplied for HOUSE BILL 5480, as amended and SENATE BILL 2494, as amended.

HOME RULE NOTES SUPPLIED

Home Rule Notes have been supplied for HOUSE BILLS 5480, as amended, 5849 and SENATE BILL 2494, as amended.

BALANCED BUDGET NOTE SUPPLIED

Balanced Budget Notes have been supplied for HOUSE BILLS 5480, as amended and 6123.

STATE DEBT IMPACT NOTE SUPPLIED

A State Debt Impact Note has been supplied for HOUSE BILL 5480, as amended.

FISCAL NOTE SUPPLIED

A Fiscal Note has been supplied for HOUSE BILL 5480, as amended.

HOUSING AFFORDABILITY IMPACT NOTE SUPPLIED

Housing Affordability Impact Notes have been supplied for HOUSE BILL 5480, as amended.

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 concurred with the House in the adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 2556

A bill for AN ACT concerning floodplains.
House Amendment No. 1 to SENATE BILL NO. 2556.
House Amendment No. 2 to SENATE BILL NO. 2556.
Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 2573

A bill for AN ACT concerning State government.
House Amendment No. 1 to SENATE BILL NO. 2573.
Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 2807

A bill for AN ACT concerning business.
House Amendment No. 1 to SENATE BILL NO. 2807.
Action taken by the Senate, May 4, 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 adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 2819

A bill for AN ACT concerning insurance.
House Amendment No. 1 to SENATE BILL NO. 2819.
House Amendment No. 2 to SENATE BILL NO. 2819.
Action taken by the Senate, May 4, 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 adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 3047

A bill for AN ACT concerning health care.
House Amendment No. 1 to SENATE BILL NO. 3047.
House Amendment No. 2 to SENATE BILL NO. 3047.
Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3386

A bill for AN ACT concerning civil law.
House Amendment No. 1 to SENATE BILL NO. 3386.
Action taken by the Senate, May 4, 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 adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 3509

A bill for AN ACT concerning professional regulation.
House Amendment No. 1 to SENATE BILL NO. 3509.
House Amendment No. 2 to SENATE BILL NO. 3509.
Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3630

A bill for AN ACT concerning education.
House Amendment No. 1 to SENATE BILL NO. 3630.
Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3635

A bill for AN ACT concerning education.

House Amendment No. 1 to SENATE BILL NO. 3635.
Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3661

A bill for AN ACT concerning State government.
House Amendment No. 1 to SENATE BILL NO. 3661.
Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3747

A bill for AN ACT concerning real property.
House Amendment No. 1 to SENATE BILL NO. 3747.
Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3815

A bill for AN ACT concerning public aid.
House Amendment No. 1 to SENATE BILL NO. 3815.
Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 660

A bill for AN ACT concerning regulation.
House Amendment No. 3 to SENATE BILL NO. 660.
Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 2551

A bill for AN ACT concerning criminal law.

House Amendment No. 1 to SENATE BILL NO. 2551.

Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3094

A bill for AN ACT concerning professional regulation.

House Amendment No. 1 to SENATE BILL NO. 3094.

Action taken by the Senate, May 4, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3628

A bill for AN ACT concerning criminal law.

House Amendment No. 1 to SENATE BILL NO. 3628.

Action taken by the Senate, May 4, 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 of Representatives in the passage of a bill of the following title to-wit:

HOUSE BILL 6419

A bill for AN ACT concerning regulation.

Together with the attached amendments thereto (which amendments have 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. 6419

Senate Amendment No. 3 to HOUSE BILL NO. 6419

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 2. Amend House Bill 6419, on page 2, line 13, by replacing "including" with "as defined in Section 1-10 of the Illinois Power Agency Act, including".

AMENDMENT NO. 3. Amend House Bill 6419, on page 2, lines 12 and 13, by replacing "sources" each time it appears with "resources"; and

on page 7, line 18, by replacing "a certificate of approval" with "an acknowledgement of filing"; and

on page 12, line 26, by replacing "may" with "do not"; and

on page 13, line 1, after the period, by inserting "Provided, however, that the production, interconnection, transmission, distribution, and sale at wholesale or retail of electric energy generated by the eligible project

must be in accordance with all laws, regulations, and rules applicable to generators of electricity, alternative retail electric suppliers, municipal utilities, or electric cooperatives, as applicable, but further provided that this provision does not affect any exemption otherwise available under the Public Utilities Act."; and

on page 21, line 14, after "reasonable", by inserting ", except that such agency shall not sell electricity to end-use customers otherwise than in accordance with the provisions of the Public Utilities Act, but further provided that this provision does not affect any exemption otherwise available to the agency under the Public Utilities Act"; and

on page 23, line 23, by replacing "may" with "do not"; and

on page 23, line 24, after the period, by inserting "Provided, however, that the production, interconnection, transmission, distribution, and sale at wholesale or retail of electric energy generated by the eligible project must be in accordance with all laws, regulations, and rules applicable to generators of electricity, alternative retail electric suppliers, municipal utilities, or electric cooperatives, as applicable, but further provided that this provision does not affect any exemption otherwise available under the Public Utilities Act.".

The foregoing message from the Senate reporting Senate Amendments numbered 2 and 3 to HOUSE BILL 6419 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 6151

A bill for AN ACT concerning transportation.

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. 6151

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 6151 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Vehicle Code is amended by adding Section 16-104e as follows:

(625 ILCS 5/16-104e new)

Sec. 16-104e. Minimum penalty for traffic offenses. Unless otherwise disposed of prior to a court appearance in the same matter under Supreme Court Rule 529, a person who, after a court appearance in the same matter, is found guilty of or pleads guilty to, including any person receiving a disposition of court supervision, a violation of this Code or a similar provision of a local ordinance shall pay a fine that may not be waived. Nothing in this Section shall prevent the court from ordering that the fine be paid within a specified period of time or in installments under Section 5-9-1 of the Unified Code of Corrections.

Section 99. Effective date. This Act takes effect January 1, 2011.".

The foregoing message from the Senate reporting Senate Amendment No. 1 to HOUSE BILL 6151 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 5749

A bill for AN ACT concerning criminal law.

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. 5749

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 5749 by replacing everything after the enacting clause with the following:

"Section 5. The Criminal Code of 1961 is amended by changing Section 17-1 as follows:

(720 ILCS 5/17-1) (from Ch. 38, par. 17-1)

Sec. 17-1. Deceptive practices.

(A) Definitions.

As used in this Section:

(i) "Financial institution" means any bank, savings and loan association, credit union, or other depository of money, or medium of savings and collective investment.

(ii) An "account holder" is any person having a checking account or savings account in a financial institution.

(iii) To act with the "intent to defraud" means to act wilfully, and with the specific intent to deceive or cheat, for the purpose of causing financial loss to another, or to bring some financial gain to oneself. It is not necessary to establish that any person was actually defrauded or deceived.

(B) General Deception.

A person commits a deceptive practice when, with intent to defraud, the person does any of the following:

(a) He or she causes another, by deception or threat, to execute a document disposing of property or a document by which a pecuniary obligation is incurred.

(b) Being an officer, manager or other person participating in the direction of a financial institution, he or she knowingly receives or permits the receipt of a deposit or other investment, knowing that the institution is insolvent.

(c) He or she knowingly makes or directs another to make a false or deceptive statement addressed to the public for the purpose of promoting the sale of property or services.

(d) With intent to obtain control over property or to pay for property, labor or services of another, or in satisfaction of an obligation for payment of tax under the Retailers' Occupation Tax Act or any other tax due to the State of Illinois, he or she issues or delivers a check or other order upon a real or fictitious depository for the payment of money, knowing that it will not be paid by the depository. Failure to have sufficient funds or credit with the depository when the check or other order is issued or delivered, or when such check or other order is presented for payment and dishonored on each of 2 occasions at least 7 days apart, is prima facie evidence that the offender knows that it will not be paid by the depository, and that he or she has the intent to defraud. In this paragraph (d), "property" includes rental property (real or personal).

(e) He or she issues or delivers a check or other order upon a real or fictitious depository in an amount exceeding $150 in payment of an amount owed on any credit transaction for property, labor or services, or in payment of the entire amount owed on any credit transaction for property, labor or services, knowing that it will not be paid by the depository, and thereafter fails to provide funds or credit with the depository in the face amount of the check or order within 7 days of receiving actual notice from the depository or payee of the dishonor of the check or order.

Sentence.

A person convicted of a deceptive practice under paragraph (a), (b), (c), (d), or (e) of this subsection (B), except as otherwise provided by this Section, is guilty of a Class A misdemeanor.

A person convicted of a deceptive practice in violation of paragraph (d) a second or subsequent time shall be guilty of a Class 4 felony.

A person convicted of deceptive practices in violation of paragraph (a) or (d), when the value of the property so obtained, in a single transaction, or in separate transactions within a 90 day period, exceeds $150, shall be guilty of a Class 4 felony. In the case of a prosecution for separate transactions totaling more than $150 within a 90 day period, such separate transactions shall be alleged in a single charge and

provided in a single prosecution.

(C) Deception on a Bank or Other Financial Institution.

(1) False Statements.

Any person who, with the intent to defraud, makes or causes to be made any false statement in writing in order to obtain an account with a bank or other financial institution, or to obtain credit from a bank or other financial institution, or to obtain services from a currency exchange, knowing such writing to be false, and with the intent that it be relied upon, is guilty of a Class A misdemeanor.

For purposes of this subsection (C), a false statement shall mean any false statement representing identity, address, or employment, or the identity, address or employment of any person, firm or corporation.

(2) Possession of Stolen or Fraudulently Obtained Checks.

Any person who possesses, with the intent to obtain access to funds of another person held in a real or fictitious deposit account at a financial institution, makes a false statement or a misrepresentation to the financial institution, or possesses, transfers, negotiates, or presents for payment a check, draft, or other item purported to direct the financial institution to withdraw or pay funds out of the account holder's deposit account with knowledge that such possession, transfer, negotiation, or presentment is not authorized by the account holder or the issuing financial institution is guilty of a Class A misdemeanor. A person shall be deemed to have been authorized to possess, transfer, negotiate, or present for payment such item if the person was otherwise entitled by law to withdraw or recover funds from the account in question and followed the requisite procedures under the law. In the event that the account holder, upon discovery of the withdrawal or payment, claims that the withdrawal or payment was not authorized, the financial institution may require the account holder to submit an affidavit to that effect on a form satisfactory to the financial institution before the financial institution may be required to credit the account in an amount equal to the amount or amounts that were withdrawn or paid without authorization.

Any person who, within any 12 month period, violates this Section with respect to 3 or more checks or orders for the payment of money at the same time or consecutively, each the property of a different account holder or financial institution, is guilty of a Class 4 felony.

(3) Possession of Implements of Check Fraud.

Any person who possesses, with the intent to defraud and without the authority of the account holder or financial institution, any check imprinter, signature imprinter, or "certified" stamp is guilty of a Class A misdemeanor.

A person who within any 12 month period violates this subsection (C) as to possession of 3 or more such devices at the same time or consecutively, is guilty of a Class 4 felony.

(4) Possession of Identification Card.

Any person who, with the intent to defraud, possesses any check guarantee card or key card or identification card for cash dispensing machines without the authority of the account holder or financial institution is guilty of a Class A misdemeanor.

A person who, within any 12 month period, violates this Section at the same time or consecutively with respect to 3 or more cards, each the property of different account holders, is guilty of a Class 4 felony.

A person convicted under this Section, when the value of property so obtained, in a single transaction, or in separate transactions within any 90 day period, exceeds $150 shall be guilty of a Class 4 felony.
(Source: P.A. 94-872, eff. 6-16-06.)".

The foregoing message from the Senate reporting Senate Amendment No. 1 to HOUSE BILL 5749 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 5458

A bill for AN ACT concerning 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. 5458

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 5458 on page 4, by replacing lines 8 through 22 with the following:

"(h) In those cases where the injury to a State employee for which a benefit is payable under this Act was caused under circumstances creating a legal liability for damages on the part of some person other than the State employer, all of the rights and privileges, including the right to notice of suit brought against such other person and the right to commence or join in such suit, as given the employer, together with the conditions or obligations imposed under paragraph (b) of Section 5 of the Workers' Compensation Act, are also given and granted to the State, to the end that, with respect to State employees only, the State may be paid or reimbursed for the amount of benefit paid or to be paid by the State to the injured employee or his or her personal representative out of any judgment, settlement, or payment for such injury obtained by such injured employee or his or her personal representative from such other person by virtue of the injury.".

The foregoing message from the Senate reporting Senate Amendment No. 1 to HOUSE BILL 5458 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 4928

A bill for AN ACT concerning 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. 4928

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 4928 on page 5, by replacing lines 22 through 26 with the following:

"(25) Confidential information, when discussed by one or more members of an elder abuse fatality review team, designated under Section 15 of the Elder Abuse and Neglect Act, while participating in a review conducted by that team of the death of an elderly person in which abuse or neglect is suspected, alleged, or substantiated; provided that before the review team holds a closed meeting, or closes an open meeting, to discuss the confidential information, each participating review team member seeking to disclose the confidential information in the closed meeting or closed portion of the meeting must state on the record during an open meeting or the open portion of a meeting the nature of the information to be disclosed and the legal basis for otherwise holding that information confidential.".

The foregoing message from the Senate reporting Senate Amendment No. 1 to HOUSE BILL 4928 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 5409

A bill for AN ACT concerning insurance.

Together with the attached amendments thereto (which amendments have 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. 5409

Senate Amendment No. 2 to HOUSE BILL NO. 5409

Senate Amendment No. 3 to HOUSE BILL NO. 5409

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 5409 by replacing everything after the enacting clause with the following:

"Section 5. The Title Insurance Act is amended by changing Sections 3 and 16 and by adding Section 16.1 as follows:

(215 ILCS 155/3) (from Ch. 73, par. 1403)

Sec. 3. As used in this Act, the words and phrases following shall have the following meanings unless the context requires otherwise:

(1) "Title insurance business" or "business of title insurance" means:

(A) Issuing as insurer or offering to issue as insurer title insurance; and

(B) Transacting or proposing to transact one or more of the following activities when conducted or performed in contemplation of or in conjunction with the issuance of title insurance;

(i) soliciting or negotiating the issuance of title insurance;

(ii) guaranteeing, warranting, or otherwise insuring the correctness of title searches for all instruments affecting titles to real property, any interest in real property, cooperative units and proprietary leases, and for all liens or charges affecting the same;

(iii) handling of escrows, settlements, or closings;

(iv) executing title insurance policies;

(v) effecting contracts of reinsurance;

(vi) abstracting, searching, or examining titles; or

(vii) issuing insured closing letters or closing protection letters;

(C) Guaranteeing, warranting, or insuring searches or examinations of title to real property or any interest in real property, with the exception of preparing an attorney's opinion of title; or

(D) Guaranteeing or warranting the status of title as to ownership of or liens on real property and personal property by any person other than the principals to the transaction; or

(E) Doing or proposing to do any business substantially equivalent to any of the activities listed in this subsection, provided that the preparation of an attorney's opinion of title pursuant to paragraph (1)(C) is not intended to be within the definition of "title insurance business" or "business of title insurance".

(1.5) "Title insurance" means insuring, guaranteeing, warranting, or indemnifying owners of real or personal property or the holders of liens or encumbrances thereon or others interested therein against loss or damage suffered by reason of liens, encumbrances upon, defects in, or the unmarketability of the title to the property; the invalidity or unenforceability of any liens or encumbrances thereon; or doing any business in substance equivalent to any of the foregoing. "Warranting" for purpose of this provision shall not include any warranty contained in instruments of encumbrance or conveyance. Title insurance is a single line form of insurance, also known as monoline. An attorney's opinion of title pursuant to paragraph (1)(C) is not intended to be within the definition of "title insurance".

(2) "Title insurance company" means any domestic company organized under the laws of this State for the purpose of conducting the business of title insurance and any title insurance company organized under the laws of another State, the District of Columbia or foreign government and authorized to transact the business of title insurance in this State.

(3) "Title insurance agent" means a person, firm, partnership, association, corporation or other legal entity registered by a title insurance company and authorized by such company to determine insurability of title in accordance with generally acceptable underwriting rules and standards in reliance on either the public records or a search package prepared from a title plant, or both, and authorized by such title insurance company in addition to do any of the following: act as an escrow agent pursuant to subsections (f), (g), and (h) of Section 16 of this Act, solicit title insurance, collect premiums, or issue title insurance commitments ~~reports~~, ~~binders or commitments to insure and~~ policies , and endorsements of the title

insurance company; ~~in its behalf,~~ provided, however, the term "title insurance agent" shall not include officers and salaried employees of any title insurance company.

(4) "Producer of title business" is any person, firm, partnership, association, corporation or other legal entity engaged in this State in the trade, business, occupation or profession of (i) buying or selling interests in real property, (ii) making loans secured by interests in real property, or (iii) acting as broker, agent, attorney, or representative of natural persons or other legal entities that buy or sell interests in real property or that lend money with such interests as security.

(5) "Associate" is any firm, association, partnership, corporation or other legal entity organized for profit in which a producer of title business is a director, officer, or partner thereof, or owner of a financial interest, as defined herein, in such entity; any legal entity that controls, is controlled by, or is under common control with a producer of title business; and any natural person or legal entity with whom a producer of title business has any agreement, arrangement, or understanding or pursues any course of conduct the purpose of which is to evade the provisions of this Act.

(6) "Financial interest" is any ownership interest, legal or beneficial, except ownership of publicly traded stock.

(7) "Refer" means to place or cause to be placed, or to exercise any power or influence over the placing of title business, whether or not the consent or approval of any other person is sought or obtained with respect to the referral.

(8) "Escrow Agent" means any title insurance company or any title insurance agent, including independent contractors of either, acting on behalf of a title insurance company, which receives deposits, in trust, of funds or documents, or both, for the purpose of effecting the sale, transfer, encumbrance or lease of real property to be held by such escrow agent until title to the real property that is the subject of the escrow is in a prescribed condition. An escrow agent conducting closings shall be subject to the provisions of paragraphs (1) through (4) of subsection (e) of Section 16 of this Act.

(9) "Independent Escrowee" means any firm, person, partnership, association, corporation or other legal entity, other than a title insurance company or a title insurance agent, which receives deposits, in trust, of funds or documents, or both, for the purpose of effecting the sale, transfer, encumbrance or lease of real property to be held by such escrowee until title to the real property that is the subject of the escrow is in a prescribed condition. Federal and State chartered banks, savings and loan associations, credit unions, mortgage bankers, banks or trust companies authorized to do business under the Illinois Corporate Fiduciary Act, licensees under the Consumer Installment Loan Act, real estate brokers licensed pursuant to the Real Estate License Act of 2000, as such Acts are now or hereafter amended, and licensed attorneys when engaged in the attorney-client relationship are exempt from the escrow provisions of this Act. "Independent Escrowee" does not include employees or independent contractors of a title insurance company or title insurance agent authorized by a title insurance company to perform closing, escrow, or settlement services.

(10) "Single risk" means the insured amount of any title insurance policy, except that where 2 or more title insurance policies are issued simultaneously covering different estates in the same real property, "single risk" means the sum of the insured amounts of all such title insurance policies. Any title insurance policy insuring a mortgage interest, a claim payment under which reduces the insured amount of a fee or leasehold title insurance policy, shall be excluded in computing the amount of a single risk to the extent that the insured amount of the mortgage title insurance policy does not exceed the insured amount of the fee or leasehold title insurance policy.

(11) "Department" means the Department of Financial and Professional Regulation.

(12) "Secretary" means the Secretary of Financial and Professional Regulation.

(13) "Insured closing letter" or "closing protection letter" means an indemnification or undertaking to a party to a real property ~~estate~~ transaction, from a principal such as a title insurance company ~~or similar entity~~, setting forth in writing the extent of the principal's responsibility for intentional misconduct or errors in closing the real property ~~estate~~ transaction on the part of a settlement agent, such as a title insurance agent or other settlement service provider , and includes protection afforded pursuant to subsections (f), (g), and (h) of Section 16 and Section 16.1 of this Act even if such protection is afforded by contract.

(14) "Residential real property" means a building or buildings consisting of one to 4 residential units or a residential condominium unit where at least one of the residential units or condominium units is occupied or intended to be occupied as a residence by the purchaser or borrower, or in the event that the purchaser or borrower is the trustee of a trust, by a beneficiary of that trust.

(Source: P.A. 94-893, eff. 6-20-06; 95-570, eff. 8-31-07.)

(215 ILCS 155/16) (from Ch. 73, par. 1416)

Sec. 16. Title insurance agents.

(a) No person, firm, partnership, association, corporation or other legal entity shall act as or hold itself out to be a title insurance agent unless duly registered by a title insurance company with the Secretary.

(b) Each application for registration shall be made on a form specified by the Secretary and prepared in duplicate by each title insurance company which the agent represents. The title insurance company shall retain the copy of the application and forward the original to the Secretary with the appropriate fee.

(c) Every applicant for registration, except a firm, partnership, association or corporation, must be 18 years or more of age.

(d) Registration shall be made annually by a filing with the Secretary; supplemental registrations for new title insurance agents to be added between annual filings shall be made from time to time in the manner provided by the Secretary; registrations shall remain in effect unless revoked or suspended by the Secretary or voluntarily withdrawn by the registrant or the title insurance company.

(e) Funds deposited in connection with any escrows, settlements, or closings shall be deposited in a separate fiduciary trust account or accounts in a bank or other financial institution insured by an agency of the federal government unless the instructions provide otherwise. The funds shall be the property of the person or persons entitled thereto under the provisions of the escrow, settlement, or closing and shall be segregated by escrow, settlement, or closing in the records of the escrow agent. The funds shall not be subject to any debts of the escrowee and shall be used only in accordance with the terms of the individual escrow, settlement, or closing under which the funds were accepted.

Interest received on funds deposited with the escrow agent in connection with any escrow, settlement, or closing shall be paid to the depositing party unless the instructions provide otherwise.

The escrow agent shall maintain separate records of all receipts and disbursements of escrow, settlement, or closing funds.

The escrow agent shall comply with any rules adopted by the Secretary pertaining to escrow, settlement, or closing transactions.

(f) A title insurance agent shall not act as an escrow agent in a nonresidential real property transaction where the amount of settlement funds on deposit with the escrow agent is less than $2,000,000 or in a residential real property transaction unless the title insurance agent, title insurance company, or another authorized title insurance agent has committed for the issuance of title insurance in that transaction and the title insurance agent is authorized to act as an escrow agent on behalf of the title insurance company for which the commitment for title insurance has been issued. The authorization under the preceding sentence shall be given either (1) by an agency contract with the title insurance company which contract, in compliance with the requirements set forth in subsection (g) of this Section, authorizes the title insurance agent to act as an escrow agent on behalf of the title insurance company or (2) by a closing protection letter in compliance with the requirements set forth in Section 16.1 of this Act, issued by the title insurance company to the seller, buyer, borrower, and lender. A closing protection letter shall not be issued by a title insurance agent. The provisions of this subsection (f) shall not apply to the authority of a title insurance agent to act as an escrow agent under subsection (g) of Section 17 of this Act.

(g) If an agency contract between the title insurance company and the title insurance agent is the source of the authority under subsection (f) of this Section for a title insurance agent to act as escrow agent for a real property transaction, then the agency contract shall provide for no less protection from the title insurance company to all parties to the real property transaction than the title insurance company would have provided to those parties had the title insurance company issued a closing protection letter in conformity with Section 16.1 of this Act.

(h) A title insurance company shall be liable for the acts or omissions of its title insurance agent as an escrow agent if the title insurance company has authorized the title insurance agent under subsections (f) and (g) of this Section 16 and only to the extent of the liability undertaken by the title insurance company in the agency agreement or closing protection letter. The liability, if any, of the title insurance agent to the title insurance company for acts and omissions of the title insurance agent as an escrow agent shall not be limited or otherwise modified because the title insurance company has provided closing protection to a party or parties to a real property transaction escrow, settlement, or closing. The escrow agent shall not charge a fee for protection provided by a title insurance company to parties to real property transactions under subsections (f) and (g) of this Section 16 and Section 16.1, but shall collect from the parties the fee charged by the title insurance company and shall promptly remit the fee to the title insurance company. The title insurance company may charge the parties a reasonable fee for protection provided pursuant to subsections (f) and (g) of this Section 16 and shall not pay any portion of the fee to the escrow agent. The payment of any portion of the fee to the escrow agent by the title insurance company, shall be deemed a

prohibited inducement or compensation in violation of Section 24 of this Act.
(Source: P.A. 94-893, eff. 6-20-06.)

(215 ILCS 155/16.1 new)

Sec. 16.1. Closing or settlement protection.

(a) Notwithstanding the provisions of item (iii) of paragraph (B) of subsection (1) and subsections (3) and (8) of Section 3 and Section 16 of this Act, a title insurance company or title insurance agent is not authorized to act as an escrow agent in a nonresidential real property transaction where the amount of settlement funds on deposit with the escrow agent is less than $2,000,000 or in a residential real property transaction unless as part of the same transaction a commitment, binder, or title insurance policy and closing protection letters protecting the buyer's or borrower's, lender's, and seller's interests have been issued by the title insurance company on whose behalf the commitment, binder, or title insurance policy has been issued. Closing protection letters are not required when the authorization for the title insurance agent to act as an escrow agent is given by an agency contract with the title insurance company pursuant to subsections (f), (g), and (h) of Section 16 of this Act, but shall be issued by the title insurance company upon the request of a party to a nonresidential real property transaction where the amount of settlement funds on deposit with the escrow agent is less than $2,000,000 or in a residential real property transaction.

(b) Unless otherwise agreed to between a title insurance company and a protected person or entity, a closing protection letter under this Section shall indemnify all parties to a real property transaction against actual loss, not to exceed the amount of the settlement funds deposited with the escrow agent. The closing protection letter shall in any event indemnify all parties to a real property transaction when such losses arise out of:

(1) failure of the escrow agent to comply with written closing instructions to the extent that they relate to (A) the status of the title to an interest in land or the validity, enforceability, and priority of the lien of a mortgage on an interest in land, including the obtaining of documents and the disbursement of funds necessary to establish the status of title or lien or (B) the obtaining of any other document specifically required by a party to the real property transaction, but only to the extent that the failure to obtain such other document affects the status of the title to an interest in land or the validity, enforceability, and priority of the lien of a mortgage on an interest in land; or

(2) fraud, dishonesty, or negligence of the escrow agent in handling funds or documents in connection with closings to the extent that the fraud, dishonesty, or negligence relates to the status of the title to the interest in land or to the validity, enforceability, and priority of the lien of a mortgage on an interest in land or, in the case of a seller, to the extent that the fraud, dishonesty, or negligence relates to funds paid to or on behalf of, or which should have been paid to or on behalf of, the seller.

(c) The indemnification under a closing protection letter may include limitations on the liability of the title insurance company for any of the following:

(1) Failure of the escrow agent to comply with closing instructions that require title insurance protection inconsistent with that set forth in the title insurance commitment for the real property transaction. Instructions that require the removal of specific exceptions to title or compliance with the requirements contained in the title insurance commitment shall not be deemed to be inconsistent.

(2) Loss or impairment of funds in the course of collection or while on deposit with a bank due to bank failure, insolvency, or suspension, except such as shall result from failure of the escrow agent closer to comply with written closing instructions to deposit the funds in a bank that is designated by name by a party to the real property transaction.

(3) Mechanics' and materialmen's liens in connection with sale, purchase, lease, or construction loan transactions, except to the extent that protection against such liens is afforded by a title insurance commitment or policy issued by the escrow agent.

(4) Failure of the escrow agent to comply with written closing instructions to the extent that such instructions require a determination by the escrow agent of the validity, enforceability, or effectiveness of any document described in subitem (B) of item (1) of subsection (b) of this Section.

(5) Fraud, dishonesty, or negligence of an employee, agent, attorney, or broker, who is not also the escrow agent or an independent contract closer of the escrow agent, of the indemnified party to the real property transaction.

(6) The settlement or release of any claim by the indemnified party to the real property transaction without the written consent of the title insurance company.

(7) Any matters created, suffered, assumed, or agreed to by, or known to, the indemnified party to the real property transaction without the written consent of the title insurance company.

The closing protection letter may also include reasonable additional provisions concerning the dollar

amount of protection, provided such limit is not less than the amount deposited with the escrow agent, arbitration, subrogation, claim notices, and other conditions and limitations that do not materially impair the protection required by this Section 16.1.

(d) This Section shall not apply to the authority of a title insurance company and title insurance agent to act as an escrow agent under subsection (g) of Section 17 of this Act.".

AMENDMENT NO. 2. Amend House Bill 5409, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1 as follows:

on page 11, line 19, immediately after "16", by inserting "and Section 16.1"; and

on page 16, by replacing line 1 with the following:

"escrow agent under subsection (g) of Section 17 of this Act.

Section 99. Effective date. This Act takes effect January 1, 2011.".

AMENDMENT NO. 3. Amend House Bill 5409, AS AMENDED, as follows:

in Section 5, Sec. 16, immediately below subsection (h), by inserting the following:

"(i) The Secretary shall adopt and amend such rules as may be required for the proper administration and enforcement of this Section 16 consistent with the federal Real Estate Settlement Procedures Act and Section 24 of this Act."; and

in Section 5, Sec. 16.1, immediately below subsection (d), by inserting the following:

"(e) The Secretary shall adopt and amend such rules as may be required for the proper administration and enforcement of this Section 16.1 consistent with the federal Real Estate Settlement Procedures Act and Section 24 of this Act.".

The foregoing message from the Senate reporting Senate Amendments numbered 1, 2 and 3 to HOUSE BILL 5409 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 5306

A bill for AN ACT concerning health.

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. 5306

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 2. Amend House Bill 5306 as follows:

on page 1, immediately after line 3, by inserting the following:

"Section 2. The Department of Human Services Act is amended by adding Section 1-40 as follows:

(20 ILCS 1305/1-40 new)

Sec. 1-40. Alcoholism and Substance Abuse; Mental Health; provider payments. For authorized Medicaid services to enrolled individuals, Division of Alcoholism and Substance Abuse and Division of Mental Health providers shall receive payment for such authorized services, with payment occurring no later than in the next fiscal year.".

The foregoing message from the Senate reporting Senate Amendment No. 2 to HOUSE BILL 5306 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 4647

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. 4647

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 4647 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by adding Section 34-21.8 as follows:

(105 ILCS 5/34-21.8 new)

Sec. 34-21.8. Chicago public schools violence prevention hotline.

(a) In consultation with the Chicago Police Department, the Board must establish a hotline for the purpose of receiving anonymous phone calls for information that may prevent violence.

(b) Calls that are placed to the hotline must be answered by the Chicago Police Department.

(c) Each call placed to the hotline must be recorded and investigated by the Chicago Police Department.

(d) Prior to receiving any information, notice must be provided to the caller that the call is being recorded for investigation by the Chicago Police Department. The notice may be provided by a pre-recorded message or otherwise.

(e) The hotline shall be known as the "CPS Violence Prevention Hotline" and its number and anonymous nature must be posted in all Chicago Public Schools.

Section 10. The Criminal Code of 1961 is amended by changing Section 14-3 as follows:

(720 ILCS 5/14-3)

Sec. 14-3. Exemptions. The following activities shall be exempt from the provisions of this Article:

(a) Listening to radio, wireless and television communications of any sort where the same are publicly made;

(b) Hearing conversation when heard by employees of any common carrier by wire incidental to the normal course of their employment in the operation, maintenance or repair of the equipment of such common carrier by wire so long as no information obtained thereby is used or divulged by the hearer;

(c) Any broadcast by radio, television or otherwise whether it be a broadcast or recorded for the purpose of later broadcasts of any function where the public is in attendance and the conversations are overheard incidental to the main purpose for which such broadcasts are then being made;

(d) Recording or listening with the aid of any device to any emergency communication made in the normal course of operations by any federal, state or local law enforcement agency or institutions dealing in emergency services, including, but not limited to, hospitals, clinics, ambulance services, fire fighting agencies, any public utility, emergency repair facility, civilian defense establishment or military installation;

(e) Recording the proceedings of any meeting required to be open by the Open Meetings Act, as amended;

(f) Recording or listening with the aid of any device to incoming telephone calls of phone lines publicly listed or advertised as consumer "hotlines" by manufacturers or retailers of food and drug products. Such recordings must be destroyed, erased or turned over to local law enforcement authorities within 24 hours from the time of such recording and shall not be otherwise disseminated. Failure on the part of the individual or business operating any such recording or listening device to comply with the requirements of this subsection shall eliminate any civil or criminal immunity conferred upon that individual or business by the operation of this Section;

(g) With prior notification to the State's Attorney of the county in which it is to occur, recording or listening with the aid of any device to any conversation where a law enforcement officer, or any person acting at the direction of law enforcement, is a party to the conversation and has consented to it being intercepted or recorded under circumstances where the use of the device is necessary for the protection of

the law enforcement officer or any person acting at the direction of law enforcement, in the course of an investigation of a forcible felony, a felony violation of the Illinois Controlled Substances Act, a felony violation of the Cannabis Control Act, a felony violation of the Methamphetamine Control and Community Protection Act, any "streetgang related" or "gang-related" felony as those terms are defined in the Illinois Streetgang Terrorism Omnibus Prevention Act, or any felony offense involving any weapon listed in paragraphs (1) through (11) of subsection (a) of Section 24-1 of this Code. Any recording or evidence derived as the result of this exemption shall be inadmissible in any proceeding, criminal, civil or administrative, except (i) where a party to the conversation suffers great bodily injury or is killed during such conversation, or (ii) when used as direct impeachment of a witness concerning matters contained in the interception or recording. The Director of the Department of State Police shall issue regulations as are necessary concerning the use of devices, retention of tape recordings, and reports regarding their use;

(g-5) With approval of the State's Attorney of the county in which it is to occur, recording or listening with the aid of any device to any conversation where a law enforcement officer, or any person acting at the direction of law enforcement, is a party to the conversation and has consented to it being intercepted or recorded in the course of an investigation of any offense defined in Article 29D of this Code. In all such cases, an application for an order approving the previous or continuing use of an eavesdropping device must be made within 48 hours of the commencement of such use. In the absence of such an order, or upon its denial, any continuing use shall immediately terminate. The Director of State Police shall issue rules as are necessary concerning the use of devices, retention of tape recordings, and reports regarding their use.

Any recording or evidence obtained or derived in the course of an investigation of any offense defined in Article 29D of this Code shall, upon motion of the State's Attorney or Attorney General prosecuting any violation of Article 29D, be reviewed in camera with notice to all parties present by the court presiding over the criminal case, and, if ruled by the court to be relevant and otherwise admissible, it shall be admissible at the trial of the criminal case.

This subsection (g-5) is inoperative on and after January 1, 2005. No conversations recorded or monitored pursuant to this subsection (g-5) shall be inadmissible in a court of law by virtue of the repeal of this subsection (g-5) on January 1, 2005;

(g-6) With approval of the State's Attorney of the county in which it is to occur, recording or listening with the aid of any device to any conversation where a law enforcement officer, or any person acting at the direction of law enforcement, is a party to the conversation and has consented to it being intercepted or recorded in the course of an investigation of child pornography, aggravated child pornography, indecent solicitation of a child, child abduction, luring of a minor, sexual exploitation of a child, predatory criminal sexual assault of a child, aggravated criminal sexual abuse in which the victim of the offense was at the time of the commission of the offense under 18 years of age, criminal sexual abuse by force or threat of force in which the victim of the offense was at the time of the commission of the offense under 18 years of age, or aggravated criminal sexual assault in which the victim of the offense was at the time of the commission of the offense under 18 years of age. In all such cases, an application for an order approving the previous or continuing use of an eavesdropping device must be made within 48 hours of the commencement of such use. In the absence of such an order, or upon its denial, any continuing use shall immediately terminate. The Director of State Police shall issue rules as are necessary concerning the use of devices, retention of recordings, and reports regarding their use. Any recording or evidence obtained or derived in the course of an investigation of child pornography, aggravated child pornography, indecent solicitation of a child, child abduction, luring of a minor, sexual exploitation of a child, predatory criminal sexual assault of a child, aggravated criminal sexual abuse in which the victim of the offense was at the time of the commission of the offense under 18 years of age, criminal sexual abuse by force or threat of force in which the victim of the offense was at the time of the commission of the offense under 18 years of age, or aggravated criminal sexual assault in which the victim of the offense was at the time of the commission of the offense under 18 years of age shall, upon motion of the State's Attorney or Attorney General prosecuting any case involving child pornography, aggravated child pornography, indecent solicitation of a child, child abduction, luring of a minor, sexual exploitation of a child, predatory criminal sexual assault of a child, aggravated criminal sexual abuse in which the victim of the offense was at the time of the commission of the offense under 18 years of age, criminal sexual abuse by force or threat of force in which the victim of the offense was at the time of the commission of the offense under 18 years of age, or aggravated criminal sexual assault in which the victim of the offense was at the time of the commission of the offense under 18 years of age, be reviewed in camera with notice to all parties present by the court presiding over the criminal case, and, if ruled by the court to be relevant and otherwise admissible, it shall be admissible at the trial of the criminal case. Absent such a ruling, any such recording

or evidence shall not be admissible at the trial of the criminal case;

(h) Recordings made simultaneously with the use of an in-car video camera recording of an oral conversation between a uniformed peace officer, who has identified his or her office, and a person in the presence of the peace officer whenever (i) an officer assigned a patrol vehicle is conducting an enforcement stop; or (ii) patrol vehicle emergency lights are activated or would otherwise be activated if not for the need to conceal the presence of law enforcement.

For the purposes of this subsection (h), "enforcement stop" means an action by a law enforcement officer in relation to enforcement and investigation duties, including but not limited to, traffic stops, pedestrian stops, abandoned vehicle contacts, motorist assists, commercial motor vehicle stops, roadside safety checks, requests for identification, or responses to requests for emergency assistance;

(h-5) Recordings of utterances made by a person while in the presence of a uniformed peace officer and while an occupant of a police vehicle including, but not limited to, (i) recordings made simultaneously with the use of an in-car video camera and (ii) recordings made in the presence of the peace officer utilizing video or audio systems, or both, authorized by the law enforcement agency;

(h-10) Recordings made simultaneously with a video camera recording during the use of a taser or similar weapon or device by a peace officer if the weapon or device is equipped with such camera;

(h-15) Recordings made under subsection (h), (h-5), or (h-10) shall be retained by the law enforcement agency that employs the peace officer who made the recordings for a storage period of 90 days, unless the recordings are made as a part of an arrest or the recordings are deemed evidence in any criminal, civil, or administrative proceeding and then the recordings must only be destroyed upon a final disposition and an order from the court. Under no circumstances shall any recording be altered or erased prior to the expiration of the designated storage period. Upon completion of the storage period, the recording medium may be erased and reissued for operational use;

(i) Recording of a conversation made by or at the request of a person, not a law enforcement officer or agent of a law enforcement officer, who is a party to the conversation, under reasonable suspicion that another party to the conversation is committing, is about to commit, or has committed a criminal offense against the person or a member of his or her immediate household, and there is reason to believe that evidence of the criminal offense may be obtained by the recording;

(j) The use of a telephone monitoring device by either (1) a corporation or other business entity engaged in marketing or opinion research or (2) a corporation or other business entity engaged in telephone solicitation, as defined in this subsection, to record or listen to oral telephone solicitation conversations or marketing or opinion research conversations by an employee of the corporation or other business entity when:

(i) the monitoring is used for the purpose of service quality control of marketing or opinion research or telephone solicitation, the education or training of employees or contractors engaged in marketing or opinion research or telephone solicitation, or internal research related to marketing or opinion research or telephone solicitation; and

(ii) the monitoring is used with the consent of at least one person who is an active party to the marketing or opinion research conversation or telephone solicitation conversation being monitored.

No communication or conversation or any part, portion, or aspect of the communication or conversation made, acquired, or obtained, directly or indirectly, under this exemption (j), may be, directly or indirectly, furnished to any law enforcement officer, agency, or official for any purpose or used in any inquiry or investigation, or used, directly or indirectly, in any administrative, judicial, or other proceeding, or divulged to any third party.

When recording or listening authorized by this subsection (j) on telephone lines used for marketing or opinion research or telephone solicitation purposes results in recording or listening to a conversation that does not relate to marketing or opinion research or telephone solicitation; the person recording or listening shall, immediately upon determining that the conversation does not relate to marketing or opinion research or telephone solicitation, terminate the recording or listening and destroy any such recording as soon as is practicable.

Business entities that use a telephone monitoring or telephone recording system pursuant to this exemption (j) shall provide current and prospective employees with notice that the monitoring or recordings may occur during the course of their employment. The notice shall include prominent signage notification within the workplace.

Business entities that use a telephone monitoring or telephone recording system pursuant to this exemption (j) shall provide their employees or agents with access to personal-only telephone lines which may be pay telephones, that are not subject to telephone monitoring or telephone recording.

For the purposes of this subsection (j), "telephone solicitation" means a communication through the use of a telephone by live operators:

(i) soliciting the sale of goods or services;

(ii) receiving orders for the sale of goods or services;

(iii) assisting in the use of goods or services; or

(iv) engaging in the solicitation, administration, or collection of bank or retail credit accounts.

For the purposes of this subsection (j), "marketing or opinion research" means a marketing or opinion research interview conducted by a live telephone interviewer engaged by a corporation or other business entity whose principal business is the design, conduct, and analysis of polls and surveys measuring the opinions, attitudes, and responses of respondents toward products and services, or social or political issues, or both;

(k) Electronic recordings, including but not limited to, a motion picture, videotape, digital, or other visual or audio recording, made of a custodial interrogation of an individual at a police station or other place of detention by a law enforcement officer under Section 5-401.5 of the Juvenile Court Act of 1987 or Section 103-2.1 of the Code of Criminal Procedure of 1963;

(l) Recording the interview or statement of any person when the person knows that the interview is being conducted by a law enforcement officer or prosecutor and the interview takes place at a police station that is currently participating in the Custodial Interview Pilot Program established under the Illinois Criminal Justice Information Act;

(m) An electronic recording, including but not limited to, a motion picture, videotape, digital, or other visual or audio recording, made of the interior of a school bus while the school bus is being used in the transportation of students to and from school and school-sponsored activities, when the school board has adopted a policy authorizing such recording, notice of such recording policy is included in student handbooks and other documents including the policies of the school, notice of the policy regarding recording is provided to parents of students, and notice of such recording is clearly posted on the door of and inside the school bus.

Recordings made pursuant to this subsection (m) shall be confidential records and may only be used by school officials (or their designees) and law enforcement personnel for investigations, school disciplinary actions and hearings, proceedings under the Juvenile Court Act of 1987, and criminal prosecutions, related to incidents occurring in or around the school bus;

(n) Recording or listening to an audio transmission from a microphone placed by a person under the authority of a law enforcement agency inside a bait car surveillance vehicle while simultaneously capturing a photographic or video image; ~~and~~

(o) The use of an eavesdropping camera or audio device during an ongoing hostage or barricade situation by a law enforcement officer or individual acting on behalf of a law enforcement officer when the use of such device is necessary to protect the safety of the general public, hostages, or law enforcement officers or anyone acting on their behalf; and ~~.~~

(p) Recording or listening with the aid of any device to incoming telephone calls of phone lines publicly listed or advertised as the "CPS Violence Prevention Hotline," but only where the notice of recording is given at the beginning of each call as required by Section 34-21.8 of the School Code. The recordings may be retained only by the Chicago Police Department or other law enforcement authorities, and shall not be otherwise retained or disseminated.

(Source: P.A. 95-258, eff. 1-1-08; 95-352, eff. 8-23-07; 95-463, eff. 6-1-08; 95-876, eff. 8-21-08; 96-425, eff. 8-13-09; 96-547, eff. 1-1-10; 96-643, eff. 1-1-10; 96-670, eff. 8-25-09; revised 10-9-09.)

Section 90. The State Mandates Act is amended by adding Section 8.34 as follows:

(30 ILCS 805/8.34 new)

Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 96th General Assembly.".

The foregoing message from the Senate reporting Senate Amendment No. 1 to HOUSE BILL 4647 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 19

A bill for AN ACT concerning education.

Together with the attached amendments thereto (which amendments have 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. 19

Senate Amendment No. 3 to HOUSE BILL NO. 19

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 19 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 34-18.13 as follows:

(105 ILCS 5/34-18.13) (from Ch. 122, par. 34-18.13)

Sec. 34-18.13. Infectious disease policies and ~~and~~ rules. The Board of Education shall develop policies and adopt rules relating to the appropriate manner of managing children with chronic infectious diseases, not inconsistent with guidelines published by the State Board of Education and the Illinois Department of Public Health. Such policies and rules must include evaluation of students with a chronic infectious disease on an individual case-by-case basis, and may include different provisions for different age groups, classes of instruction, types of educational institution, and other reasonable classifications, as the Board may find appropriate.

(Source: P.A. 86-890; 86-1028.)".

AMENDMENT NO. 3. Amend House Bill 19, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 19-1 as follows:

(105 ILCS 5/19-1)

Sec. 19-1. Debt limitations of school districts.

(a) School districts shall not be subject to the provisions limiting their indebtedness prescribed in "An Act to limit the indebtedness of counties having a population of less than 500,000 and townships, school districts and other municipal corporations having a population of less than 300,000", approved February 15, 1928, as amended.

No school districts maintaining grades K through 8 or 9 through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 6.9% on the value of the taxable property therein to be ascertained by the last assessment for State and county taxes or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, previous to the incurring of such indebtedness.

No school districts maintaining grades K through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 13.8% on the value of the taxable property therein to be ascertained by the last assessment for State and county taxes or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, previous to the incurring of such indebtedness.

No partial elementary unit district, as defined in Article 11E of this Code, shall become indebted in any manner or for any purpose in an amount, including existing indebtedness, in the aggregate exceeding 6.9% of the value of the taxable property of the entire district, to be ascertained by the last assessment for State and county taxes, plus an amount, including existing indebtedness, in the aggregate exceeding 6.9% of the value of the taxable property of that portion of the district included in the elementary and high school classification, to be ascertained by the last assessment for State and county taxes. Moreover, no partial elementary unit district, as defined in Article 11E of this Code, shall become indebted on account of bonds issued by the district for high school purposes in the aggregate exceeding 6.9% of the value of the taxable

property of the entire district, to be ascertained by the last assessment for State and county taxes, nor shall the district become indebted on account of bonds issued by the district for elementary purposes in the aggregate exceeding 6.9% of the value of the taxable property for that portion of the district included in the elementary and high school classification, to be ascertained by the last assessment for State and county taxes.

Notwithstanding the provisions of any other law to the contrary, in any case in which the voters of a school district have approved a proposition for the issuance of bonds of such school district at an election held prior to January 1, 1979, and all of the bonds approved at such election have not been issued, the debt limitation applicable to such school district during the calendar year 1979 shall be computed by multiplying the value of taxable property therein, including personal property, as ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness, by the percentage limitation applicable to such school district under the provisions of this subsection (a).

(b) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, additional indebtedness may be incurred in an amount not to exceed the estimated cost of acquiring or improving school sites or constructing and equipping additional building facilities under the following conditions:

(1) Whenever the enrollment of students for the next school year is estimated by the board of education to increase over the actual present enrollment by not less than 35% or by not less than 200 students or the actual present enrollment of students has increased over the previous school year by not less than 35% or by not less than 200 students and the board of education determines that additional school sites or building facilities are required as a result of such increase in enrollment; and

(2) When the Regional Superintendent of Schools having jurisdiction over the school district and the State Superintendent of Education concur in such enrollment projection or increase and approve the need for such additional school sites or building facilities and the estimated cost thereof; and

(3) When the voters in the school district approve a proposition for the issuance of bonds for the purpose of acquiring or improving such needed school sites or constructing and equipping such needed additional building facilities at an election called and held for that purpose. Notice of such an election shall state that the amount of indebtedness proposed to be incurred would exceed the debt limitation otherwise applicable to the school district. The ballot for such proposition shall state what percentage of the equalized assessed valuation will be outstanding in bonds if the proposed issuance of bonds is approved by the voters; or

(4) Notwithstanding the provisions of paragraphs (1) through (3) of this subsection (b), if the school board determines that additional facilities are needed to provide a quality educational program and not less than 2/3 of those voting in an election called by the school board on the question approve the issuance of bonds for the construction of such facilities, the school district may issue bonds for this purpose; or

(5) Notwithstanding the provisions of paragraphs (1) through (3) of this subsection (b), if (i) the school district has previously availed itself of the provisions of paragraph (4) of this subsection (b) to enable it to issue bonds, (ii) the voters of the school district have not defeated a proposition for the issuance of bonds since the referendum described in paragraph (4) of this subsection (b) was held, (iii) the school board determines that additional facilities are needed to provide a quality educational program, and (iv) a majority of those voting in an election called by the school board on the question approve the issuance of bonds for the construction of such facilities, the school district may issue bonds for this purpose.

In no event shall the indebtedness incurred pursuant to this subsection (b) and the existing indebtedness of the school district exceed 15% of the value of the taxable property therein to be ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.

The indebtedness provided for by this subsection (b) shall be in addition to and in excess of any other debt limitation.

(c) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, in any case in which a public question for the issuance of bonds of a proposed school district maintaining grades kindergarten through 12 received at least 60% of the valid ballots cast on the question at an election held on or prior to November 8, 1994, and in which the bonds approved at such election have not been issued, the school district pursuant to the requirements of Section 11A-10 (now repealed) may issue the total amount of bonds approved at such election for the purpose stated in the question.

(d) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that

meets all the criteria set forth in paragraphs (1) and (2) of this subsection (d) may incur an additional indebtedness in an amount not to exceed $4,500,000, even though the amount of the additional indebtedness authorized by this subsection (d), when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring the additional indebtedness authorized by this subsection (d), causes the aggregate indebtedness of the district to exceed the debt limitation otherwise applicable to that district under subsection (a):

(1) The additional indebtedness authorized by this subsection (d) is incurred by the school district through the issuance of bonds under and in accordance with Section 17-2.11a for the purpose of replacing a school building which, because of mine subsidence damage, has been closed as provided in paragraph (2) of this subsection (d) or through the issuance of bonds under and in accordance with Section 19-3 for the purpose of increasing the size of, or providing for additional functions in, such replacement school buildings, or both such purposes.

(2) The bonds issued by the school district as provided in paragraph (1) above are issued for the purposes of construction by the school district of a new school building pursuant to Section 17-2.11, to replace an existing school building that, because of mine subsidence damage, is closed as of the end of the 1992-93 school year pursuant to action of the regional superintendent of schools of the educational service region in which the district is located under Section 3-14.22 or are issued for the purpose of increasing the size of, or providing for additional functions in, the new school building being constructed to replace a school building closed as the result of mine subsidence damage, or both such purposes.

(e) (Blank).

(f) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds in not to exceed the aggregate amount of $5,500,000 and issued by a school district meeting the following criteria shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness:

(1) At the time of the sale of such bonds, the board of education of the district shall have determined by resolution that the enrollment of students in the district is projected to increase by not less than 7% during each of the next succeeding 2 school years.

(2) The board of education shall also determine by resolution that the improvements to be financed with the proceeds of the bonds are needed because of the projected enrollment increases.

(3) The board of education shall also determine by resolution that the projected increases in enrollment are the result of improvements made or expected to be made to passenger rail facilities located in the school district.

Notwithstanding the provisions of subsection (a) of this Section or of any other law, a school district that has availed itself of the provisions of this subsection (f) prior to July 22, 2004 (the effective date of Public Act 93-799) may also issue bonds approved by referendum up to an amount, including existing indebtedness, not exceeding 25% of the equalized assessed value of the taxable property in the district if all of the conditions set forth in items (1), (2), and (3) of this subsection (f) are met.

(g) Notwithstanding the provisions of subsection (a) of this Section or any other law, bonds in not to exceed an aggregate amount of 25% of the equalized assessed value of the taxable property of a school district and issued by a school district meeting the criteria in paragraphs (i) through (iv) of this subsection shall not be considered indebtedness for purposes of any statutory limitation and may be issued pursuant to resolution of the school board in an amount or amounts, including existing indebtedness, in excess of any statutory limitation of indebtedness heretofore or hereafter imposed:

(i) The bonds are issued for the purpose of constructing a new high school building to replace two adjacent existing buildings which together house a single high school, each of which is more than 65 years old, and which together are located on more than 10 acres and less than 11 acres of property.

(ii) At the time the resolution authorizing the issuance of the bonds is adopted, the cost of constructing a new school building to replace the existing school building is less than 60% of the cost of repairing the existing school building.

(iii) The sale of the bonds occurs before July 1, 1997.

(iv) The school district issuing the bonds is a unit school district located in a county of less than 70,000 and more than 50,000 inhabitants, which has an average daily attendance of less than 1,500 and an equalized assessed valuation of less than $29,000,000.

(h) Notwithstanding any other provisions of this Section or the provisions of any other law, until January

1, 1998, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27.6% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than $24,000,000;

(ii) The bonds are issued for the capital improvement, renovation, rehabilitation, or replacement of existing school buildings of the district, all of which buildings were originally constructed not less than 40 years ago;

(iii) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after March 19, 1996; and

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(i) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1998, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than $44,600,000;

(ii) The bonds are issued for the capital improvement, renovation, rehabilitation, or replacement of existing school buildings of the district, all of which existing buildings were originally constructed not less than 80 years ago;

(iii) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after December 31, 1996; and

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(j) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1999, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than $140,000,000 and a best 3 months average daily attendance for the 1995-96 school year of at least 2,800;

(ii) The bonds are issued to purchase a site and build and equip a new high school, and the school district's existing high school was originally constructed not less than 35 years prior to the sale of the bonds;

(iii) At the time of the sale of the bonds, the board of education determines by resolution that a new high school is needed because of projected enrollment increases;

(iv) At least 60% of those voting in an election held after December 31, 1996 approve a proposition for the issuance of the bonds; and

(v) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(k) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that meets all the criteria set forth in paragraphs (1) through (4) of this subsection (k) may issue bonds to incur an additional indebtedness in an amount not to exceed $4,000,000 even though the amount of the additional indebtedness authorized by this subsection (k), when incurred and added to the aggregate amount of indebtedness of the school district existing immediately prior to the school district incurring such additional indebtedness, causes the aggregate indebtedness of the school district to exceed or increases the amount by which the aggregate indebtedness of the district already exceeds the debt limitation otherwise applicable to that school district under subsection (a):

(1) the school district is located in 2 counties, and a referendum to authorize the additional indebtedness was approved by a majority of the voters of the school district voting on the proposition to authorize that indebtedness;

(2) the additional indebtedness is for the purpose of financing a multi-purpose room addition to the existing high school;

(3) the additional indebtedness, together with the existing indebtedness of the school district, shall not exceed 17.4% of the value of the taxable property in the school district, to be ascertained by the last assessment for State and county taxes; and

(4) the bonds evidencing the additional indebtedness are issued, if at all, within 120 days of the effective date of this amendatory Act of 1998.

(l) Notwithstanding any other provisions of this Section or the provisions of any other law, until January

1, 2000, a school district maintaining grades kindergarten through 8 may issue bonds up to an amount, including existing indebtedness, not exceeding 15% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) the district has an equalized assessed valuation for calendar year 1996 of less than $10,000,000;

(ii) the bonds are issued for capital improvement, renovation, rehabilitation, or replacement of one or more school buildings of the district, which buildings were originally constructed not less than 70 years ago;

(iii) the voters of the district approve a proposition for the issuance of the bonds at a referendum held on or after March 17, 1998; and

(iv) the bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(m) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1999, an elementary school district maintaining grades K through 8 may issue bonds up to an amount, excluding existing indebtedness, not exceeding 18% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 or less than $7,700,000;

(ii) The school district operates 2 elementary attendance centers that until 1976 were operated as the attendance centers of 2 separate and distinct school districts;

(iii) The bonds are issued for the construction of a new elementary school building to replace an existing multi-level elementary school building of the school district that is not handicapped accessible at all levels and parts of which were constructed more than 75 years ago;

(iv) The voters of the school district approve a proposition for the issuance of the bonds at a referendum held after July 1, 1998; and

(v) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(n) Notwithstanding the debt limitation prescribed in subsection (a) of this Section or any other provisions of this Section or of any other law, a school district that meets all of the criteria set forth in paragraphs (i) through (vi) of this subsection (n) may incur additional indebtedness by the issuance of bonds in an amount not exceeding the amount certified by the Capital Development Board to the school district as provided in paragraph (iii) of this subsection (n), even though the amount of the additional indebtedness so authorized, when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring the additional indebtedness authorized by this subsection (n), causes the aggregate indebtedness of the district to exceed the debt limitation otherwise applicable by law to that district:

(i) The school district applies to the State Board of Education for a school construction project grant and submits a district facilities plan in support of its application pursuant to Section 5-20 of the School Construction Law.

(ii) The school district's application and facilities plan are approved by, and the district receives a grant entitlement for a school construction project issued by, the State Board of Education under the School Construction Law.

(iii) The school district has exhausted its bonding capacity or the unused bonding capacity of the district is less than the amount certified by the Capital Development Board to the district under Section 5-15 of the School Construction Law as the dollar amount of the school construction project's cost that the district will be required to finance with non-grant funds in order to receive a school construction project grant under the School Construction Law.

(iv) The bonds are issued for a "school construction project", as that term is defined in Section 5-5 of the School Construction Law, in an amount that does not exceed the dollar amount certified, as provided in paragraph (iii) of this subsection (n), by the Capital Development Board to the school district under Section 5-15 of the School Construction Law.

(v) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after the criteria specified in paragraphs (i) and (iii) of this subsection (n) are met.

(vi) The bonds are issued pursuant to Sections 19-2 through 19-7 of the School Code.

(o) Notwithstanding any other provisions of this Section or the provisions of any other law, until November 1, 2007, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 20% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) the school district has an equalized assessed valuation for calendar year 2001 of at

least $737,000,000 and an enrollment for the 2002-2003 school year of at least 8,500;

(ii) the bonds are issued to purchase school sites, build and equip a new high school, build and equip a new junior high school, build and equip 5 new elementary schools, and make technology and other improvements and additions to existing schools;

(iii) at the time of the sale of the bonds, the board of education determines by resolution that the sites and new or improved facilities are needed because of projected enrollment increases;

(iv) at least 57% of those voting in a general election held prior to January 1, 2003 approved a proposition for the issuance of the bonds; and

(v) the bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(p) Notwithstanding any other provisions of this Section or the provisions of any other law, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 2001 of at least $295,741,187 and a best 3 months' average daily attendance for the 2002-2003 school year of at least 2,394.

(ii) The bonds are issued to build and equip 3 elementary school buildings; build and equip one middle school building; and alter, repair, improve, and equip all existing school buildings in the district.

(iii) At the time of the sale of the bonds, the board of education determines by resolution that the project is needed because of expanding growth in the school district and a projected enrollment increase.

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(p-5) Notwithstanding any other provisions of this Section or the provisions of any other law, bonds issued by a community unit school district maintaining grades K through 12 shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness, if all of the following conditions are met:

(i) For each of the 4 most recent years, residential property comprises more than 80% of the equalized assessed valuation of the district.

(ii) At least 2 school buildings that were constructed 40 or more years prior to the issuance of the bonds will be demolished and will be replaced by new buildings or additions to one or more existing buildings.

(iii) Voters of the district approve a proposition for the issuance of the bonds at a regularly scheduled election.

(iv) At the time of the sale of the bonds, the school board determines by resolution that the new buildings or building additions are needed because of an increase in enrollment projected by the school board.

(v) The principal amount of the bonds, including existing indebtedness, does not exceed 25% of the equalized assessed value of the taxable property in the district.

(vi) The bonds are issued prior to January 1, 2007, pursuant to Sections 19-2 through 19-7 of this Code.

(p-10) Notwithstanding any other provisions of this Section or the provisions of any other law, bonds issued by a community consolidated school district maintaining grades K through 8 shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness, if all of the following conditions are met:

(i) For each of the 4 most recent years, residential and farm property comprises more than 80% of the equalized assessed valuation of the district.

(ii) The bond proceeds are to be used to acquire and improve school sites and build and equip a school building.

(iii) Voters of the district approve a proposition for the issuance of the bonds at a regularly scheduled election.

(iv) At the time of the sale of the bonds, the school board determines by resolution that the school sites and building additions are needed because of an increase in enrollment projected by the school board.

(v) The principal amount of the bonds, including existing indebtedness, does not exceed 20% of the equalized assessed value of the taxable property in the district.

(vi) The bonds are issued prior to January 1, 2007, pursuant to Sections 19-2 through 19-7 of this Code.

(p-15) In addition to all other authority to issue bonds, the Oswego Community Unit School District Number 308 may issue bonds with an aggregate principal amount not to exceed $450,000,000, but only if all of the following conditions are met:

(i) The voters of the district have approved a proposition for the bond issue at the general election held on November 7, 2006.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of the new high school building, new junior high school buildings, new elementary school buildings, early childhood building, maintenance building, transportation facility, and additions to existing school buildings, the altering, repairing, equipping, and provision of technology improvements to existing school buildings, and the acquisition and improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by legislation that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(iii) The bonds are issued, in one or more bond issues, on or before November 7, 2011, but the aggregate principal amount issued in all such bond issues combined must not exceed $450,000,000.

(iv) The bonds are issued in accordance with this Article 19.

(v) The proceeds of the bonds are used only to accomplish those projects approved by the voters at the general election held on November 7, 2006.

The debt incurred on any bonds issued under this subsection (p-15) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-20) In addition to all other authority to issue bonds, the Lincoln-Way Community High School District Number 210 may issue bonds with an aggregate principal amount not to exceed $225,000,000, but only if all of the following conditions are met:

(i) The voters of the district have approved a proposition for the bond issue at the general primary election held on March 21, 2006.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of the new high school buildings, the altering, repairing, and equipping of existing school buildings, and the improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by legislation that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(iii) The bonds are issued, in one or more bond issues, on or before March 21, 2011, but the aggregate principal amount issued in all such bond issues combined must not exceed $225,000,000.

(iv) The bonds are issued in accordance with this Article 19.

(v) The proceeds of the bonds are used only to accomplish those projects approved by the voters at the primary election held on March 21, 2006.

The debt incurred on any bonds issued under this subsection (p-20) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-25) In addition to all other authority to issue bonds, Rochester Community Unit School District 3A may issue bonds with an aggregate principal amount not to exceed $18,500,000, but only if all of the following conditions are met:

(i) The voters of the district approve a proposition for the bond issuance at the general primary election held in 2008.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of a new high school building; the addition of classrooms and support facilities at the high school, middle school, and elementary school; the altering, repairing, and equipping of existing school buildings; and the improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by a law that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(iii) The bonds are issued, in one or more bond issues, on or before December 31, 2012, but the aggregate principal amount issued in all such bond issues combined must not exceed

$18,500,000.

(iv) The bonds are issued in accordance with this Article 19.

(v) The proceeds of the bonds are used to accomplish only those projects approved by the voters at the primary election held in 2008.

The debt incurred on any bonds issued under this subsection (p-25) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-30) In addition to all other authority to issue bonds, Prairie Grove Consolidated School District 46 may issue bonds with an aggregate principal amount not to exceed $30,000,000, but only if all of the following conditions are met:

(i) The voters of the district approve a proposition for the bond issuance at an election held in 2008.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that (A) the building and equipping of a new school building and additions to existing school buildings are required as a result of a projected increase in the enrollment of students in the district and (B) the altering, repairing, and equipping of existing school buildings are required because of the age of the existing school buildings.

(iii) The bonds are issued, in one or more bond issuances, on or before December 31, 2012; however, the aggregate principal amount issued in all such bond issuances combined must not exceed $30,000,000.

(iv) The bonds are issued in accordance with this Article.

(v) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held in 2008.

The debt incurred on any bonds issued under this subsection (p-30) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-35) In addition to all other authority to issue bonds, Prairie Hill Community Consolidated School District 133 may issue bonds with an aggregate principal amount not to exceed $13,900,000, but only if all of the following conditions are met:

(i) The voters of the district approved a proposition for the bond issuance at an election held on April 17, 2007.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that (A) the improvement of the site of and the building and equipping of a school building are required as a result of a projected increase in the enrollment of students in the district and (B) the repairing and equipping of the Prairie Hill Elementary School building is required because of the age of that school building.

(iii) The bonds are issued, in one or more bond issuances, on or before December 31, 2011, but the aggregate principal amount issued in all such bond issuances combined must not exceed $13,900,000.

(iv) The bonds are issued in accordance with this Article.

(v) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on April 17, 2007.

The debt incurred on any bonds issued under this subsection (p-35) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-40) In addition to all other authority to issue bonds, Mascoutah Community Unit District 19 may issue bonds with an aggregate principal amount not to exceed $55,000,000, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at a regular election held on or after November 4, 2008.

(2) At the time of the sale of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new high school building is required as a result of a projected increase in the enrollment of students in the district and the age and condition of the existing high school building, (ii) the existing high school building will be demolished, and (iii) the sale of bonds is authorized by statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before December 31, 2011, but the aggregate principal amount issued in all such bond issuances combined must not exceed $55,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at a regular election held on or after November 4, 2008.

The debt incurred on any bonds issued under this subsection (p-40) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-45) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds issued pursuant to Section 19-3.5 of this Code shall not be considered indebtedness for purposes of any statutory limitation if the bonds are issued in an amount or amounts, including existing indebtedness of the school district, not in excess of 18.5% of the value of the taxable property in the district to be ascertained by the last assessment for State and county taxes.

(p-50) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds issued pursuant to Section 19-3.10 of this Code shall not be considered indebtedness for purposes of any statutory limitation if the bonds are issued in an amount or amounts, including existing indebtedness of the school district, not in excess of 43% of the value of the taxable property in the district to be ascertained by the last assessment for State and county taxes.

(p-55) ~~(p-45)~~ In addition to all other authority to issue bonds, Belle Valley School District 119 may issue bonds with an aggregate principal amount not to exceed $47,500,000, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after April 7, 2009.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new school building is required as a result of mine subsidence in an existing school building and because of the age and condition of another existing school building and (ii) the issuance of bonds is authorized by statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before March 31, 2014, but the aggregate principal amount issued in all such bond issuances combined must not exceed $47,500,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after April 7, 2009.

The debt incurred on any bonds issued under this subsection (p-55) ~~(p-45)~~ shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-55) ~~(p-45)~~ must mature within not to exceed 30 years from their date, notwithstanding any other law to the contrary.

(p-60) In addition to all other authority to issue bonds, Cahokia Community Unit School District 187 may issue bonds with an aggregate principal amount not to exceed $50,000,000, but only if all the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after November 2, 2010.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new school building is required as a result of the age and condition of an existing school building and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, on or before July 1, 2016, but the aggregate principal amount issued in all such bond issuances combined must not exceed $50,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after November 2, 2010.

The debt incurred on any bonds issued under this subsection (p-60) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-60) must mature within not to exceed 25 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(q) A school district must notify the State Board of Education prior to issuing any form of long-term or short-term debt that will result in outstanding debt that exceeds 75% of the debt limit specified in this Section or any other provision of law.

(Source: P.A. 95-331, eff. 8-21-07; 95-594, eff. 9-10-07; 95-792, eff. 1-1-09; 96-63, eff. 7-23-09; 96-273, eff. 8-11-09; 96-517, eff. 8-14-09; revised 9-15-09.)

Section 10. The School Construction Law is amended by changing Section 5-50 as follows:
(105 ILCS 230/5-50)

Sec. 5-50. Referendum requirements. After the State Board of Education has approved all or part of a district's application and issued a grant entitlement for a school construction project grant, the district shall submit the project or the financing of the project to a referendum when such referendum is required by law, except for a project financed by bonds issued pursuant to subsection (p-60) of Section 19-1 of the School Code.

(Source: P.A. 90-548, eff. 1-1-98.)

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

The foregoing message from the Senate reporting Senate Amendments numbered 1 and 3 to HOUSE BILL 19 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 passage of bills of the following titles to-wit:

HOUSE BILL NO. 4667

A bill for AN ACT concerning transportation.

HOUSE BILL NO. 5241

A bill for AN ACT concerning public aid.

HOUSE BILL NO. 5242

A bill for AN ACT concerning public aid.

HOUSE BILL NO. 5603

A bill for AN ACT concerning revenue.

HOUSE BILL NO. 5819

A bill for AN ACT concerning transportation.

HOUSE BILL NO. 6359

A bill for AN ACT concerning revenue.

Passed by the Senate, May 5, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 851

A bill for AN ACT concerning health.

House Amendment No. 1 to SENATE BILL NO. 851.

Action taken by the Senate, May 5, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 2065

A bill for AN ACT concerning local government.

House Amendment No. 1 to SENATE BILL NO. 2065.

Action taken by the Senate, May 5, 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 adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 2109

A bill for AN ACT concerning State government.
House Amendment No. 1 to SENATE BILL NO. 2109.
House Amendment No. 3 to SENATE BILL NO. 2109.
Action taken by the Senate, May 5, 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 refused to concur with the House in the adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 2578

A bill for AN ACT concerning criminal law.
House Amendment No. 1 to SENATE BILL NO. 2578.
Action taken by the Senate, May 5, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 2602

A bill for AN ACT concerning regulation.
House Amendment No. 1 to SENATE BILL NO. 2602.
Action taken by the Senate, May 5, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3818

A bill for AN ACT concerning employment.
House Amendment No. 1 to SENATE BILL NO. 3818.
Action taken by the Senate, May 5, 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 refused to concur with the House in the adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 3359

A bill for AN ACT concerning criminal law.
House Amendment No. 1 to SENATE BILL NO. 3359.
House Amendment No. 2 to SENATE BILL NO. 3359.
House Amendment No. 3 to SENATE BILL NO. 3359.
Action taken by the Senate, May 5, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 2590

A bill for AN ACT concerning criminal law.
House Amendment No. 1 to SENATE BILL NO. 2590.
Action taken by the Senate, May 5, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3295

A bill for AN ACT concerning criminal law.
House Amendment No. 1 to SENATE BILL NO. 3295.
Action taken by the Senate, May 5, 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 adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 2996

A bill for AN ACT concerning financial regulation.
House Amendment No. 1 to SENATE BILL NO. 2996.
House Amendment No. 2 to SENATE BILL NO. 2996.
Action taken by the Senate, May 5, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3267

A bill for AN ACT concerning aging.
House Amendment No. 1 to SENATE BILL NO. 3267.
Action taken by the Senate, May 5, 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 adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 3780

A bill for AN ACT concerning State government.

House Amendment No. 1 to SENATE BILL NO. 3780.

House Amendment No. 2 to SENATE BILL NO. 3780.

Action taken by the Senate, May 5, 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 of Representatives in the passage of a bill of the following title to-wit:

HOUSE BILL 5080

A bill for AN ACT concerning professional regulation.

Together with the attached amendments thereto (which amendments have 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. 5080

Senate Amendment No. 3 to HOUSE BILL NO. 5080

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 5080 by replacing everything after the enacting clause with the following:

"Section 5. The Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004 is amended by changing Sections 5-10, 30-15, 30-25, 40-10, 40-25, 45-25, 45-30, 45-40, 45-55, 50-10, 50-15, and 50-30 and by adding Sections 10-37, 30-30, 30-35, 35-32, and 50-45 as follows:

(225 ILCS 447/5-10)

(Text of Section before amendment by P.A. 96-847)

(Section scheduled to be repealed on January 1, 2014)

Sec. 5-10. Definitions. As used in this Act:

"Address of record" means the designated address recorded by the Department in the applicant's application file or the licensee's license file, as maintained by the Department's licensure maintenance unit.

"Advertisement" means any printed material that is published in a phone book, newspaper, magazine, pamphlet, newsletter, or other similar type of publication that is intended to either attract business or merely provide contact information to the public for an agency or licensee. Advertisement shall include any material disseminated by printed or electronic means or media, but shall not include a licensee's or an agency's letterhead, business cards, or other stationery used in routine business correspondence or customary name, address, and number type listings in a telephone directory.

"Alarm system" means any system, including an electronic access control system, a surveillance video system, a security video system, a burglar alarm system, a fire alarm system, or any other electronic system, that activates an audible, visible, remote, or recorded signal that is designed for the protection or detection of intrusion, entry, theft, fire, vandalism, escape, or trespass.

"Applicant" means a person applying for licensure under this Act as a fingerprint vendor, fingerprint vendor agency, locksmith, locksmith agency, private alarm contractor, private alarm contractor agency, private detective, private detective agency, private security contractor, or private security contractor agency. Any applicant or person who holds himself or herself out as an applicant is considered a licensee

for purposes of enforcement, investigation, hearings, and the Illinois Administrative Procedure Act.

"Armed employee" means a licensee or registered person who is employed by an agency licensed or an armed proprietary security force registered under this Act who carries a weapon while engaged in the performance of official duties within the course and scope of his or her employment during the hours and times the employee is scheduled to work or is commuting between his or her home or place of employment, provided that commuting is accomplished within one hour from departure from home or place of employment.

"Armed proprietary security force" means a security force made up of 5 or more armed individuals employed by a private, commercial, or industrial operation or one or more armed individuals employed by a financial institution as security officers for the protection of persons or property.

"Board" means the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Board.

"Branch office" means a business location removed from the place of business for which an agency license has been issued, including, but not limited to, locations where active employee records that are required to be maintained under this Act are kept, where prospective new employees are processed, or where members of the public are invited in to transact business. A branch office does not include an office or other facility located on the property of an existing client that is utilized solely for the benefit of that client and is not owned or leased by the agency.

"Canine handler" means a person who uses or handles a trained dog to protect persons or property or to conduct investigations.

"Canine handler authorization card" means a card issued by the Department that authorizes the holder to use or handle a trained dog to protect persons or property or to conduct investigations during the performance of his or her duties as specified in this Act.

"Canine trainer" means a person who acts as a dog trainer for the purpose of training dogs to protect persons or property or to conduct investigations.

"Canine trainer authorization card" means a card issued by the Department that authorizes the holder to train a dog to protect persons or property or to conduct investigations during the performance of his or her duties as specified in this Act.

"Canine training facility" means a facility operated by a licensed private detective agency or private security agency wherein dogs are trained for the purposes of protecting persons or property or to conduct investigations.

"Corporation" means an artificial person or legal entity created by or under the authority of the laws of a state, including without limitation a corporation, limited liability company, or any other legal entity.

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

"Employee" means a person who works for a person or agency that has the right to control the details of the work performed and is not dependent upon whether or not federal or state payroll taxes are withheld.

"Fingerprint vendor" means a person that offers, advertises, or provides services to fingerprint individuals, through electronic or other means, for the purpose of providing fingerprint images and associated demographic data to the Department of State Police for processing fingerprint based criminal history record information inquiries.

"Fingerprint vendor agency" means a person, firm, corporation, or other legal entity that engages in the fingerprint vendor business and employs, in addition to the fingerprint vendor licensee-in-charge, at least one other person in conducting that business.

"Fingerprint vendor licensee-in-charge" means a person who has been designated by a fingerprint vendor agency to be the licensee-in-charge of an agency who is a full-time management employee or owner who assumes sole responsibility for maintaining all records required by this Act and who assumes sole responsibility for assuring the licensed agency's compliance with its responsibilities as stated in this Act. The Department shall adopt rules mandating licensee-in-charge participation in agency affairs.

"Fire alarm system" means any system that is activated by an automatic or manual device in the detection of smoke, heat, or fire that activates an audible, visible, or remote signal requiring a response.

"Firearm control card" means a card issued by the Department that authorizes the holder, who has complied with the training and other requirements of this Act, to carry a weapon during the performance of his or her duties as specified in this Act.

"Firm" means an unincorporated business entity, including but not limited to proprietorships and partnerships.

"Licensee" means a person licensed under this Act as a fingerprint vendor, fingerprint vendor agency, locksmith, locksmith agency, private alarm contractor, private alarm contractor agency, private detective,

private detective agency, private security contractor, or private security contractor agency. Anyone who holds himself or herself out as a licensee or who is accused of unlicensed practice is considered a licensee for purposes of enforcement, investigation, hearings, and the Illinois Administrative Procedure Act.

"Locksmith" means a person who engages in a business or holds himself out to the public as providing a service that includes, but is not limited to, the servicing, installing, originating first keys, re-coding, repairing, maintaining, manipulating, or bypassing of a mechanical or electronic locking device, access control or video surveillance system at premises, vehicles, safes, vaults, safe deposit boxes, or automatic teller machines.

"Locksmith agency" means a person, firm, corporation, or other legal entity that engages in the locksmith business and employs, in addition to the locksmith licensee-in-charge, at least one other person in conducting such business.

"Locksmith licensee-in-charge" means a person who has been designated by agency to be the licensee-in-charge of an agency, who is a full-time management employee or owner who assumes sole responsibility for maintaining all records required by this Act, and who assumes sole responsibility for assuring the licensed agency's compliance with its responsibilities as stated in this Act. The Department shall adopt rules mandating licensee-in-charge participation in agency affairs.

"Peace officer" or "police officer" means a person who, by virtue of office or public employment, is vested by law with a duty to maintain public order or to make arrests for offenses, whether that duty extends to all offenses or is limited to specific offenses. Officers, agents, or employees of the federal government commissioned by federal statute to make arrests for violations of federal laws are considered peace officers.

"Permanent employee registration card" means a card issued by the Department to an individual who has applied to the Department and meets the requirements for employment by a licensed agency under this Act.

"Person" means a natural person.

"Private alarm contractor" means a person who engages in a business that individually or through others undertakes, offers to undertake, purports to have the capacity to undertake, or submits a bid to sell, install, design, monitor, maintain, alter, repair, replace, or service alarm and other security-related systems or parts thereof, including fire alarm systems, at protected premises or premises to be protected or responds to alarm systems at a protected premises on an emergency basis and not as a full-time security officer. "Private alarm contractor" does not include a person, firm, or corporation that manufactures or sells alarm systems only from its place of business and does not sell, install, monitor, maintain, alter, repair, replace, service, or respond to alarm systems at protected premises or premises to be protected.

"Private alarm contractor agency" means a person, corporation, or other entity that engages in the private alarm contracting business and employs, in addition to the private alarm contractor-in-charge, at least one other person in conducting such business.

"Private alarm contractor licensee-in-charge" means a person who has been designated by an agency to be the licensee-in-charge of an agency, who is a full-time management employee or owner who assumes sole responsibility for maintaining all records required by this Act, and who assumes sole responsibility for assuring the licensed agency's compliance with its responsibilities as stated in this Act. The Department shall adopt rules mandating licensee-in-charge participation in agency affairs.

"Private detective" means any person who by any means, including, but not limited to, manual, canine odor detection, or electronic methods, engages in the business of, accepts employment to furnish, or agrees to make or makes investigations for a fee or other consideration to obtain information relating to:

(1) Crimes or wrongs done or threatened against the United States, any state or territory of the United States, or any local government of a state or territory.

(2) The identity, habits, conduct, business occupation, honesty, integrity, credibility, knowledge, trustworthiness, efficiency, loyalty, activity, movements, whereabouts, affiliations, associations, transactions, acts, reputation, or character of any person, firm, or other entity by any means, manual or electronic.

(3) The location, disposition, or recovery of lost or stolen property.

(4) The cause, origin, or responsibility for fires, accidents, or injuries to individuals or real or personal property.

(5) The truth or falsity of any statement or representation.

(6) Securing evidence to be used before any court, board, or investigating body.

(7) The protection of individuals from bodily harm or death (bodyguard functions).

(8) Service of process in criminal and civil proceedings without court order.

"Private detective agency" means a person, firm, corporation, or other legal entity that engages in the

private detective business and employs, in addition to the licensee-in-charge, one or more persons in conducting such business.

"Private detective licensee-in-charge" means a person who has been designated by an agency to be the licensee-in-charge of an agency, who is a full-time management employee or owner who assumes sole responsibility for maintaining all records required by this Act, and who assumes sole responsibility for assuring the licensed agency's compliance with its responsibilities as stated in this Act. The Department shall adopt rules mandating licensee-in-charge participation in agency affairs.

"Private security contractor" means a person who engages in the business of providing a private security officer, watchman, patrol, guard dog, canine odor detection, or a similar service by any other title or name on a contractual basis for another person, firm, corporation, or other entity for a fee or other consideration and performing one or more of the following functions:

(1) The prevention or detection of intrusion, entry, theft, vandalism, abuse, fire, or trespass on private or governmental property.

(2) The prevention, observation, or detection of any unauthorized activity on private or governmental property.

(3) The protection of persons authorized to be on the premises of the person, firm, or other entity for which the security contractor contractually provides security services.

(4) The prevention of the misappropriation or concealment of goods, money, bonds, stocks, notes, documents, or papers.

(5) The control, regulation, or direction of the movement of the public for the time specifically required for the protection of property owned or controlled by the client.

(6) The protection of individuals from bodily harm or death (bodyguard functions).

"Private security contractor agency" means a person, firm, corporation, or other legal entity that engages in the private security contractor business and that employs, in addition to the licensee-in-charge, one or more persons in conducting such business.

"Private security contractor licensee-in-charge" means a person who has been designated by an agency to be the licensee-in-charge of an agency, who is a full-time management employee or owner who assumes sole responsibility for maintaining all records required by this Act, and who assumes sole responsibility for assuring the licensed agency's compliance with its responsibilities as stated in this Act. The Department shall adopt rules mandating licensee-in-charge participation in agency affairs.

"Public member" means a person who is not a licensee or related to a licensee, or who is not an employer or employee of a licensee. The term "related to" shall be determined by the rules of the Department.

"Secretary" means the Secretary of <u>the Department of</u> Financial and Professional Regulation.
(Source: P.A. 95-613, eff. 9-11-07.)

(Text of Section after amendment by P.A. 96-847)

(Section scheduled to be repealed on January 1, 2014)

Sec. 5-10. Definitions. As used in this Act:

<u>"Address of record" means the designated address recorded by the Department in the applicant's application file or the licensee's license file, as maintained by the Department's licensure maintenance unit.</u>

"Advertisement" means any printed material that is published in a phone book, newspaper, magazine, pamphlet, newsletter, or other similar type of publication that is intended to either attract business or merely provide contact information to the public for an agency or licensee. Advertisement shall include any material disseminated by printed or electronic means or media, but shall not include a licensee's or an agency's letterhead, business cards, or other stationery used in routine business correspondence or customary name, address, and number type listings in a telephone directory.

"Alarm system" means any system, including an electronic access control system, a surveillance video system, a security video system, a burglar alarm system, a fire alarm system, an emergency communication system, mass notification system, or any other electronic system that activates an audible, visible, remote, or recorded signal that is designed for the protection or detection of intrusion, entry, theft, fire, vandalism, escape, or trespass, or other electronic systems designed for the protection of life by indicating the existence of an emergency situation.

<u>"Applicant" means a person applying for licensure under this Act as a fingerprint vendor, fingerprint vendor agency, locksmith, locksmith agency, private alarm contractor, private alarm contractor agency, private detective, private detective agency, private security contractor, or private security contractor agency. Any applicant or person who holds himself or herself out as an applicant is considered a licensee for purposes of enforcement, investigation, hearings, and the Illinois Administrative Procedure Act.</u>

"Armed employee" means a licensee or registered person who is employed by an agency licensed or an

armed proprietary security force registered under this Act who carries a weapon while engaged in the performance of official duties within the course and scope of his or her employment during the hours and times the employee is scheduled to work or is commuting between his or her home or place of employment, provided that commuting is accomplished within one hour from departure from home or place of employment.

"Armed proprietary security force" means a security force made up of 5 or more armed individuals employed by a private, commercial, or industrial operation or one or more armed individuals employed by a financial institution as security officers for the protection of persons or property.

"Board" means the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Board.

"Branch office" means a business location removed from the place of business for which an agency license has been issued, including, but not limited to, locations where active employee records that are required to be maintained under this Act are kept, where prospective new employees are processed, or where members of the public are invited in to transact business. A branch office does not include an office or other facility located on the property of an existing client that is utilized solely for the benefit of that client and is not owned or leased by the agency.

"Canine handler" means a person who uses or handles a trained dog to protect persons or property or to conduct investigations.

"Canine handler authorization card" means a card issued by the Department that authorizes the holder to use or handle a trained dog to protect persons or property or to conduct investigations during the performance of his or her duties as specified in this Act.

"Canine trainer" means a person who acts as a dog trainer for the purpose of training dogs to protect persons or property or to conduct investigations.

"Canine trainer authorization card" means a card issued by the Department that authorizes the holder to train a dog to protect persons or property or to conduct investigations during the performance of his or her duties as specified in this Act.

"Canine training facility" means a facility operated by a licensed private detective agency or private security agency wherein dogs are trained for the purposes of protecting persons or property or to conduct investigations.

"Corporation" means an artificial person or legal entity created by or under the authority of the laws of a state, including without limitation a corporation, limited liability company, or any other legal entity.

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

"Emergency communication system" means any system that communicates information about emergencies, including but not limited to fire, terrorist activities, shootings, other dangerous situations, accidents, and natural disasters.

"Employee" means a person who works for a person or agency that has the right to control the details of the work performed and is not dependent upon whether or not federal or state payroll taxes are withheld.

"Fingerprint vendor" means a person that offers, advertises, or provides services to fingerprint individuals, through electronic or other means, for the purpose of providing fingerprint images and associated demographic data to the Department of State Police for processing fingerprint based criminal history record information inquiries.

"Fingerprint vendor agency" means a person, firm, corporation, or other legal entity that engages in the fingerprint vendor business and employs, in addition to the fingerprint vendor licensee-in-charge, at least one other person in conducting that business.

"Fingerprint vendor licensee-in-charge" means a person who has been designated by a fingerprint vendor agency to be the licensee-in-charge of an agency who is a full-time management employee or owner who assumes sole responsibility for maintaining all records required by this Act and who assumes sole responsibility for assuring the licensed agency's compliance with its responsibilities as stated in this Act. The Department shall adopt rules mandating licensee-in-charge participation in agency affairs.

"Fire alarm system" means any system that is activated by an automatic or manual device in the detection of smoke, heat, or fire that activates an audible, visible, or remote signal requiring a response.

"Firearm control card" means a card issued by the Department that authorizes the holder, who has complied with the training and other requirements of this Act, to carry a weapon during the performance of his or her duties as specified in this Act.

"Firm" means an unincorporated business entity, including but not limited to proprietorships and partnerships.

"Licensee" means a person licensed under this Act as a fingerprint vendor, fingerprint vendor agency,

locksmith, locksmith agency, private alarm contractor, private alarm contractor agency, private detective, private detective agency, private security contractor, or private security contractor agency. Anyone who holds himself or herself out as a licensee or who is accused of unlicensed practice is considered a licensee for purposes of enforcement, investigation, hearings, and the Illinois Administrative Procedure Act.

"Locksmith" means a person who engages in a business or holds himself out to the public as providing a service that includes, but is not limited to, the servicing, installing, originating first keys, re-coding, repairing, maintaining, manipulating, or bypassing of a mechanical or electronic locking device, access control or video surveillance system at premises, vehicles, safes, vaults, safe deposit boxes, or automatic teller machines.

"Locksmith agency" means a person, firm, corporation, or other legal entity that engages in the locksmith business and employs, in addition to the locksmith licensee-in-charge, at least one other person in conducting such business.

"Locksmith licensee-in-charge" means a person who has been designated by agency to be the licensee-in-charge of an agency, who is a full-time management employee or owner who assumes sole responsibility for maintaining all records required by this Act, and who assumes sole responsibility for assuring the licensed agency's compliance with its responsibilities as stated in this Act. The Department shall adopt rules mandating licensee-in-charge participation in agency affairs.

"Mass notification system" means any system that is used to provide information and instructions to people in a building or other space using voice communications, including visible signals, text, graphics, tactile, or other communication methods.

"Peace officer" or "police officer" means a person who, by virtue of office or public employment, is vested by law with a duty to maintain public order or to make arrests for offenses, whether that duty extends to all offenses or is limited to specific offenses. Officers, agents, or employees of the federal government commissioned by federal statute to make arrests for violations of federal laws are considered peace officers.

"Permanent employee registration card" means a card issued by the Department to an individual who has applied to the Department and meets the requirements for employment by a licensed agency under this Act.

"Person" means a natural person.

"Private alarm contractor" means a person who engages in a business that individually or through others undertakes, offers to undertake, purports to have the capacity to undertake, or submits a bid to sell, install, design, monitor, maintain, alter, repair, replace, or service alarm and other security-related systems or parts thereof, including fire alarm systems, at protected premises or premises to be protected or responds to alarm systems at a protected premises on an emergency basis and not as a full-time security officer. "Private alarm contractor" does not include a person, firm, or corporation that manufactures or sells alarm systems only from its place of business and does not sell, install, monitor, maintain, alter, repair, replace, service, or respond to alarm systems at protected premises or premises to be protected.

"Private alarm contractor agency" means a person, corporation, or other entity that engages in the private alarm contracting business and employs, in addition to the private alarm contractor-in-charge, at least one other person in conducting such business.

"Private alarm contractor licensee-in-charge" means a person who has been designated by an agency to be the licensee-in-charge of an agency, who is a full-time management employee or owner who assumes sole responsibility for maintaining all records required by this Act, and who assumes sole responsibility for assuring the licensed agency's compliance with its responsibilities as stated in this Act. The Department shall adopt rules mandating licensee-in-charge participation in agency affairs.

"Private detective" means any person who by any means, including, but not limited to, manual, canine odor detection, or electronic methods, engages in the business of, accepts employment to furnish, or agrees to make or makes investigations for a fee or other consideration to obtain information relating to:

(1) Crimes or wrongs done or threatened against the United States, any state or territory of the United States, or any local government of a state or territory.

(2) The identity, habits, conduct, business occupation, honesty, integrity, credibility, knowledge, trustworthiness, efficiency, loyalty, activity, movements, whereabouts, affiliations, associations, transactions, acts, reputation, or character of any person, firm, or other entity by any means, manual or electronic.

(3) The location, disposition, or recovery of lost or stolen property.

(4) The cause, origin, or responsibility for fires, accidents, or injuries to individuals or real or personal property.

(5) The truth or falsity of any statement or representation.

(6) Securing evidence to be used before any court, board, or investigating body.

(7) The protection of individuals from bodily harm or death (bodyguard functions).

(8) Service of process in criminal and civil proceedings without court order.

"Private detective agency" means a person, firm, corporation, or other legal entity that engages in the private detective business and employs, in addition to the licensee-in-charge, one or more persons in conducting such business.

"Private detective licensee-in-charge" means a person who has been designated by an agency to be the licensee-in-charge of an agency, who is a full-time management employee or owner who assumes sole responsibility for maintaining all records required by this Act, and who assumes sole responsibility for assuring the licensed agency's compliance with its responsibilities as stated in this Act. The Department shall adopt rules mandating licensee-in-charge participation in agency affairs.

"Private security contractor" means a person who engages in the business of providing a private security officer, watchman, patrol, guard dog, canine odor detection, or a similar service by any other title or name on a contractual basis for another person, firm, corporation, or other entity for a fee or other consideration and performing one or more of the following functions:

(1) The prevention or detection of intrusion, entry, theft, vandalism, abuse, fire, or trespass on private or governmental property.

(2) The prevention, observation, or detection of any unauthorized activity on private or governmental property.

(3) The protection of persons authorized to be on the premises of the person, firm, or other entity for which the security contractor contractually provides security services.

(4) The prevention of the misappropriation or concealment of goods, money, bonds, stocks, notes, documents, or papers.

(5) The control, regulation, or direction of the movement of the public for the time specifically required for the protection of property owned or controlled by the client.

(6) The protection of individuals from bodily harm or death (bodyguard functions).

"Private security contractor agency" means a person, firm, corporation, or other legal entity that engages in the private security contractor business and that employs, in addition to the licensee-in-charge, one or more persons in conducting such business.

"Private security contractor licensee-in-charge" means a person who has been designated by an agency to be the licensee-in-charge of an agency, who is a full-time management employee or owner who assumes sole responsibility for maintaining all records required by this Act, and who assumes sole responsibility for assuring the licensed agency's compliance with its responsibilities as stated in this Act. The Department shall adopt rules mandating licensee-in-charge participation in agency affairs.

"Public member" means a person who is not a licensee or related to a licensee, or who is not an employer or employee of a licensee. The term "related to" shall be determined by the rules of the Department.

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

(Source: P.A. 95-613, eff. 9-11-07; 96-847, eff. 6-1-10.)

(225 ILCS 447/10-37 new)

Sec. 10-37. Address of record. It is the duty of the applicant or licensee to inform the Department of any change of address within 14 days after such change either through the Department's website or by contacting the Department's licensure maintenance unit.

(225 ILCS 447/30-15)

(Section scheduled to be repealed on January 1, 2014)

Sec. 30-15. Qualifications for licensure as a locksmith agency.

(a) Upon receipt of the required fee and proof that the applicant is an Illinois licensed locksmith who shall assume responsibility for the operation of the agency and the directed actions of the agency's employees, which is a continuing requirement for agency licensure, the Department shall issue a license as a locksmith agency to any of the following:

(1) An individual who submits an application and is a licensed locksmith under this Act.

(2) A firm that submits an application and all of the members of the firm are licensed locksmiths under this Act.

(3) A corporation or limited liability company doing business in Illinois that is authorized to engage in the business of conducting a locksmith agency if at least one officer or executive employee is a licensed locksmith under this Act and all unlicensed officers and directors of the corporation or limited liability company are determined by the Department to be persons of good moral character.

(b) An individual licensed as a locksmith operating under a business name other than the licensed locksmith's own name shall not be required to obtain a locksmith agency license if that licensed locksmith does not employ any persons to engage in the practice of locksmithing and registers under the Assumed Business Name Act.

(c) No locksmith may be the locksmith licensee in-charge for more than one locksmith agency. Upon written request by a representative of the agency, within 10 days after the loss of a locksmith-in-charge of an agency because of the death of that individual or because of the termination of the employment of that individual, the Department shall issue a temporary certificate of authority allowing the continuing operation of the licensed agency. No temporary certificate of authority shall be valid for more than 90 days. An extension of an additional 90 days may be granted upon written request by the representative of the agency. Not more than 2 extensions may be granted to any agency. No temporary permit shall be issued for loss of the licensee-in-charge because of disciplinary action by the Department related to his or her conduct on behalf of the agency.

(d) The Department shall require without limitation all of the following information from each applicant for licensure as a locksmith agency under this Act:

(1) The name, full business address, and telephone number of the locksmith agency. The business address for the locksmith agency shall be a complete street address from which business is actually conducted, shall be located within the State, and may not be a P.O. Box. The applicant shall submit proof that the business location is or will be used to conduct the locksmith agency's business. The Department may approve of an out-of-state business location if it is not over 50 miles in distance from the borders of this State.

(2) All trade or business names used by the licensee.

(3) The type of ownership or operation, such as a partnership, corporation, or sole proprietorship.

(4) The name of the owner or operator of the locksmith agency, including:

(A) if a person, then the name and address of record of the person;

(B) if a partnership, then the name and address of record of each partner and the name of the partnership;

(C) if a corporation, then the name, address of record, and title of each corporate officer and director, the corporate names, and the name of the state of incorporation; and

(D) if a sole proprietorship, then the full name and address of record of the sole proprietor and the name of the business entity.

(5) The name and license number of the licensee-in-charge for the locksmith agency.

(6) Any additional information required by the Department by rule.

(e) A licensed locksmith agency may operate under a "doing business as" or assumed name certification without having to obtain a separate locksmith agency license if the "doing business as" or assumed name is first registered with the Department. A licensed locksmith agency may register no more than one assumed name.

(Source: P.A. 95-613, eff. 9-11-07.)

(225 ILCS 447/30-25)

(Section scheduled to be repealed on January 1, 2014)

Sec. 30-25. Customer identification; record keeping.

(a) A locksmith who bypasses, manipulates, or originates a first key by code for a device safeguarding an area where access is meant to be limited, whether or not for compensation, shall document where the work was performed and the name, address, date of birth, telephone number, and driver's license number or other identification number of the person requesting the work to be done and shall obtain the signature of that person. A copy of the work order form, invoice, or receipt shall be kept by the licensed locksmith for a period of 2 years and shall include the name and license number of the locksmith or the name and identification number of the registered employee who performed the services. Work order forms, invoices, or receipts required to be kept under this Section shall be available for inspection upon written request made 3 days in advance by a law enforcement agency.

(b) A locksmith who bypasses, manipulates, or originates a first key for a motor vehicle, whether or not for compensation, shall document the name, address, date of birth, telephone number, vehicle identification number, and driver's license number or other identification number of the person requesting entry and obtain the signature of that person. A copy of the work order form, invoice, or receipt shall be kept by the licensed locksmith for a period of 2 years and shall include the name and license number of the locksmith or the name and identification number of the registered employee who performed the services. Work order forms, invoices, or receipts required to be kept under this Section shall be available for inspection upon

written request made 3 days in advance by a law enforcement agency.

(c) A locksmith or locksmith agency shall maintain all records required by this Act at the business address provided to the Department pursuant to paragraph (1) of subsection (d) of Section 30-15.

(Source: P.A. 93-438, eff. 8-5-03.)

(225 ILCS 447/30-30 new)

Sec. 30-30. Consumer protection; required information for consumers.

(a) A licensee providing any locksmith services shall document on a work order, invoice, or receipt the name, address, and telephone number of the person requesting the work to be done.

(b) The locksmith who performs the services shall include on the work order, invoice, or receipt his or her name and license number.

(c) If the locksmith who performs the services is employed by a locksmith agency, then the name, address, and license number of the locksmith agency and the name and license or registration number of the locksmith who performed the services shall be included on the work order, invoice, or receipt.

(d) A copy of the work order, invoice, or receipt shall be provided to the customer at the time of service and the original copy of the work order, invoice, or receipt shall be kept by the licensed locksmith or locksmith agency for a period of 2 years.

(e) The name, address, and license number of the locksmith or locksmith agency, if applicable, shall be pre-printed on the work order, invoice, or receipt required under this Section.

(f) A locksmith may be disciplined by the Department pursuant to this Act for gross, willful, and continued overcharging for professional locksmith services, including filing false statements for the collection of fees for services not rendered.

(225 ILCS 447/30-35 new)

Sec. 30-35. Advertising. In addition to any requirements under Section 35-15, a licensed locksmith or locksmith agency shall include the licensee's name, the city and state of the address provided to the Department pursuant to paragraph (1) of subsection (d) of Section 30-15, and the licensee's license number on any advertisement.

(225 ILCS 447/35-32 new)

Sec. 35-32. Employment requirement. The holder of a permanent employee registration card is prohibited from performing the activities of a fingerprint vendor, locksmith, private alarm contractor, private detective, or private security contractor without being employed by an agency licensed under this Act.

(225 ILCS 447/40-10)

(Section scheduled to be repealed on January 1, 2014)

Sec. 40-10. Disciplinary sanctions.

(a) The Department may deny issuance, refuse to renew, or restore or may reprimand, place on probation, suspend, revoke, or take other disciplinary or non-disciplinary action against any license, registration, permanent employee registration card, canine handler authorization card, canine trainer authorization card, or firearm control card, and may impose a fine not to exceed $10,000 for each violation for any of the following:

(1) Fraud or deception in obtaining or renewing of a license or registration.

(2) Professional incompetence as manifested by poor standards of service.

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

(4) Conviction of or entry of a plea of guilty or nolo contendere or an admission of guilt in Illinois, ~~or~~ another state, or other jurisdiction of any crime that is a felony under the laws of Illinois; a felony in a federal court; a misdemeanor, an essential element of which is dishonesty; or directly related to professional practice.

(5) Performing any services in a grossly negligent manner or permitting any of a licensee's employees to perform services in a grossly negligent manner, regardless of whether actual damage to the public is established.

(6) Continued practice, although the person has become unfit to practice due to any of the following:

(A) Physical illness, mental illness, or other impairment, including, but not limited to, deterioration through the aging process or loss of motor skills that results in the inability to serve the public with reasonable judgment, skill, or safety.

(B) Mental disability demonstrated by the entry of an order or judgment by a court

that a person is in need of mental treatment or is incompetent.

(C) Addiction to or dependency on alcohol or drugs that is likely to endanger the public. If the Department has reasonable cause to believe that a person is addicted to or dependent on alcohol or drugs that may endanger the public, the Department may require the person to undergo an examination to determine the extent of the addiction or dependency.

(7) Receiving, directly or indirectly, compensation for any services not rendered.

(8) Willfully deceiving or defrauding the public on a material matter.

(9) Failing to account for or remit any moneys or documents coming into the licensee's possession that belong to another person or entity.

(10) Discipline by another United States jurisdiction or foreign nation, if at least one of the grounds for the discipline is the same or substantially equivalent to those set forth in this Act.

(11) Giving differential treatment to a person that is to that person's detriment because of race, color, creed, sex, religion, or national origin.

(12) Engaging in false or misleading advertising.

(13) Aiding, assisting, or willingly permitting another person to violate this Act or rules promulgated under it.

(14) Performing and charging for services without authorization to do so from the person or entity serviced.

(15) Directly or indirectly offering or accepting any benefit to or from any employee, agent, or fiduciary without the consent of the latter's employer or principal with intent to or the understanding that this action will influence his or her conduct in relation to his or her employer's or principal's affairs.

(16) Violation of any disciplinary order imposed on a licensee by the Department.

(17) Performing any act or practice that is a violation of this Act, the rules for the administration of this Act, or any federal or State laws, rules, or regulations directly related to the practices of private detectives, private alarm contractors, private security contractors, fingerprint vendors, or locksmiths ~~Failing to comply with any provision of this Act or rule promulgated under it~~.

(18) Conducting an agency without a valid license.

(19) Revealing confidential information, except as required by law, including but not limited to information available under Section 2-123 of the Illinois Vehicle Code.

(20) Failing to make available to the Department, upon request, any books, records, or forms required by this Act.

(21) Failing, within 30 days, to respond to a written request for information from the Department.

(22) Failing to provide employment information or experience information required by the Department regarding an applicant for licensure.

(23) Failing to make available to the Department at the time of the request any indicia of licensure or registration issued under this Act.

(24) Purporting to be a licensee-in-charge of an agency without active participation in the agency.

(25) A finding by the Department that the licensee, after having his or her license placed on probationary status, has violated the terms of probation.

(26) Violating subsection (f) of Section 30-30.

(b) The Department shall seek to be consistent in the application of disciplinary sanctions.

(c) The Department shall adopt rules that set forth standards of service for the following: (i) acceptable error rate in the transmission of fingerprint images and other data to the Department of State Police; (ii) acceptable error rate in the collection and documentation of information used to generate fingerprint work orders; and (iii) any other standard of service that affects fingerprinting services as determined by the Department.

(Source: P.A. 95-613, eff. 9-11-07.)

(225 ILCS 447/40-25)

(Section scheduled to be repealed on January 1, 2014)

Sec. 40-25. Submission to physical or mental examination.

(a) The Department or Board upon a showing of a possible violation may compel an individual licensed to practice under this Act, or who has applied for licensure under this Act, to submit to a mental or physical examination, or both, as required by and at the expense of the Department. The Department or Board may order the examining physician to present testimony concerning the mental or physical examination of the

licensee or applicant. No information shall be excluded by reason of any common law or statutory privilege relating to communications between the licensee or applicant and the examining physician. The examining physicians shall be specifically designated by the Board or Department. The individual to be examined may have, at his or her own expense, another physician of his or her choice present during all aspects of this examination. Failure of an individual to submit to a mental or physical examination, when directed, shall be grounds for the immediate suspension of his or her license until the individual submits to the examination if the Department finds that the refusal to submit to the examination was without reasonable cause as defined by rule.

(b) In instances in which the Secretary immediately suspends a person's license for his or her failure to submit to a mental or physical examination when directed, a hearing on that person's license must be convened by the Department within 15 days after the suspension and completed without appreciable delay.

(c) In instances in which the Secretary otherwise suspends a person's license pursuant to the results of a compelled mental or physical examination, a hearing on that person's license must be convened by the Department within 15 days after the suspension and completed without appreciable delay. The Department and Board shall have the authority to review the subject individual's record of treatment and counseling regarding the impairment to the extent permitted by applicable federal statutes and regulations safeguarding the confidentiality of medical records.

(d) An individual licensed under this Act and affected under this Section shall be afforded an opportunity to demonstrate to the Department or Board that he or she can resume practice in compliance with acceptable and prevailing standards under the provisions of his or her license. ~~The Department may order a licensee or a registrant to submit to a reasonable physical or mental examination if the licensee or registrant's mental or physical capacity to work safely is an issue in a disciplinary proceeding. The failure to submit to a Director's order to submit to a reasonable mental or physical exam shall constitute a violation of this Act subject to the disciplinary provisions in Section 40-10.~~

(Source: P.A. 93-438, eff. 8-5-03.)

(225 ILCS 447/45-25)

(Section scheduled to be repealed on January 1, 2014)

Sec. 45-25. Disposition by consent order. Disposition may be made of any charge by consent order between the Department and the licensee. The Board shall be apprised of the consent order at its next meeting. The consent order shall be final upon signature of the Secretary.

(Source: P.A. 93-438, eff. 8-5-03.)

(225 ILCS 447/45-30)

(Section scheduled to be repealed on January 1, 2014)

Sec. 45-30. Restoration of license after disciplinary proceedings. At any time after the successful completion of a term of suspension or revocation of a license, the Department may restore it to the licensee upon the written recommendation of the Board unless the Board determines after an investigation and a hearing that restoration is not in the public interest. ~~The Department shall reinstate any license to good standing under this Act upon recommendation to the Director, after a hearing before the Board or a hearing officer authorized by the Department. The Department shall be satisfied that the applicant's renewed practice is not contrary to the public interest.~~

(Source: P.A. 93-438, eff. 8-5-03.)

(225 ILCS 447/45-40)

(Section scheduled to be repealed on January 1, 2014)

Sec. 45-40. Administrative review. All final administrative decisions of the Department are subject to judicial review under Article III of the Code of Civil Procedure. The term "administrative decision" is defined as in Section 3-101 of the Code of Civil Procedure. The proceedings for judicial review shall be commenced in the circuit court of the county in which the party applying for review resides; but if the party is not a resident of Illinois, the venue shall be in Sangamon County. The Department shall not be required to certify any record to the court or file any answer in court or otherwise appear in any court in a judicial review proceeding, unless and until the Department has received from the plaintiff payment of the costs of furnishing and certifying the record, which costs shall be determined by the Department ~~there is filed in the court with the complaint a receipt from the Department acknowledging payment of the costs of furnishing and certifying the record. Costs shall be computed at the cost of preparing the record~~. Exhibits shall be certified without cost. Failure on the part of the applicant or licensee to file a receipt in court is grounds for dismissal of the action. During all judicial proceedings incident to a disciplinary action, the sanctions imposed upon a licensee by the Department shall remain in effect, unless the court determines justice requires a stay of the order.

(Source: P.A. 93-438, eff. 8-5-03.)

(225 ILCS 447/45-55)

(Section scheduled to be repealed on January 1, 2014)

Sec. 45-55. Subpoenas.

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

(b) Any circuit court, upon the application of the licensee, the Department, the designated hearing officer, or the Board, may order the attendance and testimony of witnesses and the production of relevant documents, files, records, books and papers in connection with any hearing or investigation ~~before the Board in any hearing under this Act~~. The circuit court may compel obedience to its order by proceedings for contempt.

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

(Source: P.A. 95-613, eff. 9-11-07.)

(225 ILCS 447/50-10)

(Section scheduled to be repealed on January 1, 2014)

Sec. 50-10. The Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Board.

(a) The Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Board shall consist of 13 members appointed by the Director and comprised of 2 licensed private detectives, 3 licensed private security contractors, one licensed private detective or licensed private security contractor who provides canine odor detection services, 2 licensed private alarm contractors, one licensed fingerprint vendor except for the initial appointment who shall be required to have experience in the fingerprint vendor industry that is acceptable to the Department, 2 licensed locksmiths, one public member who is not licensed or registered under this Act and who has no connection with a business licensed under this Act, and one member representing the employees registered under this Act. Each member shall be a resident of Illinois. Except for the initial appointment of a licensed fingerprint vendor after the effective date of this amendatory Act of the 95th General Assembly, each licensed member shall have at least 5 years experience as a licensee in the professional area in which the person is licensed and be in good standing and actively engaged in that profession. In making appointments, the Director shall consider the recommendations of the professionals and the professional organizations representing the licensees. The membership shall reasonably reflect the different geographic areas in Illinois.

(b) Members shall serve 4 year terms and may serve until their successors are appointed. No member shall serve for more than 2 successive terms. Appointments to fill vacancies shall be made in the same manner as the original appointments for the unexpired portion of the vacated term. Members of the Board in office on the effective date of this Act pursuant to the Private Detective, Private Alarm, Private Security, and Locksmith Act of 1993 shall serve for the duration of their terms and may be appointed for one additional term.

(c) A member of the Board may be removed for cause. A member subject to formal disciplinary proceedings shall disqualify himself or herself from all Board business until the charge is resolved. A member also shall disqualify himself or herself from any matter on which the member cannot act objectively.

(d) Members shall receive compensation as set by law. Each member shall receive reimbursement as set by the Governor's Travel Control Board for expenses incurred in carrying out the duties as a Board member.

(e) A majority of Board members constitutes a quorum. A majority vote of the quorum is required for a decision.

(f) The Board shall elect a chairperson and vice chairperson.

(g) Board members are not liable for their acts, omissions, decisions, or other conduct in connection with their duties on the Board, except those determined to be willful, wanton, or intentional misconduct.

(h) The Board may recommend policies, procedures, and rules relevant to the administration and enforcement of this Act.

(Source: P.A. 95-613, eff. 9-11-07.)

(225 ILCS 447/50-15)

(Section scheduled to be repealed on January 1, 2014)

Sec. 50-15. Powers and duties of the Department. Subject to the provisions of this Act, the Department may exercise the following powers and duties: ~~(a) The Department shall exercise the powers and duties prescribed by the Civil Administrative Code of Illinois and shall exercise all other powers and duties set forth in this Act.~~

(1) Prescribe ~~(b) The Director shall prescribe~~ forms to be issued for the administration and enforcement of this Act.

(2) Authorize examinations to ascertain the qualifications and fitness of applicants for licensing as a licensed fingerprint vendor, locksmith, private alarm contractor, private detective, or private security contractor and pass upon the qualifications of applicants for licensure.

(3) Examine the records of licensees or examine any other aspect of fingerprint vending, locksmithing, private alarm contracting, private detection, or private security contracting that is relevant to the Department's investigation or hearing.

(4) Investigate any and all fingerprint vendor, locksmith, private alarm contractor, private detective, or private security contractor activity.

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

(6) Adopt rules required for the administration of this Act.

(7) Prescribe forms to be issued for the administration and enforcement of this Act.

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

(Source: P.A. 93-438, eff. 8-5-03.)

(225 ILCS 447/50-30)

(Section scheduled to be repealed on January 1, 2014)

Sec. 50-30. Fees; deposit of fees and fines. The Department shall by rule provide for fees for the administration and enforcement of this Act, and those fees are nonrefundable. Applicants for examination shall be required to pay a fee to either the Department or the designated testing service to cover the cost of providing the examination. If an applicant fails to appear for the examination on the scheduled date at the time and place specified by the Department or designated testing service, then the applicant's examination fee shall be forfeited. All of the fees and fines collected under this Act shall be deposited into the General Professions Dedicated Fund and be appropriated to the Department for the ordinary and contingent expenses of the Department in the administration and enforcement of this Act.

(Source: P.A. 93-438, eff. 8-5-03.)

(225 ILCS 447/50-45 new)

Sec. 50-45. Illinois Administrative Procedure Act; application. The Illinois Administrative Procedure Act is expressly adopted and incorporated in this Act as if all of the provisions of that Act were included in this Act, except that the provision of paragraph (d) of Section 10-65 of the Illinois Administrative Procedure Act, which provides that at hearings the registrant or licensee has the right to show compliance with all lawful requirements for retention or continuation or renewal of the license, is specifically excluded. For the purpose of this Act, the notice required under Section 10-25 of the Illinois Administrative Procedure Act is considered sufficient when mailed to the last known address of a party.

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

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

AMENDMENT NO. 3. Amend House Bill 5080, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 33, by replacing lines 5 through 11 with the following:

"(17) Performing any act or practice that is a violation of this Act or the rules for the administration of this Act, or having a conviction or administrative finding of guilty as a result of violating any federal or State laws, rules, or regulations that apply exclusively to the practices of private detectives, private alarm contractors, private security contractors, fingerprint vendors, or locksmiths ~~Failing to comply with any~~

~~provision of this Act or rule promulgated under it~~."; and
on page 42, by replacing lines 18 through 25 with the following:
"(3) Examine the records of licensees or investigate any other aspect of fingerprint vending, locksmithing, private alarm contracting, private security contracting, or practicing as a private detective that is relevant to the Department's investigation or hearing."; and
on page 43, line 1, by replacing "(5)" with "(4)"; and
on page 43, line 5, by replacing "(6)" with "(5)"; and
on page 43, by deleting lines 7 and 8; and
on page 43, line 9, by replacing "(8)" with "(6)".

The foregoing message from the Senate reporting Senate Amendments numbered 1 and 3 to HOUSE BILL 5080 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 5065

A bill for AN ACT concerning finance.
Together with the attached amendments thereto (which amendments have 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. 5065
Senate Amendment No. 3 to HOUSE BILL NO. 5065
Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 5065 on page 1, by inserting immediately below line 3 the following:
"Section 3. The Illinois Procurement Code is amended by changing Sections 15-15 and 15-25 as follows:
(30 ILCS 500/15-15)
Sec. 15-15. Publication. All volumes of the Illinois Procurement Bulletin shall be published at least once per month. Any volume, including volumes available in print format, shall be available through subscription for a minimal fee not exceeding publication and distribution costs. The Illinois Procurement Bulletin shall be distributed free to public libraries within Illinois and to minority, female, and disadvantaged organizations listed on the Department of Transportation Disadvantaged Business Enterprise Directory, the Department of Central Management Services Business Enterprise Program and Small Business Vendors Directory, and the Capital Development Board's Directory of Certified Minority and Female Business Enterprises.
(Source: P.A. 90-572, eff. date - See Sec. 99-5.)
(30 ILCS 500/15-25)
(Text of Section before amendment by P.A. 96-795)
Sec. 15-25. Bulletin content.
(a) Invitations for bids. Notice of each and every contract that is offered, including renegotiated contracts and change orders, shall be published in the Bulletin and provided to minority, female, disadvantaged, and small business organizations, whose areas of certification are relative to the services solicited in such invitation for bids, listed on the Department of Transportation Disadvantaged Business Enterprise Directory, the Department of Central Management Services Business Enterprise Program and Small Business Vendors Directory, and the Capital Development Board's Directory of Certified Minority and Female Business Enterprises. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least the date first offered, the date submission of offers is due, the location that offers are to be submitted to, the purchasing State agency, the responsible State purchasing officer, a brief purchase description, the method of source

selection, information of how to obtain a comprehensive purchase description and any disclosure and contract forms, and encouragement to prospective vendors to hire qualified veterans, as defined by Section 45-67 of this Code, and qualified Illinois minorities, women, and residents discharged from any Illinois adult correctional center.

(b) Contracts let or awarded. Notice of each and every contract that is let or awarded, including renegotiated contracts and change orders, shall be issued to those organizations submitting responses to the solicitations, inclusive of the unsuccessful bidders, immediately upon contract let and award. Failure to give that notice shall result in tolling the time for filing a bid protest ~~published in the next available subsequent Bulletin, and the applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least all of the information specified in subsection (a) as well as the name of the successful responsible bidder or offeror, the contract price, the number of unsuccessful responsive bidders, and any other disclosure specified in any Section of this Code. This notice must be posted in the online electronic Bulletin prior to execution of the contract~~.

(c) Emergency purchase disclosure. Any chief procurement officer, State purchasing officer, or designee exercising emergency purchase authority under this Code shall publish a written description and reasons and the total cost, if known, or an estimate if unknown and the name of the responsible chief procurement officer and State purchasing officer, and the business or person contracted with for all emergency purchases in the next timely, practicable Bulletin. This notice must be posted in the online electronic Bulletin within 3 business days after the execution of the contract.

(d) Other required disclosure. The applicable chief procurement officer shall provide by rule for the organized publication of all other disclosure required in other Sections of this Code in a timely manner.

(e) The Department of Central Management Services, the Capital Development Board, the Department of Transportation, and the higher education chief procurement officer shall provide the Procurement Policy Board with the information and resources necessary, and in a manner, to effectuate the purpose of this amendatory Act of the 96th General Assembly.

(Source: P.A. 94-1067, eff. 8-1-06; 95-536, eff. 1-1-08.)

(Text of Section after amendment by P.A. 96-795)

Sec. 15-25. Bulletin content.

(a) Invitations for bids. Notice of each and every contract that is offered, including renegotiated contracts and change orders, shall be published in the Bulletin and provided to minority, female, disadvantaged, and small business organizations, whose areas of certification are relative to the services solicited in such invitation for bids, listed on the Department of Transportation Disadvantaged Business Enterprise Directory, the Department of Central Management Services Business Enterprise Program and Small Business Vendors Directory, and the Capital Development Board's Directory of Certified Minority and Female Business Enterprises. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least the date first offered, the date submission of offers is due, the location that offers are to be submitted to, the purchasing State agency, the responsible State purchasing officer, a brief purchase description, the method of source selection, information of how to obtain a comprehensive purchase description and any disclosure and contract forms, and encouragement to prospective vendors to hire qualified veterans, as defined by Section 45-67 of this Code, and qualified Illinois minorities, women, and residents discharged from any Illinois adult correctional center.

(b) Contracts let or awarded. Notice of each and every contract that is let or awarded, including renegotiated contracts and change orders, shall be issued to those organizations submitting responses to the solicitations, inclusive of the unsuccessful bidders, immediately upon contract let and award. Failure to give that notice shall result in tolling the time for filing a bid protest ~~published in the next available subsequent Bulletin, and the applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least all of the information specified in subsection (a), the name of the successful responsible bidder or offeror, the contract price, the number of unsuccessful responsive bidders, the information required in subsection (g) of Section 20-10 if applicable, and any other disclosure specified in any Section of this Code. This notice must be posted in the online electronic Bulletin no later than 10 business days after the contract is awarded~~.

(c) Emergency purchase disclosure. Any chief procurement officer or State purchasing officer exercising emergency purchase authority under this Code shall publish a written description and reasons and the total cost, if known, or an estimate if unknown and the name of the responsible chief procurement officer and State purchasing officer, and the business or person contracted with for all emergency purchases in the next timely, practicable Bulletin. This notice must be posted in the online electronic Bulletin no later than 3

business days after the contract is awarded. Notice of a hearing to extend an emergency contract must be posted in the online electronic Procurement Bulletin no later than 5 business days prior to the hearing.

(c-5) Business Enterprise Program report. Each purchasing agency shall post in the online electronic Bulletin a copy of its annual report of utilization of businesses owned by minorities, females, and persons with disabilities as submitted to the Business Enterprise Council for Minorities, Females, and Persons with Disabilities pursuant to Section 6(c) of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act within 10 business days after its submission of its report to the Council.

(c-10) Renewals. Notice of each contract renewal shall be posted in the online electronic Bulletin within 10 business days of the determination to renew the contract and the next available subsequent Bulletin. The notice shall include at least all of the information required in subsection (b).

(c-15) Sole source procurements. Before entering into a sole source contract, a chief procurement officer exercising sole source procurement authority under this Code shall publish a written description of intent to enter into a sole source contract along with a description of the item to be procured and the intended sole source contractor. This notice must be posted in the online electronic Procurement Bulletin before a sole source contract is awarded and at least 14 days before the hearing required by Section 20-25.

(d) Other required disclosure. The applicable chief procurement officer shall provide by rule for the organized publication of all other disclosure required in other Sections of this Code in a timely manner.

(e) The changes to subsections (b), (c), (c-5), (c-10), and (c-15) of this Section made by this amendatory Act of the 96th General Assembly apply to reports submitted, offers made, and notices on contracts executed on or after its effective date.

(f) The Department of Central Management Services, the Capital Development Board, the Department of Transportation, and the higher education chief procurement officer shall provide the Procurement Policy Board with the information and resources necessary, and in a manner, to effectuate the purpose of this amendatory Act of the 96th General Assembly.

(Source: P.A. 95-536, eff. 1-1-08; 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).)"; and

on page 1, by inserting immediately below line 10 the following:

"Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.".

AMENDMENT NO. 3. Amend House Bill 5065, AS AMENDED, by replacing all of Section 3 with the following:

"Section 3. The Illinois Procurement Code is amended by changing Sections 15-15 and 15-25 as follows:

(30 ILCS 500/15-15)

Sec. 15-15. Publication. All volumes of the Illinois Procurement Bulletin shall be published at least once per month. Any volume, including volumes available in print format, shall be available through subscription for a minimal fee not exceeding publication and distribution costs. The Illinois Procurement Bulletin shall be distributed free to public libraries within Illinois and electronically to any entity that has subscribed on the publishing entity's website.

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

(30 ILCS 500/15-25)

(Text of Section before amendment by P.A. 96-795)

Sec. 15-25. Bulletin content.

(a) Invitations for bids. Notice of each and every contract that is offered, including renegotiated contracts and change orders, shall be published in the Bulletin, and all businesses listed on the Department of Transportation Disadvantaged Business Enterprise Directory, the Department of Central Management Services Business Enterprise Program and Small Business Vendors Directory, and the Capital Development Board's Directory of Certified Minority and Female Business Enterprises shall be furnished written instructions and information on how to register on each Procurement Bulletin maintained by the State. Such information shall be provided to each business within 30 days after the business' notice of certification. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least the date first offered, the date submission of offers is due, the location that offers are to be submitted to, the purchasing State agency, the responsible State purchasing officer, a brief purchase description, the method of source selection,

information of how to obtain a comprehensive purchase description and any disclosure and contract forms, and encouragement to prospective vendors to hire qualified veterans, as defined by Section 45-67 of this Code, and qualified Illinois minorities, women, persons with disabilities, and residents discharged from any Illinois adult correctional center.

(b) Contracts let ~~or awarded~~. Notice of each and every contract that is let ~~or awarded~~, including renegotiated contracts and change orders, shall be issued electronically to those bidders or offerors submitting responses to the solicitations, inclusive of the unsuccessful bidders, immediately upon contract let. Failure of any chief procurement officer to give such notice shall result in tolling the time for filing a bid protest up to 5 business days. The apparent low bidder's award and all other bids from bidders responding to solicitations shall be posted on the agency's website the next business day ~~published in the next available subsequent Bulletin, and the applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least all of the information specified in subsection (a) as well as the name of the successful responsible bidder or offeror, the contract price, the number of unsuccessful responsive bidders, and any other disclosure specified in any Section of this Code. This notice must be posted in the online electronic Bulletin prior to execution of the contract~~.

(b-5) Contracts awarded. Notice of each and every contract that is awarded, including renegotiated contracts and changes orders, shall be issued electronically to the successful responsible bidder or offeror, posted on the agency's website the next business day, and published in the next available subsequent Bulletin. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least all of the information specified in subsection (a) as well as the name of the successful responsible bidder or offeror, the contract price, the number of unsuccessful responsive bidders, and any other disclosure specified in any Section of this Code. This notice must be posted in the online electronic Bulletin prior to execution of the contract.

(c) Emergency purchase disclosure. Any chief procurement officer, State purchasing officer, or designee exercising emergency purchase authority under this Code shall publish a written description and reasons and the total cost, if known, or an estimate if unknown and the name of the responsible chief procurement officer and State purchasing officer, and the business or person contracted with for all emergency purchases in the next timely, practicable Bulletin. This notice must be posted in the online electronic Bulletin within 3 business days after the execution of the contract.

(d) Other required disclosure. The applicable chief procurement officer shall provide by rule for the organized publication of all other disclosure required in other Sections of this Code in a timely manner.

(e) The Department of Central Management Services, the Capital Development Board, the Department of Transportation, and the higher education chief procurement officer shall provide the Procurement Policy Board with the information and resources necessary, and in a manner, to effectuate the purpose of this amendatory Act of the 96th General Assembly.

(Source: P.A. 94-1067, eff. 8-1-06; 95-536, eff. 1-1-08.)

(Text of Section after amendment by P.A. 96-795)

Sec. 15-25. Bulletin content.

(a) Invitations for bids. Notice of each and every contract that is offered, including renegotiated contracts and change orders, shall be published in the Bulletin, and all businesses listed on the Department of Transportation Disadvantaged Business Enterprise Directory, the Department of Central Management Services Business Enterprise Program and Small Business Vendors Directory, and the Capital Development Board's Directory of Certified Minority and Female Business Enterprises shall be furnished written instructions and information on how to register on each Procurement Bulletin maintained by the State. Such information shall be provided to each business within 30 days after the business' notice of certification. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least the date first offered, the date submission of offers is due, the location that offers are to be submitted to, the purchasing State agency, the responsible State purchasing officer, a brief purchase description, the method of source selection, information of how to obtain a comprehensive purchase description and any disclosure and contract forms, and encouragement to prospective vendors to hire qualified veterans, as defined by Section 45-67 of this Code, and qualified Illinois minorities, women, persons with disabilities, and residents discharged from any Illinois adult correctional center.

(b) Contracts let ~~or awarded~~. Notice of each and every contract that is let ~~or awarded~~, including renegotiated contracts and change orders, shall be issued electronically to those bidders or offerors submitting responses to the solicitations, inclusive of the unsuccessful bidders, immediately upon contract

let. Failure of any chief procurement officer to give such notice shall result in tolling the time for filing a bid protest up to 5 business days. The apparent low bidder's award and all other bids from bidders responding to solicitations shall be posted on the agency's website the next business day ~~published in the next available subsequent Bulletin, and the applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least all of the information specified in subsection (a), the name of the successful responsible bidder or offeror, the contract price, the number of unsuccessful responsive bidders, the information required in subsection (g) of Section 20-10 if applicable, and any other disclosure specified in any Section of this Code. This notice must be posted in the online electronic Bulletin no later than 10 business days after the contract is awarded~~.

(b-5) Contracts awarded. Notice of each and every contract that is awarded, including renegotiated contracts and changes orders, shall be issued electronically to the successful responsible bidder or offeror, posted on the agency's website the next business day, and published in the next available subsequent Bulletin. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least all of the information specified in subsection (a) as well as the name of the successful responsible bidder or offeror, the contract price, the number of unsuccessful responsive bidders, and any other disclosure specified in any Section of this Code. This notice must be posted in the online electronic Bulletin prior to execution of the contract.

(c) Emergency purchase disclosure. Any chief procurement officer or State purchasing officer exercising emergency purchase authority under this Code shall publish a written description and reasons and the total cost, if known, or an estimate if unknown and the name of the responsible chief procurement officer and State purchasing officer, and the business or person contracted with for all emergency purchases in the next timely, practicable Bulletin. This notice must be posted in the online electronic Bulletin no later than 3 business days after the contract is awarded. Notice of a hearing to extend an emergency contract must be posted in the online electronic Procurement Bulletin no later than 5 business days prior to the hearing.

(c-5) Business Enterprise Program report. Each purchasing agency shall post in the online electronic Bulletin a copy of its annual report of utilization of businesses owned by minorities, females, and persons with disabilities as submitted to the Business Enterprise Council for Minorities, Females, and Persons with Disabilities pursuant to Section 6(c) of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act within 10 business days after its submission of its report to the Council.

(c-10) Renewals. Notice of each contract renewal shall be posted in the online electronic Bulletin within 10 business days of the determination to renew the contract and the next available subsequent Bulletin. The notice shall include at least all of the information required in subsection (b).

(c-15) Sole source procurements. Before entering into a sole source contract, a chief procurement officer exercising sole source procurement authority under this Code shall publish a written description of intent to enter into a sole source contract along with a description of the item to be procured and the intended sole source contractor. This notice must be posted in the online electronic Procurement Bulletin before a sole source contract is awarded and at least 14 days before the hearing required by Section 20-25.

(d) Other required disclosure. The applicable chief procurement officer shall provide by rule for the organized publication of all other disclosure required in other Sections of this Code in a timely manner.

(e) The changes to subsections (b), (c), (c-5), (c-10), and (c-15) of this Section made by this amendatory Act of the 96th General Assembly apply to reports submitted, offers made, and notices on contracts executed on or after its effective date.

(f) The Department of Central Management Services, the Capital Development Board, the Department of Transportation, and the higher education chief procurement officer shall provide the Procurement Policy Board with the information and resources necessary, and in a manner, to effectuate the purpose of this amendatory Act of the 96th General Assembly.

(Source: P.A. 95-536, eff. 1-1-08; 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).)".

The foregoing message from the Senate reporting Senate Amendments numbered 1 and 3 to HOUSE BILL 5065 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 their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3803

A bill for AN ACT concerning transportation.
House Amendment No. 1 to SENATE BILL NO. 3803.
Action taken by the Senate, May 5, 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 adoption of their amendments to a bill of the following title, to-wit:

SENATE BILL NO. 3695

A bill for AN ACT concerning corrections.
House Amendment No. 2 to SENATE BILL NO. 3695.
House Amendment No. 3 to SENATE BILL NO. 3695.
Action taken by the Senate, May 5, 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 adoption of their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 1937

A bill for AN ACT concerning gaming.
House Amendment No. 1 to SENATE BILL NO. 1937.
Action taken by the Senate, May 5, 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 adoption of the following joint resolution, to-wit:

HOUSE JOINT RESOLUTION NO. 86

Concurred in the Senate, May 5, 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 of Representatives in the passage of a bill of the following title to-wit:

HOUSE BILL 4644

A bill for AN ACT concerning public employee benefits.

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. 4644

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 2. Amend House Bill 4644 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 7-142, 7-142.1, 7-145.1, 9-121.6, 14-104, and 15-113.11 and by adding Section 9-128.2 as follows:

(40 ILCS 5/7-142) (from Ch. 108 1/2, par. 7-142)

Sec. 7-142. Retirement annuities - Amount.

(a) The amount of a retirement annuity shall be the sum of the following, determined in accordance with the actuarial tables in effect at the time of the grant of the annuity:

1. For employees with 8 or more years of service, an annuity computed pursuant to subparagraphs a or b of this subparagraph 1, whichever is the higher, and for employees with less than 8 years of service the annuity computed pursuant to subparagraph a:

a. The monthly annuity which can be provided from the total accumulated normal, municipality and prior service credits, as of the attained age of the employee on the date the annuity begins provided that such annuity shall not exceed 75% of the final rate of earnings of the employee.

b. (i) The monthly annuity amount determined as follows by multiplying (a) 1 2/3% for annuitants with not more than 15 years or (b) 1 2/3% for the first 15 years and 2% for each year in excess of 15 years for annuitants with more than 15 years by the number of years plus fractional years, prorated on a basis of months, of creditable service and multiply the product thereof by the employee's final rate of earnings.

(ii) For the sole purpose of computing the formula (and not for the purposes of the limitations hereinafter stated) $125 shall be considered the final rate of earnings in all cases where the final rate of earnings is less than such amount.

(iii) The monthly annuity computed in accordance with this subparagraph b, shall not exceed an amount equal to 75% of the final rate of earnings.

(iv) For employees who have less than 35 years of service, the annuity computed in accordance with this subparagraph b (as reduced by application of subparagraph (iii) above) shall be reduced by 0.25% thereof (0.5% if service was terminated before January 1, 1988) for each month or fraction thereof (1) that the employee's age is less than 60 years, or (2) if the employee has at least 30 years of service credit, that the employee's service credit is less than 35 years, whichever is less, on the date the annuity begins.

2. The annuity which can be provided from the total accumulated additional credits as of the attained age of the employee on the date the annuity begins.

(b) If payment of an annuity begins prior to the earliest age at which the employee will become eligible for an old age insurance benefit under the Federal Social Security Act, he may elect that the annuity payments from this fund shall exceed those payable after his attaining such age by an amount, computed as determined by rules of the Board, but not in excess of his estimated Social Security Benefit, determined as of the effective date of the annuity, provided that in no case shall the total annuity payments made by this fund exceed in actuarial value the annuity which would have been payable had no such election been made.

(c) The retirement annuity shall be increased each year by 2%, not compounded, of the monthly amount of annuity, taking into consideration any adjustment under paragraph (b) of this Section. This increase shall be effective each January 1 and computed from the effective date of the retirement annuity, the first increase being .167% of the monthly amount times the number of months from the effective date to January 1. Beginning January 1, 1984 and thereafter, the retirement annuity shall be increased by 3% each year, not compounded. This increase shall not be applicable to annuitants who are not in service on or after September 8, 1971.

(d) Any elected county officer who was entitled to receive a stipend from the State on or after July 1, 2009 and on or before June 30, 2010 may establish earnings credit for the amount of stipend not received, if the elected county official applies in writing to the fund within 6 months after the effective date of this amendatory Act of the 96th General Assembly and pays to the fund an amount equal to (i) employee contributions on the amount of stipend not received, (ii) employer contributions determined by the Board

equal to the employer's normal cost of the benefit on the amount of stipend not received, plus (iii) interest on items (i) and (ii) at the actuarially assumed rate.

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

(40 ILCS 5/7-142.1) (from Ch. 108 1/2, par. 7-142.1)

Sec. 7-142.1. Sheriff's law enforcement employees.

(a) In lieu of the retirement annuity provided by subparagraph 1 of paragraph (a) of Section 7-142:

Any sheriff's law enforcement employee who has 20 or more years of service in that capacity and who terminates service prior to January 1, 1988 shall be entitled at his option to receive a monthly retirement annuity for his service as a sheriff's law enforcement employee computed by multiplying 2% for each year of such service up to 10 years, 2 1/4% for each year of such service above 10 years and up to 20 years, and 2 1/2% for each year of such service above 20 years, by his annual final rate of earnings and dividing by 12.

Any sheriff's law enforcement employee who has 20 or more years of service in that capacity and who terminates service on or after January 1, 1988 and before July 1, 2004 shall be entitled at his option to receive a monthly retirement annuity for his service as a sheriff's law enforcement employee computed by multiplying 2.5% for each year of such service up to 20 years, 2% for each year of such service above 20 years and up to 30 years, and 1% for each year of such service above 30 years, by his annual final rate of earnings and dividing by 12.

Any sheriff's law enforcement employee who has 20 or more years of service in that capacity and who terminates service on or after July 1, 2004 shall be entitled at his or her option to receive a monthly retirement annuity for service as a sheriff's law enforcement employee computed by multiplying 2.5% for each year of such service by his annual final rate of earnings and dividing by 12.

If a sheriff's law enforcement employee has service in any other capacity, his retirement annuity for service as a sheriff's law enforcement employee may be computed under this Section and the retirement annuity for his other service under Section 7-142.

In no case shall the total monthly retirement annuity for persons who retire before July 1, 2004 exceed 75% of the monthly final rate of earnings. In no case shall the total monthly retirement annuity for persons who retire on or after July 1, 2004 exceed 80% of the monthly final rate of earnings.

(b) Whenever continued group insurance coverage is elected in accordance with the provisions of Section 367h of the Illinois Insurance Code, as now or hereafter amended, the total monthly premium for such continued group insurance coverage or such portion thereof as is not paid by the municipality shall, upon request of the person electing such continued group insurance coverage, be deducted from any monthly pension benefit otherwise payable to such person pursuant to this Section, to be remitted by the Fund to the insurance company or other entity providing the group insurance coverage.

(c) A sheriff's law enforcement employee who has service in any other capacity may convert up to 10 years of that service into service as a sheriff's law enforcement employee by paying to the Fund an amount equal to (1) the additional employee contribution required under Section 7-173.1, plus (2) the additional employer contribution required under Section 7-172, plus (3) interest on items (1) and (2) at the prescribed rate from the date of the service to the date of payment.

(d) The changes to subsections (a) and (b) of this Section made by this amendatory Act of the 94th General Assembly apply only to persons in service on or after July 1, 2004. In the case of such a person who begins to receive a retirement annuity before the effective date of this amendatory Act of the 94th General Assembly, the annuity shall be recalculated prospectively to reflect those changes, with the resulting increase beginning to accrue on the first annuity payment date following the effective date of this amendatory Act.

(e) Any elected county officer who was entitled to receive a stipend from the State on or after July 1, 2009 and on or before June 30, 2010 may establish earnings credit for the amount of stipend not received, if the elected county official applies in writing to the fund within 6 months after the effective date of this amendatory Act of the 96th General Assembly and pays to the fund an amount equal to (i) employee contributions on the amount of stipend not received, (ii) employer contributions determined by the Board equal to the employer's normal cost of the benefit on the amount of stipend not received, plus (iii) interest on items (i) and (ii) at the actuarially assumed rate.

(Source: P.A. 94-712, eff. 6-1-06.)

(40 ILCS 5/7-145.1)

Sec. 7-145.1. Alternative annuity for county officers.

(a) The benefits provided in this Section and Section 7-145.2 are available only if the county board has filed with the Board of the Fund a resolution or ordinance expressly consenting to the availability of these

benefits for its elected county officers. The county board's consent is irrevocable with respect to persons participating in the program, but may be revoked at any time with respect to persons who have not paid an additional optional contribution under this Section before the date of revocation.

An elected county officer may elect to establish alternative credits for an alternative annuity by electing in writing to make additional optional contributions in accordance with this Section and procedures established by the board. These alternative credits are available only for periods of service as an elected county officer. The elected county officer may discontinue making the additional optional contributions by notifying the Fund in writing in accordance with this Section and procedures established by the board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service as an elected county officer after the option is elected, an additional contribution of 3% of salary shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Section 7-173.

(2) For service as an elected county officer before the option is elected, an additional contribution of 3% of the salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment, plus any additional amount required by the county board under paragraph (3). All payments for past service must be paid in full before credit is given.

(3) With respect to service as an elected county officer before the option is elected, if payment is made after the county board has filed with the Board of the Fund a resolution or ordinance requiring an additional contribution under this paragraph, then the contribution required under paragraph (2) shall include an amount to be determined by the Fund, equal to the actuarial present value of the additional employer cost that would otherwise result from the alternative credits being established for that service. A county board's resolution or ordinance requiring additional contributions under this paragraph (3) is irrevocable.

No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(b) In lieu of the retirement annuity otherwise payable under this Article, an elected county officer who (1) has elected to participate in the Fund and make additional optional contributions in accordance with this Section, (2) has held and made additional optional contributions with respect to the same elected county office for at least 8 years, and (3) has attained age 55 with at least 8 years of service credit (or has attained age 50 with at least 20 years of service as a sheriff's law enforcement employee) may elect to have his retirement annuity computed as follows: 3% of the participant's salary for each of the first 8 years of service credit, plus 4% of that salary for each of the next 4 years of service credit, plus 5% of that salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of that salary.

This formula applies only to service in an elected county office that the officer held for at least 8 years, and only to service for which additional optional contributions have been paid under this Section. If an elected county officer qualifies to have this formula applied to service in more than one elected county office, the qualifying service shall be accumulated for purposes of determining the applicable accrual percentages, but the salary used for each office shall be the separate salary calculated for that office, as defined in subsection (g).

To the extent that the elected county officer has service credit that does not qualify for this formula, his retirement annuity will first be determined in accordance with this formula with respect to the service to which this formula applies, and then in accordance with the remaining Sections of this Article with respect to the service to which this formula does not apply.

(c) In lieu of the disability benefits otherwise payable under this Article, an elected county officer who (1) has elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of his office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (b). For the purposes of this subsection, an elected county officer shall be considered permanently disabled only if: (i) disability occurs while in service as an elected county officer and is of such a nature as to prevent him from reasonably performing the duties of his office at the time; and (ii) the board has received a written certification by at least 2 licensed physicians appointed by it stating that the officer is disabled and that the disability is likely to be permanent.

(d) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Section 7-166, 7-167 and 7-168. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions.

If an elected county officer fails to hold that same elected county office for at least 8 years, he or she

shall be entitled after leaving office to receive a refund of the additional optional contributions made with respect to that office, plus interest at the effective rate.

(e) The plan of optional alternative benefits and contributions shall be available to persons who are elected county officers and active contributors to the Fund on or after November 15, 1994. A person who was an elected county officer and an active contributor to the Fund on November 15, 1994 but is no longer an active contributor may apply to make additional optional contributions under this Section at any time within 90 days after the effective date of this amendatory Act of 1997; if the person is an annuitant, the resulting increase in annuity shall begin to accrue on the first day of the month following the month in which the required payment is received by the Fund.

(f) For the purposes of this Section and Section 7-145.2, the terms "elected county officer" and "elected county office" include, but are not limited to: (1) the county clerk, recorder, treasurer, coroner, assessor (if elected), auditor, sheriff, and State's Attorney; members of the county board; and the clerk of the circuit court; and (2) a person who has been appointed to fill a vacancy in an office that is normally filled by election on a countywide basis, for the duration of his or her service in that office. The terms "elected county officer" and "elected county office" do not include any officer or office of a county that has not consented to the availability of benefits under this Section and Section 7-145.2.

(g) For the purposes of this Section and Section 7-145.2, the term "salary" means the final rate of earnings for the elected county office held, calculated in a manner consistent with Section 7-116, but for that office only. If an elected county officer qualifies to have the formula in subsection (b) applied to service in more than one elected county office, a separate salary shall be calculated and applied with respect to each such office.

(h) The changes to this Section made by this amendatory Act of the 91st General Assembly apply to persons who first make an additional optional contribution under this Section on or after the effective date of this amendatory Act.

(i) Any elected county officer who was entitled to receive a stipend from the State on or after July 1, 2009 and on or before June 30, 2010 may establish earnings credit for the amount of stipend not received, if the elected county official applies in writing to the fund within 6 months after the effective date of this amendatory Act of the 96th General Assembly and pays to the fund an amount equal to (i) employee contributions on the amount of stipend not received, (ii) employer contributions determined by the Board equal to the employer's normal cost of the benefit on the amount of stipend not received, plus (iii) interest on items (i) and (ii) at the actuarially assumed rate.

(Source: P.A. 90-32, eff. 6-27-97; 91-685, eff. 1-26-00; 91-887, eff. 7-6-00.)

(40 ILCS 5/9-121.6) (from Ch. 108 1/2, par. 9-121.6)

Sec. 9-121.6. Alternative annuity for county officers.

(a) Any county officer elected by vote of the people may elect to establish alternative credits for an alternative annuity by electing in writing to make additional optional contributions in accordance with this Section and procedures established by the board. Such elected county officer may discontinue making the additional optional contributions by notifying the Fund in writing in accordance with this Section and procedures established by the board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service after the option is elected, an additional contribution of 3% of salary

shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Sections 9-170 and 9-176.

(2) For service before the option is elected, an additional contribution of 3% of the

salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment. All payments for past service must be paid in full before credit is given. No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(b) In lieu of the retirement annuity otherwise payable under this Article, any county officer elected by vote of the people who (1) has elected to participate in the Fund and make additional optional contributions in accordance with this Section, and (2) has attained age 60 with at least 10 years of service credit, or has attained age 65 with at least 8 years of service credit, may elect to have his retirement annuity computed as follows: 3% of the participant's salary at the time of termination of service for each of the first 8 years of service credit, plus 4% of such salary for each of the next 4 years of service credit, plus 5% of such salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of such salary. To the extent such elected county officer has made additional optional contributions with respect to only a portion

of his years of service credit, his retirement annuity will first be determined in accordance with this Section to the extent such additional optional contributions were made, and then in accordance with the remaining Sections of this Article to the extent of years of service credit with respect to which additional optional contributions were not made.

(c) In lieu of the disability benefits otherwise payable under this Article, any county officer elected by vote of the people who (1) has elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of his office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (b). For the purposes of this subsection, such elected county officer shall be considered permanently disabled only if: (i) disability occurs while in service as an elected county officer and is of such a nature as to prevent him from reasonably performing the duties of his office at the time; and (ii) the board has received a written certification by at least 2 licensed physicians appointed by it stating that such officer is disabled and that the disability is likely to be permanent.

(d) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Section 9-164, 9-166 and 9-167. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions. Optional contributions under this Section shall be included in the amount of employee contributions used to compute the tax levy under Section 9-169.

(e) The effective date of this plan of optional alternative benefits and contributions shall be January 1, 1988, or the date upon which approval is received from the U.S. Internal Revenue Service, whichever is later. The plan of optional alternative benefits and contributions shall not be available to any former county officer or employee receiving an annuity from the Fund on the effective date of the plan, unless he re-enters service as an elected county officer and renders at least 3 years of additional service after the date of re-entry.

(f) Any elected county officer who was entitled to receive a stipend from the State on or after July 1, 2009 and on or before June 30, 2010 may establish earnings credit for the amount of stipend not received, if the elected county official applies in writing to the fund within 6 months after the effective date of this amendatory Act of the 96th General Assembly and pays to the fund an amount equal to (i) employee contributions on the amount of stipend not received, (ii) employer contributions determined by the Board equal to the employer's normal cost of the benefit on the amount of stipend not received, plus (iii) interest on items (i) and (ii) at the actuarially assumed rate.

(g) ~~(f)~~ The plan of optional alternative benefits and contributions authorized under this Section applies only to county officers elected by vote of the people on or before January 1, 2008 (the effective date of Public Act 95-654).

(Source: P.A. 95-369, eff. 8-23-07; 95-654, eff. 1-1-08; 95-876, eff. 8-21-08.)

(40 ILCS 5/9-128.2 new)

Sec. 9-128.2. Stipends. Any elected county officer who was entitled to receive a stipend from the State on or after July 1, 2009 and on or before June 30, 2010 may establish earnings credit for the amount of stipend not received, if the elected county official applies in writing to the fund within 6 months after the effective date of this amendatory Act of the 96th General Assembly and pays to the fund an amount equal to (i) employee contributions on the amount of stipend not received, (ii) employer contributions determined by the Board equal to the employer's normal cost of the benefit on the amount of stipend not received, plus (iii) interest on items (i) and (ii) at the actuarially assumed rate.

(40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

Sec. 14-104. Service for which contributions permitted. Contributions provided for in this Section shall cover the period of service granted. Except as otherwise provided in this Section, the contributions shall be based upon the employee's compensation and contribution rate in effect on the date he last became a member of the System; provided that for all employment prior to January 1, 1969 the contribution rate shall be that in effect for a noncovered employee on the date he last became a member of the System. Except as otherwise provided in this Section, contributions permitted under this Section shall include regular interest from the date an employee last became a member of the System to the date of payment.

These contributions must be paid in full before retirement either in a lump sum or in installment payments in accordance with such rules as may be adopted by the board.

(a) Any member may make contributions as required in this Section for any period of service, subsequent to the date of establishment, but prior to the date of membership.

(b) Any employee who had been previously excluded from membership because of age at entry and

subsequently became eligible may elect to make contributions as required in this Section for the period of service during which he was ineligible.

(c) An employee of the Department of Insurance who, after January 1, 1944 but prior to becoming eligible for membership, received salary from funds of insurance companies in the process of rehabilitation, liquidation, conservation or dissolution, may elect to make contributions as required in this Section for such service.

(d) Any employee who rendered service in a State office to which he was elected, or rendered service in the elective office of Clerk of the Appellate Court prior to the date he became a member, may make contributions for such service as required in this Section. Any member who served by appointment of the Governor under the Civil Administrative Code of Illinois and did not participate in this System may make contributions as required in this Section for such service.

(e) Any person employed by the United States government or any instrumentality or agency thereof from January 1, 1942 through November 15, 1946 as the result of a transfer from State service by executive order of the President of the United States shall be entitled to prior service credit covering the period from January 1, 1942 through December 31, 1943 as provided for in this Article and to membership service credit for the period from January 1, 1944 through November 15, 1946 by making the contributions required in this Section. A person so employed on January 1, 1944 but whose employment began after January 1, 1942 may qualify for prior service and membership service credit under the same conditions.

(f) An employee of the Department of Labor of the State of Illinois who performed services for and under the supervision of that Department prior to January 1, 1944 but who was compensated for those services directly by federal funds and not by a warrant of the Auditor of Public Accounts paid by the State Treasurer may establish credit for such employment by making the contributions required in this Section. An employee of the Department of Agriculture of the State of Illinois, who performed services for and under the supervision of that Department prior to June 1, 1963, but was compensated for those services directly by federal funds and not paid by a warrant of the Auditor of Public Accounts paid by the State Treasurer, and who did not contribute to any other public employee retirement system for such service, may establish credit for such employment by making the contributions required in this Section.

(g) Any employee who executed a waiver of membership within 60 days prior to January 1, 1944 may, at any time while in the service of a department, file with the board a rescission of such waiver. Upon making the contributions required by this Section, the member shall be granted the creditable service that would have been received if the waiver had not been executed.

(h) Until May 1, 1990, an employee who was employed on a full-time basis by a regional planning commission for at least 5 continuous years may establish creditable service for such employment by making the contributions required under this Section, provided that any credits earned by the employee in the commission's retirement plan have been terminated.

(i) Any person who rendered full time contractual services to the General Assembly as a member of a legislative staff may establish service credit for up to 8 years of such services by making the contributions required under this Section, provided that application therefor is made not later than July 1, 1991.

(j) By paying the contributions otherwise required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest, but with all of the interest calculated from the date the employee last became a member of the System or November 19, 1991, whichever is later, to the date of payment, an employee may establish service credit for a period of up to 4 years spent in active military service for which he does not qualify for credit under Section 14-105, provided that (1) he was not dishonorably discharged from such military service, and (2) the amount of service credit established by a member under this subsection (j), when added to the amount of military service credit granted to the member under subsection (b) of Section 14-105, shall not exceed 5 years. The change in the manner of calculating interest under this subsection (j) made by this amendatory Act of the 92nd General Assembly applies to credit purchased by an employee on or after its effective date and does not entitle any person to a refund of contributions or interest already paid. In compliance with Section 14-152.1 of this Act concerning new benefit increases, any new benefit increase as a result of the changes to this subsection (j) made by Public Act 95-483 is funded through the employee contributions provided for in this subsection (j). Any new benefit increase as a result of the changes made to this subsection (j) by Public Act 95-483 is exempt from the provisions of subsection (d) of Section 14-152.1.

(k) An employee who was employed on a full-time basis by the Illinois State's Attorneys Association Statewide Appellate Assistance Service LEAA-ILEC grant project prior to the time that project became the State's Attorneys Appellate Service Commission, now the Office of the State's Attorneys Appellate Prosecutor, an agency of State government, may establish creditable service for not more than 60 months

service for such employment by making contributions required under this Section.

(l) By paying the contributions otherwise required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest, a member may establish service credit for periods of less than one year spent on authorized leave of absence from service, provided that (1) the period of leave began on or after January 1, 1982 and (2) any credit established by the member for the period of leave in any other public employee retirement system has been terminated. A member may establish service credit under this subsection for more than one period of authorized leave, and in that case the total period of service credit established by the member under this subsection may exceed one year. In determining the contributions required for establishing service credit under this subsection, the interest shall be calculated from the beginning of the leave of absence to the date of payment.

(l-5) By paying the contributions otherwise required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest, a member may establish service credit for periods of up to 2 years spent on authorized leave of absence from service, provided that during that leave the member represented or was employed as an officer or employee of a statewide labor organization that represents members of this System. In determining the contributions required for establishing service credit under this subsection, the interest shall be calculated from the beginning of the leave of absence to the date of payment.

(m) Any person who rendered contractual services to a member of the General Assembly as a worker in the member's district office may establish creditable service for up to 3 years of those contractual services by making the contributions required under this Section. The System shall determine a full-time salary equivalent for the purpose of calculating the required contribution. To establish credit under this subsection, the applicant must apply to the System by March 1, 1998.

(n) Any person who rendered contractual services to a member of the General Assembly as a worker providing constituent services to persons in the member's district may establish creditable service for up to 8 years of those contractual services by making the contributions required under this Section. The System shall determine a full-time salary equivalent for the purpose of calculating the required contribution. To establish credit under this subsection, the applicant must apply to the System by March 1, 1998.

(o) A member who participated in the Illinois Legislative Staff Internship Program may establish creditable service for up to one year of that participation by making the contribution required under this Section. The System shall determine a full-time salary equivalent for the purpose of calculating the required contribution. Credit may not be established under this subsection for any period for which service credit is established under any other provision of this Code.

(p) By paying the contributions otherwise required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest, a member may establish service credit for a period of up to 8 years during which he or she was employed by the Visually Handicapped Managers of Illinois in a vending program operated under a contractual agreement with the Department of Rehabilitation Services or its successor agency.

This subsection (p) applies without regard to whether the person was in service on or after the effective date of this amendatory Act of the 94th General Assembly. In the case of a person who is receiving a retirement annuity on that effective date, the increase, if any, shall begin to accrue on the first annuity payment date following receipt by the System of the contributions required under this subsection (p).

(q) By paying the required contributions under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest, an employee who was laid off but returned to State employment under circumstances in which the employee is considered to have been in continuous service for purposes of determining seniority may establish creditable service for the period of the layoff, provided that (1) the applicant applies for the creditable service under this subsection (q) within 6 months after the effective date of this amendatory Act of the 94th General Assembly, (2) the applicant does not receive credit for that period under any other provision of this Code, (3) at the time of the layoff, the applicant is not in an initial probationary status consistent with the rules of the Department of Central Management Services, and (4) the total amount of creditable service established by the applicant under this subsection (q) does not exceed 3 years. For service established under this subsection (q), the required employee contribution shall be based on the rate of compensation earned by the employee on the date of returning to employment after the layoff and the contribution rate then in effect, and the required interest shall be calculated from the date of returning to employment after the layoff to the date of payment.

(r) A member who participated in the University of Illinois Government Public Service Internship Program (GPSI) may establish creditable service for up to 2 years of that participation by making the contribution required under this Section, plus an amount determined by the Board to be equal to the

employer's normal cost of the benefit plus interest. The System shall determine a full-time salary equivalent for the purpose of calculating the required contribution. Credit may not be established under this subsection for any period for which service credit is established under any other provision of this Code.

(s) A member who worked as a nurse under a contractual agreement for the Department of Public Aid, or its successor agency, the Department of Human Services, in the Client Assessment Unit and was subsequently determined to be a State employee by the United States Internal Revenue Service and the Illinois Labor Relations Board may establish creditable service for those contractual services by making the contributions required under this Section. To establish credit under this subsection, the applicant must apply to the System by July 1, 2008.

The Department of Human Services shall pay an employer contribution based upon an amount determined by the Board to be equal to the employer's normal cost of the benefit, plus interest.

In compliance with Section 14-152.1 added by Public Act 94-4, the cost of the benefits provided by Public Act 95-583 are offset by the required employee and employer contributions.

(t) Any person who rendered contractual services on a full-time basis to the Illinois Institute of Natural Resources and the Illinois Department of Energy and Natural Resources may establish creditable service for up to 4 years of those contractual services by making the contributions required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest at the actuarially assumed rate from the first day of the service for which credit is being established to the date of payment. To establish credit under this subsection (t), the applicant must apply to the System within 6 months after August 28, 2009 (the effective date of Public Act 96-775) ~~this amendatory Act of the 96th General Assembly~~.

(u) ~~(t)~~ A member may establish creditable service and earnings credit for a period of voluntary or involuntary furlough, not exceeding 5 days, beginning on or after July 1, 2008 and ending on or before June 30, 2009, that is utilized as a means of addressing a State fiscal emergency. To receive this credit, the member must apply in writing to the System before July 1, 2012, and make contributions required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit, plus interest at the actuarially assumed rate.

A member may establish creditable service and earnings credit for a period of voluntary or involuntary furlough, not exceeding 24 days, beginning on or after July 1, 2009 and ending on or before June 30, 2011, that is utilized as a means of addressing a State fiscal emergency. To receive this credit, the member must, before December 31, 2011, (i) apply in writing to the System and (ii) make the contributions required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit, plus interest at the actuarially assumed rate.

(v) ~~(t)~~ Any member who rendered full-time contractual services to an Illinois Veterans Home operated by the Department of Veterans' Affairs may establish service credit for up to 8 years of such services by making the contributions required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit, plus interest at the actuarially assumed rate. To establish credit under this subsection, the applicant must apply to the System no later than 6 months after July 27, 2009 (the effective date of Public Act 96-97) ~~this amendatory Act of the 96th General Assembly~~.

(Source: P.A. 95-483, eff. 8-28-07; 95-583, eff. 8-31-07; 95-652, eff. 10-11-07; 95-876, eff. 8-21-08; 96-97, eff. 7-27-09; 96-718, eff. 8-25-09; 96-775, eff. 8-28-09; revised 9-9-09.)

(40 ILCS 5/15-113.11 new)

Sec. 15-113.11. Service for periods of voluntary or involuntary furlough. A participant may establish creditable service and earnings credit for periods of furlough beginning on or after July 1, 2009 and ending on or before June 30, 2011. To receive this credit, the participant must (i) apply in writing to the System before December 31, 2011; (ii) not receive compensation from an employer for any furlough period; and (iii) make employee contributions required under Section 15-157 based on the rate of basic compensation during the periods of furlough, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit, plus compounded interest at the actuarially assumed rate from the date of voluntary or involuntary furlough to the date of payment. The participant shall provide, at the time of application, written certification from the employer providing the total number of furlough days a participant has been required to take.

Section 90. The State Mandates Act is amended by adding Section 8.34 as follows:

(30 ILCS 805/8.34 new)

Sec. 8.34. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 96th General Assembly.

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

The foregoing message from the Senate reporting Senate Amendment No. 2 to HOUSE BILL 4644 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 537

A bill for AN ACT concerning financial regulation.

Together with the attached amendments thereto (which amendments have 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. 537
Senate Amendment No. 2 to HOUSE BILL NO. 537
Senate Amendment No. 3 to HOUSE BILL NO. 537
Senate Amendment No. 4 to HOUSE BILL NO. 537
Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 537 by replacing everything after the enacting clause with the following:

"Section 5. The Residential Mortgage License Act of 1987 is amended by changing Section 1-1 as follows:

(205 ILCS 635/1-1) (from Ch. 17, par. 2321-1)

Sec. 1-1. This Act shall be known and ~~and~~ may be cited as the "Residential Mortgage License Act of 1987".

(Source: P.A. 85-735.)".

AMENDMENT NO. 2. Amend House Bill 537, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Consumer Installment Loan Act is amended by changing Sections 1 and 15 and by adding Sections 17.1, 17.2, 17.3, 17.4, 17.5, and 19.2 as follows:

(205 ILCS 670/1) (from Ch. 17, par. 5401)

Sec. 1. License required to engage in business. No person, partnership, association, limited liability company, or corporation shall engage in the business of making loans of money in a principal amount not exceeding $40,000 ~~$25,000~~, and charge, contract for, or receive on any such loan a greater rate of interest, discount, or consideration therefor than the lender would be permitted by law to charge if he were not a licensee hereunder, except as authorized by this Act after first obtaining a license from the Director of Financial Institutions (hereinafter called the Director). No licensee, or employee or affiliate thereof, that is licensed under the Payday Loan Reform Act shall obtain a license under this Act except that a licensee under the Payday Loan Reform Act may obtain a license under this Act for the exclusive purpose and use of making title-secured loans, as defined in subsection (a) of Section 15 of this Act and governed by Title 38, Section 110.300 of the Illinois Administrative Code.

(Source: P.A. 89-400, eff. 8-20-95; 90-437, eff. 1-1-98.)

(205 ILCS 670/15) (from Ch. 17, par. 5415)

Sec. 15. Charges permitted.

(a) Every licensee may lend a principal amount not exceeding $40,000 and, except as to small consumer loans as defined in this Section, may charge, contract for and receive thereon interest at an annual percentage ~~the~~ rate of no more than 36% ~~agreed upon by the licensee and the borrower~~, subject to the provisions of this Act ; provided, however, that the limitation on the annual percentage rate contained in this subsection (a) does not apply to title-secured loans, which are loans upon which interest is charged at an annual percentage rate exceeding 36%, in which, at commencement, an obligor provides to the licensee, as security for the loan, physical possession of the obligor's title to a motor vehicle, and upon which a

licensee may charge, contract for, and receive thereon interest at the rate agreed upon by the licensee and borrower. For purposes of this Section, the annual percentage rate shall be calculated in accordance with the federal Truth in Lending Act.

(b) For purpose of this Section, the following terms shall have the meanings ascribed herein.

"Applicable interest" for a precomputed loan contract means the amount of interest attributable to each monthly installment period. It is computed as if each installment period were one month and any interest charged for extending the first installment period beyond one month is ignored. The applicable interest for any monthly installment period is, for loans other than small consumer loans as defined in this Section, that portion of the precomputed interest that bears the same ratio to the total precomputed interest as the balances scheduled to be outstanding during that month bear to the sum of all scheduled monthly outstanding balances in the original contract. With respect to a small consumer loan, the applicable interest for any installment period is that portion of the precomputed monthly installment account handling charge attributable to the installment period calculated based on a method at least as favorable to the consumer as the actuarial method, as defined by the federal Truth in Lending Act.

"Interest-bearing loan" means a loan in which the debt is expressed as a principal amount plus interest charged on actual unpaid principal balances for the time actually outstanding.

"Precomputed loan" means a loan in which the debt is expressed as the sum of the original principal amount plus interest computed actuarially in advance, assuming all payments will be made when scheduled.

"Small consumer loan" means a loan upon which interest is charged at an annual percentage rate exceeding 36% and with an amount financed of $4,000 or less. "Small consumer loan" does not include a title-secured loan as defined by subsection (a) of this Section or a payday loan as defined by the Payday Loan Reform Act.

(c) Loans may be interest-bearing or precomputed.

(d) To compute time for either interest-bearing or precomputed loans for the calculation of interest and other purposes, a month shall be a calendar month and a day shall be considered 1/30th of a month when calculation is made for a fraction of a month. A month shall be 1/12th of a year. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a month and a fraction of a month, the fraction of the month is considered to follow the whole month. In the alternative, for interest-bearing loans, the licensee may charge interest at the rate of 1/365th of the agreed annual rate for each day actually elapsed.

(d-5) No financial institution or other person may condition an extension of credit to a consumer on the consumer's repayment by preauthorized electronic fund transfers. Payment options, including, but not limited to, electronic fund transfers and Automatic Clearing House (ACH) transactions may be offered to consumers as a choice and method of payment chosen by the consumer.

(e) With respect to interest-bearing loans:

(1) Interest shall be computed on unpaid principal balances outstanding from time to time, for the time outstanding, until fully paid. Each payment shall be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest shall not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (f), clause (3). The resulting loan contract shall be deemed a new and separate loan transaction for all purposes.

(3) Loans must be fully amortizing and be repayable in substantially equal and consecutive weekly, biweekly, semimonthly, or monthly installments. Notwithstanding this requirement, ~~may be payable as agreed between the parties, including payment at irregular times or in unequal amounts and~~ rates ~~that~~ may vary according to ~~with~~ an index that is independently verifiable and beyond the control of the licensee.

(4) The lender or creditor may, if the contract provides, collect a delinquency or collection charge on each installment in default for a period of not less than 10 days in an amount not exceeding 5% of the installment on installments in excess of $200, or $10 on installments of $200 or

less, but only one delinquency and collection charge may be collected on any installment regardless of the period during which it remains in default.

(f) With respect to precomputed loans:

(1) Loans shall be repayable in substantially equal and consecutive weekly, biweekly, semimonthly, or monthly installments of principal and interest combined, except that the first installment period may be longer than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days; and provided further that monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments shall be applied in the order in which they become due, except that any insurance proceeds received as a result of any claim made on any insurance, unless sufficient to prepay the contract in full, may be applied to the unpaid installments of the total of payments in inverse order.

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the obligor with the total of the applicable interest for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; provided, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable interest for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the obligor with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgement is entered.

(4) The lender or creditor may, if the contract provides, collect a delinquency or collection charge on each installment in default for a period of not less than 10 days in an amount not exceeding 5% of the installment on installments in excess of $200, or $10 on installments of $200 or less, but only one delinquency or collection charge may be collected on any installment regardless of the period during which it remains in default.

(5) If the parties agree in writing, either in the loan contract or in a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this Section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one month period may not exceed the applicable interest for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the licensee shall credit to the obligor a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.

(6) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the agreed rate of interest or, in the case of small consumer loans, interest at the rate of 18% per annum, may be charged on the unpaid balance until fully paid.

(7) Fifteen days after the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under paragraph (f), clause (6), may compute and charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the agreed rate of interest or, in the case of small consumer loans, interest at the rate of 18% per annum, until fully paid. At the time of payment of said final installment, the licensee shall give notice to the obligor stating any amounts unpaid.

(Source: P.A. 93-264, eff. 1-1-04.)

(205 ILCS 670/17.1 new)

Sec. 17.1. Small consumer loans; definition. Sections 17.1, 17.2, 17.3, 17.4, and 17.5 of this Act apply exclusively to small consumer loans as defined in Section 15 of this Act.

(205 ILCS 670/17.2 new)

Sec. 17.2. Small consumer loans; charges permitted.

(a) With respect to a small consumer loan of $1,500 or less:

(1) A licensee may charge, contract for and receive interest at an annual percentage rate of no more than 99% calculated in accordance with the federal Truth in Lending Act.

(2) A licensee may charge an acquisition charge not to exceed 10% of the amount financed. The acquisition charge is in lieu of the fee permitted under Section 15d(5) and is fully earned at the time the loan is made and shall not be subject to refund.

(b) With respect to a small consumer loan over $1,500:

(1) A licensee may charge the following finance charges:

(A) an acquisition charge for making the original loan, not to exceed $100; for purposes of this subsection (b), "original loan" means a loan in which none of the proceeds are used by the licensee to pay off the outstanding balance of another small consumer loan made to the same consumer by the same licensee or any employee or affiliate of the licensee;

(B) an acquisition charge for the first time that an original loan is refinanced, not to exceed $50;

(C) an acquisition charge for any subsequent refinancing not to exceed $25; for purposes of this subsection (b), "refinancing" occurs when an existing small consumer loan is satisfied and replaced by a new small consumer loan made to the same consumer by the same licensee or any employee or affiliate of the licensee; and

(D) a monthly installment account handling charge, not to exceed the following amounts:

Amount financed	Per month charge
$1,500.01 - $1,600	$69
$1,600.01 - $1,700	$72
$1,700.01 - $1,800	$75
$1,800.01 - $1,900	$78
$1,900.01 - $2,000	$81
$2,000.01 - $2,100	$84
$2,100.01 - $2,200	$87
$2,200.01 - $2,300	$90
$2,300.01 - $2,400	$92
$2,400.01 - $2,500	$94
$2,500.01 - $2,600	$96
$2,600.01 - $2,700	$98
$2,700.01 - $2,800	$100
$2,800.01 - $2,900	$102
$2,900.01 - $3,000	$104
$3,000.01 - $3,100	$106
$3,100.01 - $3,200	$108
$3,200.01 - $3,300	$110
$3,300.01 - $3,400	$112
$3,400.01 - $3,500	$114
$3,500.01 - $3,600	$116
$3,600.01 - $3,700	$118
$3,700.01 - $3,800	$120
$3,800.01 - $3,900	$122
$3,900.01 - $4,000	$124

(2) The acquisition charge is in lieu of the fee permitted under Section 15d(5) and is fully earned at the time the loan is made and shall not be subject to refund; except that, if the loan is paid in full within the first 60 days of the loan term, the first $25 of the acquisition charge may be retained by the licensee and the remainder of the acquisition charge shall be refunded at a rate of one-sixtieth of the remainder of the acquisition charge per day, beginning on the day after the date of the prepayment and ending on the sixtieth day after the loan was made.

(3) In no event shall the annual percentage rate on the loan transaction as calculated in accordance with the federal Truth in Lending Act exceed 99%.

(c) In addition to the charges permitted in subsections (a) and (b) of this Section, a licensee may charge a consumer a fee not to exceed $1 to cover the licensee's cost of submitting loan information into the

consumer reporting service, as required under Section 17.5 of this Act. Only one such fee may be collected by the licensee with respect to a particular loan.

(d) When any loan contract is paid in full by cash, renewal, or refinancing, or a new loan, the licensee shall refund any unearned interest or unearned portion of the monthly installment account handling charge, whichever is applicable. The unearned interest or unearned portion of the monthly installment account handling charge that is refunded shall be calculated based on a method that is at least as favorable to the consumer as the actuarial method, as defined by the federal Truth in Lending Act. The sum of the digits or rule of 78ths method of calculating prepaid interest refunds is prohibited.

(e) The maximum acquisition charges that are expressed as flat dollar amounts under this Section shall be subject to an annual adjustment as of the first day of each year following the effective date of this amendatory Act of the 96th General Assembly equal to the percentage change in the Consumer Price Index compiled by the Bureau of Labor Statistics, United States Department of Labor, or, if that index is canceled or superseded, the index chosen by the Bureau of Labor Statistics as most accurately reflecting the changes in the purchasing power of the dollar for consumers, or, if no such index is chosen by the Bureau of Labor Statistics, the index chosen by the Department as most accurately reflecting the changes in the purchasing power of the dollar for consumers. The adjusted amounts shall take effect on July 1 of the year of the computations.

(205 ILCS 670/17.3 new)

Sec. 17.3. Small consumer loans; terms.

(a) A small consumer loan shall be fully amortizing and be repayable in its entirety in a minimum of 6 substantially equal and consecutive payments with a period of not less than 180 days to maturity.

(b) No licensee, or employee or affiliate thereof, may extend to or have open with a consumer more than one small consumer loan at any time; provided, however, that loans acquired by a licensee from another licensee are not included within this prohibition.

(c) A licensee is prohibited from refinancing a small consumer loan during the first 75 days of the loan term. For purposes of this Act, a refinancing occurs when an existing small consumer loan is satisfied and replaced by a new small consumer loan made to the same consumer by the same licensee or any employee or affiliate of the licensee.

(d) Except for the deferment charge permitted by item (5) of subsection (f) of Section 15, a licensee is prohibited from collecting any fee, charge, or remuneration of any sort for renewing, amending, or extending a small consumer loan beyond its original term.

(e) Before entering into a small consumer loan agreement, a licensee must provide to the consumer a pamphlet, prepared by the Director, describing general information about consumer credit and about the consumer's rights and responsibilities in a small consumer loan transaction. Each small consumer loan agreement executed by a licensee shall include a statement, located just above the signature line for the consumer, and shall provide as follows: "In addition to agreeing to the terms of this agreement, I acknowledge, by my signature below, receipt from (name of lender) a pamphlet regarding small consumer loans.".

(f) Each small consumer loan agreement entered into between a licensee and a consumer shall include a notification, in such loan agreement, of a toll-free number furnished by the Department of Financial and Professional Regulation, Division of Financial Institutions that the consumer may contact for the purpose of receiving information from the Division regarding credit or assistance with credit problems.

(205 ILCS 670/17.4 new)

Sec. 17.4. Small consumer loans; loan amount. A licensee is prohibited from making a small consumer loan to a consumer if the total of all payments to be made in any month on the loan exceeds 22.5% of the consumer's gross monthly income, as demonstrated by official documentation of the income, including, but not limited to, the consumer's most recent pay stub, receipt reflecting payment of government benefits, or other official documentation. "Official documentation" includes tax returns and documentation prepared by the source of the income. A statement by the consumer is not official documentation.

(205 ILCS 670/17.5 new)

Sec. 17.5. Consumer reporting service.

(a) For the purpose of this Section, "certified database" means the consumer reporting service database established pursuant to the Payday Loan Reform Act.

(b) Within 90 days after making a small consumer loan, a licensee shall enter information about the loan into the certified database.

(c) For every small consumer loan made, the licensee shall input the following information into the certified database within 90 days after the loan is made:

(i) the consumer's name and official identification number (for purposes of this Act, "official identification number" includes a Social Security Number, an Individual Taxpayer Identification Number, a Federal Employer Identification Number, an Alien Registration Number, or an identification number imprinted on a passport or consular identification document issued by a foreign government);

(ii) the consumer's gross monthly income;

(iii) the date of the loan;

(iv) the amount financed;

(v) the term of the loan;

(vi) the acquisition charge;

(vii) the monthly installment account handling charge;

(viii) the verification fee;

(ix) the number and amount of payments; and

(x) whether the loan is a first or subsequent refinancing of a prior small consumer loan.

(d) Once a loan is entered with the certified database, the certified database shall provide to the licensee a dated, time-stamped statement acknowledging the certified database's receipt of the information and assigning each loan a unique loan number.

(e) The licensee shall update the certified database within 90 days if any of the following events occur:

(i) the loan is paid in full by cash;

(ii) the loan is refinanced;

(iii) the loan is renewed;

(iv) the loan is satisfied in full or in part by collateral being sold after default;

(v) the loan is cancelled or rescinded; or

(vi) the consumer's obligation on the loan is otherwise discharged by the licensee.

(f) To the extent a licensee sells a product or service to a consumer, other than a small consumer loan, and finances any portion of the cost of the product or service, the licensee shall, in addition to and at the same time as the information inputted under subsection (d) of this Section, enter into the certified database:

(i) a description of the product or service sold;

(ii) the charge for the product or service; and

(iii) the portion of the charge for the product or service, if any, that is included in the amount financed by a small consumer loan.

(g) The certified database provider shall indemnify the licensee against all claims and actions arising from illegal or willful or wanton acts on the part of the certified database provider. The certified database provider may charge a fee not to exceed $1 for each loan entered into the certified database under subsection (d) of this Section. The database provider shall not charge any additional fees or charges to the licensee.

(h) All personally identifiable information regarding any consumer obtained by way of the certified database and maintained by the Department is strictly confidential and shall be exempt from disclosure under provision (i) of item (b) of subsection (1) of Section 7 of the Freedom of Information Act.

(i) A licensee who submits information to a certified database provider in accordance with this Section shall not be liable to any person for any subsequent release or disclosure of that information by the certified database provider, the Department, or any other person acquiring possession of the information, regardless of whether such subsequent release or disclosure was lawful, authorized, or intentional.

(j) To the extent the certified database becomes unavailable to a licensee as a result of some event or events outside the control of the licensee or the certified database is decertified, the requirements of this Section and Section 17.4 of this Act are suspended until such time as the certified database becomes available.

(205 ILCS 670/19.2 new)

Sec. 19.2. Licensee; prohibition against accepting certain checks. At the time a loan is made or within 20 days after a loan is made, a licensee shall not (i) accept a check and agree to hold it for a period of days before deposit or presentment or (ii) accept a check dated subsequent to the date written.

Section 10. The Illinois Financial Services Development Act is amended by changing Section 3 as follows:

(205 ILCS 675/3) (from Ch. 17, par. 7003)

Sec. 3. As used in this Section:

(a) "Financial institution" means any bank with its main office or, after May 31, 1997, a branch in this State, any state or federal savings and loan association or savings bank with its main office or branch in this State, any state or federal credit union with its main office in this State, and any lender licensed under the

Consumer Installment Loan Act or the Sales Finance Agency Act; provided, however, that lenders licensed under the Consumer Installment Loan Act or the Sales Finance Agency Act are prohibited from charging interest in excess of 36% per annum for any extension of credit under this Act.

(b) "Revolving credit plan" or "plan" means a plan contemplating the extension of credit under an account governed by an agreement between a financial institution and a borrower who is a natural person pursuant to which:

(1) The financial institution permits the borrower and, if the agreement governing the plan so provides, persons acting on behalf of or with authorization from the borrower, from time to time to make purchases and to obtain loans by any means whatsoever, including use of a credit device primarily for personal, family or household purposes;

(2) the amounts of such purchases and loans are charged to the borrower's account under the revolving credit plan;

(3) the borrower is required to pay the financial institution the amounts of all purchases and loans charged to such borrower's account under the plan but has the privilege of paying such amounts outstanding from time to time in full or installments; and

(4) interest may be charged and collected by the financial institution from time to time on the outstanding unpaid indebtedness under such plan.

(c) "Credit device" means any card, check, identification code or other means of identification contemplated by the agreement governing the plan.

(d) "Outstanding unpaid indebtedness" means on any day an amount not in excess of the total amount of purchases and loans charged to the borrower's account under the plan which is outstanding and unpaid at the end of the day, after adding the aggregate amount of any new purchases and loans charged to the account as of that day and deducting the aggregate amount of any payments and credits applied to that indebtedness as of that day and, if the agreement governing the plan so provides, may include the amount of any billed and unpaid interest and other charges.

(Source: P.A. 89-208, eff. 9-29-95.)

Section 15. The Payday Loan Reform Act is amended by changing Sections 1-10, 2-5, 2-10, 2-15, 2-17, 2-20, 2-30, 2-40, 2-45, 3-5, and 4-5 as follows:

(815 ILCS 122/1-10)

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

"Check" means a "negotiable instrument", as defined in Article 3 of the Uniform Commercial Code, that is drawn on a financial institution.

"Commercially reasonable method of verification" or "certified database" means a consumer reporting service database certified by the Department as effective in verifying that a proposed loan agreement is permissible under this Act, or, in the absence of the Department's certification, any reasonably reliable written verification by the consumer concerning (i) whether the consumer has any outstanding payday loans, (ii) the principal amount of those outstanding payday loans, and (iii) whether any payday loans have been paid in full by the consumer in the preceding 7 days.

"Consumer" means any natural person who, singly or jointly with another consumer, enters into a loan.

"Consumer reporting service" means an entity that provides a database certified by the Department.

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

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

"Gross monthly income" means monthly income as demonstrated by official documentation of the income, including, but not limited to, a pay stub or a receipt reflecting payment of government benefits, for the period 30 days prior to the date on which the loan is made.

"Lender" and "licensee" mean any person or entity, including any affiliate or subsidiary of a lender or licensee, that offers or makes a payday loan, buys a whole or partial interest in a payday loan, arranges a payday loan for a third party, or acts as an agent for a third party in making a payday loan, regardless of whether approval, acceptance, or ratification by the third party is necessary to create a legal obligation for the third party, and includes any other person or entity if the Department determines that the person or entity is engaged in a transaction that is in substance a disguised payday loan or a subterfuge for the purpose of avoiding this Act.

"Loan agreement" means a written agreement between a lender and consumer to make a loan to the consumer, regardless of whether any loan proceeds are actually paid to the consumer on the date on which the loan agreement is made.

"Member of the military" means a person serving in the armed forces of the United States, the Illinois National Guard, or any reserve component of the armed forces of the United States. "Member of the

military" includes those persons engaged in (i) active duty, (ii) training or education under the supervision of the United States preliminary to induction into military service, or (iii) a period of active duty with the State of Illinois under Title 10 or Title 32 of the United States Code pursuant to order of the President or the Governor of the State of Illinois.

"Outstanding balance" means the total amount owed by the consumer on a loan to a lender, including all principal, finance charges, fees, and charges of every kind.

"Payday loan" or "loan" means a loan with a finance charge exceeding an annual percentage rate of 36% and with a term that does not exceed 120 days, including any transaction conducted via any medium whatsoever, including, but not limited to, paper, facsimile, Internet, or telephone, in which:

(1) A lender accepts one or more checks dated on the date written and agrees to hold them for a period of days before deposit or presentment, or accepts one or more checks dated subsequent to the date written and agrees to hold them for deposit; or

(2) A lender accepts one or more authorizations to debit a consumer's bank account; or

(3) A lender accepts an interest in a consumer's wages, including, but not limited to, a wage assignment.

The term "payday loan" includes "installment payday loan", unless otherwise specified in this Act.

"Principal amount" means the amount received by the consumer from the lender due and owing on a loan, excluding any finance charges, interest, fees, or other loan-related charges.

"Rollover" means to refinance, renew, amend, or extend a loan beyond its original term.

(Source: P.A. 94-13, eff. 12-6-05.)

(815 ILCS 122/2-5)

Sec. 2-5. Loan terms.

(a) Without affecting the right of a consumer to prepay at any time without cost or penalty, no payday loan may have a minimum term of less than 13 days.

(b) Except for an installment payday loan as defined in this Section, no ~~No~~ payday loan may be made to a consumer if the loan would result in the consumer being indebted to one or more payday lenders for a period in excess of 45 consecutive days. Except as provided under subsection (c) of this Section and Section 2-40, if a consumer has or has had loans outstanding for a period in excess of 45 consecutive days, no payday lender may offer or make a loan to the consumer for at least 7 calendar days after the date on which the outstanding balance of all payday loans made during the 45 consecutive day period is paid in full. For purposes of this subsection, the term "consecutive days" means a series of continuous calendar days in which the consumer has an outstanding balance on one or more payday loans; however, if a payday loan is made to a consumer within 6 days or less after the outstanding balance of all loans is paid in full, those days are counted as "consecutive days" for purposes of this subsection.

(c) Notwithstanding anything in this Act to the contrary, a payday loan shall also include any installment loan otherwise meeting the definition of payday loan contained in Section 1-10, but that has a term agreed by the parties of not less than 112 days and not exceeding 180 days; hereinafter an "installment payday loan". The following provisions shall apply:

(i) Any installment payday loan must be fully amortizing, with a finance charge calculated on the principal balances scheduled to be outstanding and be repayable in substantially equal and consecutive installments, according to a payment schedule agreed by the parties with not less than 13 days and not more than one month between payments; except that the first installment period may be longer than the remaining installment periods by not more than 15 days, and the first installment payment may be larger than the remaining installment payments by the amount of finance charges applicable to the extra days.

(ii) An installment payday loan may be refinanced by a new installment payday loan one time during the term of the initial loan; provided that the total duration of indebtedness on the initial installment payday loan combined with the total term of indebtedness of the new loan refinancing that initial loan, shall not exceed 180 days. For purposes of this Act, a refinancing occurs when an existing installment payday loan is paid from the proceeds of a new installment payday loan.

(iii) In the event an installment payday loan is paid in full prior to the date on which the last scheduled installment payment before maturity is due, other than through a refinancing, no licensee may offer or make a payday loan to the consumer for at least 2 calendar days thereafter.

(iv) No installment payday loan may be made to a consumer if the loan would result in the consumer being indebted to one or more payday lenders for a period in excess of 180 consecutive days.

~~No lender may make a payday loan to a consumer if the total principal amount of the loan, when combined with the principal amount of all of the consumer's other outstanding payday loans, exceeds $1,000 or 25% of the consumer's gross monthly income , whichever is less.~~

(d) (Blank). ~~No payday loan may be made to a consumer who has an outstanding balance on 2 payday loans.~~

(e) No lender may make a payday loan to a consumer if the total of all payday loan payments coming due within the first calendar month of the loan, when combined with the payment amount of all of the consumers other outstanding payday loans coming due within the same month, exceeds the lesser of:

(1) $1,000; or

(2) in the case of one or more payday loans, 25% of the consumer's gross monthly income; or

(3) in the case of one or more installment payday loans, 22.5% of the consumer's gross monthly income; or

(4) in the case of a payday loan and an installment payday loan, 22.5% of the consumer's gross monthly income. ~~No lender may charge more than $15.50 per $100 loaned on any payday loan over the term of the loan. Except as provided in Section 2-25, this charge is considered fully earned as of the date on which the loan is made.~~

No loan shall be made to a consumer who has an outstanding balance on 2 payday loans, except that, for a period of 12 months after the effective date of this amendatory Act of the 96th General Assembly, consumers with an existing CILA loan may be issued an installment loan issued under this Act from the company from which their CILA loan was issued.

(f) A lender may not take or attempt to take an interest in any of the consumer's personal property to secure a payday loan.

(g) A consumer has the right to redeem a check or any other item described in the definition of payday loan under Section 1-10 issued in connection with a payday loan from the lender holding the check or other item at any time before the payday loan becomes payable by paying the full amount of the check or other item.

(Source: P.A. 94-13, eff. 12-6-05.)

(815 ILCS 122/2-10)

Sec. 2-10. Permitted fees.

(a) If there are insufficient funds to pay a check, Automatic Clearing House (ACH) debit, or any other item described in the definition of payday loan under Section 1-10 on the day of presentment and only after the lender has incurred an expense, a lender may charge a fee not to exceed $25. Only one such fee may be collected by the lender with respect to a particular check, ACH debit, or item even if it has been deposited and returned more than once. A lender shall present the check, ACH debit, or other item described in the definition of payday loan under Section 1-10 for payment not more than twice. A fee charged under this subsection (a) is a lender's exclusive charge for late payment.

(a-5) A lender may charge a borrower a fee not to exceed $1 for the verification required under Section 2-15 of this Act. Only one such fee may be collected by the lender with respect to a particular loan.

(b) Except for the finance charges described in Section 2-5 and as specifically allowed by this Section, a lender may not impose on a consumer any additional finance charges, interest, fees, or charges of any sort for any purpose.

(Source: P.A. 94-13, eff. 12-6-05.)

(815 ILCS 122/2-15)

Sec. 2-15. Verification.

(a) Before entering into a loan agreement with a consumer, a lender must use a commercially reasonable method of verification to verify that the proposed loan agreement is permissible under this Act.

(b) Within 6 months after the effective date of this Act, the Department shall certify that one or more consumer reporting service databases are commercially reasonable methods of verification. Upon certifying that a consumer reporting service database is a commercially reasonable method of verification, the Department shall:

(1) provide reasonable notice to all licensees identifying the commercially reasonable methods of verification that are available; and

(2) immediately upon certification, require each licensee to use a commercially reasonable method of verification as a means of complying with subsection (a) of this Section.

(c) Except as otherwise provided in this Section, all personally identifiable information regarding any consumer obtained by way of the certified database and maintained by the Department is strictly confidential and shall be exempt from disclosure under Section 7(1)(b)(i) of the Freedom of Information Act.

(d) Notwithstanding any other provision of law to the contrary, a consumer seeking a payday loan may make a direct inquiry to the consumer reporting service to request a more detailed explanation of the basis

for a consumer reporting service's determination that the consumer is ineligible for a new payday loan.

(e) In certifying a commercially reasonable method of verification, the Department shall ensure that the certified database:

(1) provides real-time access through an Internet connection or, if real-time access through an Internet connection becomes unavailable to lenders due to a consumer reporting service's technical problems incurred by the consumer reporting service, through alternative verification mechanisms, including, but not limited to, verification by telephone;

(2) is accessible to the Department and to licensees in order to ensure compliance with this Act and in order to provide any other information that the Department deems necessary;

(3) requires licensees to input whatever information is required by the Department;

(4) maintains a real-time copy of the required reporting information that is available to the Department at all times and is the property of the Department;

(5) provides licensees only with a statement that a consumer is eligible or ineligible for a new payday loan and a description of the reason for the determination; and

(6) contains safeguards to ensure that all information contained in the database regarding consumers is kept strictly confidential.

(f) The licensee shall update the certified database by inputting all information required under item (3) of subsection (e):

(1) on the same day that a payday loan is made;

(2) on the same day that a consumer elects a repayment plan, as provided in Section 2-40; and

(3) on the same day that a consumer's payday loan is paid in full, including the refinancing of an installment payday loan as permitted under subsection (c) of Section 2-5.

(g) A licensee may rely on the information contained in the certified database as accurate and is not subject to any administrative penalty or liability as a result of relying on inaccurate information contained in the database.

(h) The certified consumer reporting service shall indemnify the licensee against all claims and actions arising from illegal or willful or wanton acts on the part of the certified consumer reporting service.

(i) The certified consumer reporting service may charge a verification fee not to exceed $1 upon a loan being made or entered into in the database. The certified consumer reporting service shall not charge any additional fees or charges.

(Source: P.A. 94-13, eff. 12-6-05.)

(815 ILCS 122/2-17)

Sec. 2-17. Consumer reporting services qualification and bonding.

(a) Each consumer reporting service shall have at all times a net worth of not less than $1,000,000 calculated in accordance with generally accepted accounting principles.

(b) Each application for certification under this Act shall be accompanied by a surety bond acceptable to the Department in the amount of $1,000,000. The surety bond shall be in a form satisfactory to the Department and shall run to the State of Illinois for the benefit of any claimants against the consumer reporting service to secure the faithful performance of its obligations under this Act. The aggregate liability of the surety may exceed the principal sum of the bond. Claimants against the consumer reporting service may themselves bring suit directly on the surety bond or the Department may bring suit on behalf of claimants, either in one action or in successive actions.

(c) The surety bond shall remain in effect until cancellation, which may occur only after 90 days' written notice to the Department. Cancellation shall not affect any liability incurred or accrued during that period.

(d) The surety bond shall remain in place for 5 years after the consumer reporting service ceases operation in the State.

(e) The surety bond proceeds and any cash or other collateral posted as security by a consumer reporting service shall be deemed by operation of law to be held in trust for any claimants under this Act in the event of the bankruptcy of the consumer reporting service.

(f) To the extent that any indemnity or fine exceeds the amount of the surety bond described under this Section, the consumer reporting service shall be liable for that amount.

(g) Each application for certification under this Act shall be accompanied by a nonrefundable investigation fee of $2,500, together with an initial certification fee of $1,000.

(h) On or before March 1 of each year, each consumer reporting service qualified under this Section shall pay to the Department a certification fee in the amount of $1,000.

(i) Each consumer reporting service shall maintain at all times an ID Theft Red Flag Program that meets

the standards established by the Federal Trade Commission's Red Flags Rule, promulgated under the Fair and Accurate Credit Transactions Act of 2003.

(Source: P.A. 94-13, eff. 12-6-05.)

(815 ILCS 122/2-20)

Sec. 2-20. Required disclosures.

(a) Before a payday loan is made, a lender shall deliver to the consumer a pamphlet prepared by the Secretary that:

(1) explains, in simple English and Spanish, all of the consumer's rights and responsibilities in a payday loan transaction;

(2) includes a toll-free number to the Secretary's office to handle concerns or provide information about whether a lender is licensed, whether complaints have been filed with the Secretary, and the resolution of those complaints; and

(3) provides information regarding the availability of debt management services.

(b) Lenders shall provide consumers with a written agreement that may be kept by the consumer. The written agreement must include the following information in English and in the language in which the loan was negotiated:

(1) the name and address of the lender making the payday loan, and the name and title of the individual employee who signs the agreement on behalf of the lender;

(2) disclosures required by the federal Truth in Lending Act;

(3) a clear description of the consumer's payment obligations under the loan;

(4) the following statement, in at least 14-point bold type face: "You cannot be prosecuted in criminal court to collect this loan." The information required to be disclosed under this subdivision (4) must be conspicuously disclosed in the loan document and shall be located immediately preceding the signature of the consumer; and

(5) the following statement, in at least 14-point bold type face:

"WARNING: This loan is not intended to meet long-term financial needs. This loan should be used only to meet short-term cash needs. The cost of your loan may be higher than loans offered by other lending institutions. This loan is regulated by the Department of Financial and Professional Regulation."

(c) The following notices in English and Spanish must be conspicuously posted by a lender in each location of a business providing payday loans:

(1) A notice that informs consumers that the lender cannot use the criminal process against a consumer to collect any payday loan.

(2) The schedule of all finance charges to be charged on loans with an example of the amounts that would be charged on a $100 loan payable in 13 days, ~~and~~ a $400 loan payable in 30 days, and an installment payday loan of $400 payable on a monthly basis over 180 days, giving the corresponding annual percentage rate.

(3) In one-inch bold type, a notice to the public in the lending area of each business location containing the following statement:

"WARNING: This loan is not intended to meet long-term financial needs. This loan should be used only to meet short-term cash needs. The cost of your loan may be higher than loans offered by other lending institutions. This loan is regulated by the Department of Financial and Professional Regulation."

(4) In one-inch bold type, a notice to the public in the lending area of each business location containing the following statement:

"INTEREST-FREE REPAYMENT PLAN: If you still owe on one or more payday loans, other than an installment payday loan, after 35 days, you are entitled to enter into a repayment plan. The repayment plan will give you at least 55 days to repay your loan in installments with no additional finance charges, interest, fees, or other charges of any kind."

(Source: P.A. 94-13, eff. 12-6-05.)

(815 ILCS 122/2-30)

Sec. 2-30. Rollovers prohibited. Rollover of a payday loan by any lender is prohibited, except as provided in subsection (c) of Section 2-5. This Section does not prohibit entering into a repayment plan, as provided under Section 2-40.

(Source: P.A. 94-13, eff. 12-6-05.)

(815 ILCS 122/2-40)

Sec. 2-40. Repayment plan.

(a) At the time a payday loan is made, the lender must provide the consumer with a separate written notice signed by the consumer of the consumer's right to request a repayment plan. The written notice must comply with the requirements of subsection (c).

(b) The loan agreement must include the following language in at least 14-point bold type: IF YOU STILL OWE ON ONE OR MORE PAYDAY LOANS AFTER 35 DAYS, YOU ARE ENTITLED TO ENTER INTO A REPAYMENT PLAN. THE REPAYMENT PLAN WILL GIVE YOU AT LEAST 55 DAYS TO REPAY YOUR LOAN IN INSTALLMENTS WITH NO ADDITIONAL FINANCE CHARGES, INTEREST, FEES, OR OTHER CHARGES OF ANY KIND.

(c) At the time a payday loan is made, on the first page of the loan agreement and in a separate document signed by the consumer, the following shall be inserted in at least 14-point bold type: I UNDERSTAND THAT IF I STILL OWE ON ONE OR MORE PAYDAY LOANS AFTER 35 DAYS, I AM ENTITLED TO ENTER INTO A REPAYMENT PLAN THAT WILL GIVE ME AT LEAST 55 DAYS TO REPAY THE LOAN IN INSTALLMENTS WITH NO ADDITIONAL FINANCE CHARGES, INTEREST, FEES, OR OTHER CHARGES OF ANY KIND.

(d) If the consumer has or has had one or more payday loans outstanding for 35 consecutive days, any payday loan outstanding on the 35th consecutive day shall be payable under the terms of a repayment plan as provided for in this Section, if the consumer requests the repayment plan. As to any loan that becomes eligible for a repayment plan under this subsection, the consumer has until 28 days after the default date of the loan to request a repayment plan. Within 48 hours after the request for a repayment plan is made, the lender must prepare the repayment plan agreement and both parties must execute the agreement. Execution of the repayment plan agreement shall be made in the same manner in which the loan was made and shall be evidenced in writing.

(e) The terms of the repayment plan for a payday loan must include the following:

(1) The lender may not impose any charge on the consumer for requesting or using a repayment plan. Performance of the terms of the repayment plan extinguishes the consumer's obligation on the loan.

(2) No lender shall charge the consumer any finance charges, interest, fees, or other charges of any kind, except a fee for insufficient funds, as provided under Section 2-10.

(3) The consumer shall be allowed to repay the loan in at least 4 equal installments with at least 13 days between installments, provided that the term of the repayment plan does not exceed 90 days. The first payment under the repayment plan shall not be due before at least 13 days after the repayment plan is signed by both parties. The consumer may prepay the amount due under the repayment plan at any time, without charge or penalty.

(4) The length of time between installments may be extended by the parties so long as the total period of repayment does not exceed 90 days. Any such modification must be in writing and signed by both parties.

(f) Notwithstanding any provision of law to the contrary, a lender is prohibited from making a payday loan to a consumer who has a payday loan outstanding under a repayment plan and for at least 14 days after the outstanding balance of the loan under the repayment plan and the outstanding balance of all other payday loans outstanding during the term of the repayment plan are paid in full.

(g) A lender may not accept postdated checks for payments under a repayment plan.

(h) Notwithstanding any provision of law to the contrary, a lender may voluntarily agree to enter into a repayment plan with a consumer at any time. If a consumer is eligible for a repayment plan under subsection (d), any repayment agreement constitutes a repayment plan under this Section and all provisions of this Section apply to that agreement.

(i) The provisions of this Section 2-40 do not apply to an installment payday loan, except for subsection (f) of this Section.

(Source: P.A. 94-13, eff. 12-6-05.)

(815 ILCS 122/2-45)

Sec. 2-45. Default.

(a) No legal proceeding of any kind, including, but not limited to, a lawsuit or arbitration, may be filed or initiated against a consumer to collect on a payday loan until 28 days after the default date of the loan, or, in the case of a payday loan under a repayment plan, for 28 days after the default date under the terms of the repayment plan, or in the case of an installment payday loan, for 28 days after default in making a scheduled payment.

(b) Upon and after default, a lender shall not charge the consumer any finance charges, interest, fees, or

charges of any kind, other than the insufficient fund fee described in Section 2-10.

(c) Notwithstanding whether a loan is or has been in default, once the loan becomes subject to a repayment plan, the loan shall not be construed to be in default until the default date provided under the terms of the repayment plan.

(Source: P.A. 94-13, eff. 12-6-05.)

(815 ILCS 122/3-5)

Sec. 3-5. Licensure.

(a) A license to make a payday loan shall state the address, including city and state, at which the business is to be conducted and shall state fully the name of the licensee. The license shall be conspicuously posted in the place of business of the licensee and shall not be transferable or assignable.

(b) An application for a license shall be in writing and in a form prescribed by the Secretary. The Secretary may not issue a payday loan license unless and until the following findings are made:

(1) that the financial responsibility, experience, character, and general fitness of the applicant are such as to command the confidence of the public and to warrant the belief that the business will be operated lawfully and fairly and within the provisions and purposes of this Act; and

(2) that the applicant has submitted such other information as the Secretary may deem necessary.

(c) A license shall be issued for no longer than one year, and no renewal of a license may be provided if a licensee has substantially violated this Act and has not cured the violation to the satisfaction of the Department.

(d) A licensee shall appoint, in writing, the Secretary as attorney-in-fact upon whom all lawful process against the licensee may be served with the same legal force and validity as if served on the licensee. A copy of the written appointment, duly certified, shall be filed in the office of the Secretary, and a copy thereof certified by the Secretary shall be sufficient evidence to subject a licensee to jurisdiction in a court of law. This appointment shall remain in effect while any liability remains outstanding in this State against the licensee. When summons is served upon the Secretary as attorney-in-fact for a licensee, the Secretary shall immediately notify the licensee by registered mail, enclosing the summons and specifying the hour and day of service.

(e) A licensee must pay an annual fee of $1,000. In addition to the license fee, the reasonable expense of any examination or hearing by the Secretary under any provisions of this Act shall be borne by the licensee. If a licensee fails to renew its license by December 31, its license shall automatically expire; however, the Secretary, in his or her discretion, may reinstate an expired license upon:

(1) payment of the annual fee within 30 days of the date of expiration; and

(2) proof of good cause for failure to renew.

(f) Not more than one place of business shall be maintained under the same license, but the Secretary may issue more than one license to the same licensee upon compliance with all the provisions of this Act governing issuance of a single license. The location, except those locations already in existence as of June 1, 2005, may not be within one mile of a horse race track subject to the Illinois Horse Racing Act of 1975, within one mile of a facility at which gambling is conducted under the Riverboat Gambling Act, within one mile of the location at which a riverboat subject to the Riverboat Gambling Act docks, or within one mile of any State of Illinois or United States military base or naval installation.

(g) No licensee shall conduct the business of making loans under this Act within any office, suite, room, or place of business in which <u>(1) any loans are offered or made under the Consumer Installment Loan Act other than title secured loans as defined in subsection (a) of Section 15 of the Consumer Installment Loan Act and governed by Title 38, Section 110.330 of the Illinois Administrative Code or (2)</u> any other business is solicited or engaged in unless the other business is licensed by the Department or, in the opinion of the Secretary, the other business would not be contrary to the best interests of consumers and is authorized by the Secretary in writing.

<u>(g-5) Notwithstanding subsection (g) of this Section, a licensee may obtain a license under the Consumer Installment Loan Act (CILA) for the exclusive purpose and use of making title secured loans, as defined in subsection (a) of Section 15 of CILA and governed by Title 38, Section 110.300 of the Illinois Administrative Code. A licensee may continue to service Consumer Installment Loan Act loans that were outstanding as of the effective date of this amendatory Act of the 96th General Assembly.</u>

(h) The Secretary shall maintain a list of licensees that shall be available to interested consumers and lenders and the public. The Secretary shall maintain a toll-free number whereby consumers may obtain information about licensees. The Secretary shall also establish a complaint process under which an aggrieved consumer may file a complaint against a licensee or non-licensee who violates any provision of

this Act.
(Source: P.A. 94-13, eff. 12-6-05.)

(815 ILCS 122/4-5)

Sec. 4-5. Prohibited acts. A licensee or unlicensed person or entity making payday loans may not commit, or have committed on behalf of the licensee or unlicensed person or entity, any of the following acts:

(1) Threatening to use or using the criminal process in this or any other state to collect on the loan.

(2) Using any device or agreement that would have the effect of charging or collecting more fees or charges than allowed by this Act, including, but not limited to, entering into a different type of transaction with the consumer.

(3) Engaging in unfair, deceptive, or fraudulent practices in the making or collecting of a payday loan.

(4) Using or attempting to use the check provided by the consumer in a payday loan as collateral for a transaction not related to a payday loan.

(5) Knowingly accepting payment in whole or in part of a payday loan through the proceeds of another payday loan provided by any licensee, except as provided in subsection (c) of Section 2.5.

(6) Knowingly accepting any security, other than that specified in the definition of payday loan in Section 1-10, for a payday loan.

(7) Charging any fees or charges other than those specifically authorized by this Act.

(8) Threatening to take any action against a consumer that is prohibited by this Act or making any misleading or deceptive statements regarding the payday loan or any consequences thereof.

(9) Making a misrepresentation of a material fact by an applicant for licensure in obtaining or attempting to obtain a license.

(10) Including any of the following provisions in loan documents required by subsection (b) of Section 2-20:

(A) a confession of judgment clause;

(B) a waiver of the right to a jury trial, if applicable, in any action brought by or against a consumer, unless the waiver is included in an arbitration clause allowed under subparagraph (C) of this paragraph (11);

(C) a mandatory arbitration clause that is oppressive, unfair, unconscionable, or substantially in derogation of the rights of consumers; or

(D) a provision in which the consumer agrees not to assert any claim or defense arising out of the contract.

(11) Selling any insurance of any kind whether or not sold in connection with the making or collecting of a payday loan.

(12) Taking any power of attorney.

(13) Taking any security interest in real estate.

(14) Collecting a delinquency or collection charge on any installment regardless of the period in which it remains in default.

(15) Collecting treble damages on an amount owing from a payday loan.

(16) Refusing, or intentionally delaying or inhibiting, the consumer's right to enter into a repayment plan pursuant to this Act.

(17) Charging for, or attempting to collect, attorney's fees, court costs, or arbitration costs incurred in connection with the collection of a payday loan.

(18) Making a loan in violation of this Act.

(19) Garnishing the wages or salaries of a consumer who is a member of the military.

(20) Failing to suspend or defer collection activity against a consumer who is a member of the military and who has been deployed to a combat or combat-support posting.

(21) Contacting the military chain of command of a consumer who is a member of the military in an effort to collect on a payday loan.

(22) Making or offering to make any loan other than a payday loan or a title-secured loan, provided however, that to make or offer to make a title-secured loan, a licensee must obtain a license under the Consumer Installment Loan Act.

(Source: P.A. 94-13, eff. 12-6-05.)

Section 99. Effective date. This Act takes effect 9 months after becoming law.".

AMENDMENT NO. 3. Amend House Bill 537, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 2, as follows:
on page 4, line 25, by replacing "financial institution" with "licensee"; and
on page 28, by replacing lines 2 through 5 with the following:
"No lender may charge more than $15.50 per $100 loaned on any payday loan over the term of the loan. Except as provided in Section 2-25, this charge is considered fully earned as of the date on which the loan is made.".

AMENDMENT NO. 4. Amend House Bill 537, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 2, as follows:
on page 4, line 25, by replacing "financial institution" with "licensee"; and
on page 28, by replacing lines 2 through 11 with the following:
"No loan shall be made to a consumer who has an outstanding balance on 2 payday loans, except that, for a period of 12 months after the effective date of this amendatory Act of the 96th General Assembly, consumers with an existing CILA loan may be issued an installment loan issued under this Act from the company from which their CILA loan was issued.
(e-5) No lender may charge more than $15.50 per $100 loaned on any payday loan, or more than $15.50 per $100 on the initial principal balance and on the principal balances scheduled to be outstanding during any installment period on any installment payday loan ~~over the term of the loan~~. Except for installment payday loans and except as provided in Section 2-25, this charge is considered fully earned as of the date on which the loan is made. For purposes of determining the finance charge earned on an installment payday loan, the disclosed annual percentage rate shall be applied to the principal balances outstanding from time to time until the loan is paid in full, or until the maturity date, which ever occurs first. No finance charge may be imposed after the final scheduled maturity date.
When any loan contract is paid in full, the licensee shall refund any unearned finance charge. The unearned finance charge that is refunded shall be calculated based on a method that is at least as favorable to the consumer as the actuarial method, as defined by the federal Truth in Lending Act. The sum of the digits or rule of 78ths method of calculating prepaid interest refunds is prohibited.".

The foregoing message from the Senate reporting Senate Amendments numbered 1, 2, 3 and 4 to HOUSE BILL 537 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 4623

A bill for AN ACT concerning transportation.
Together with the attached amendments thereto (which amendments have 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. 4623
Senate Amendment No. 4 to HOUSE BILL NO. 4623
Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 4623 by replacing everything after the enacting clause with the following:
"Section 1. Short title. This Act may be cited as the Public-Private Partnerships for Transportation Act.".

AMENDMENT NO. 4. Amend House Bill 4623, AS AMENDED, by replacing everything after the enacting clause with the following:
"Section 5. The Downstate Public Transportation Act is amended by changing Section 2-15.2 as

follows:

(30 ILCS 740/2-15.2)

Sec. 2-15.2. Free services; eligibility.

(a) Notwithstanding any law to the contrary, no later than 60 days following the effective date of this amendatory Act of the 95th General Assembly and until subsection (b) is implemented and then beginning again when subsection (b) becomes inoperative, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, every participant, as defined in Section 2-2.02 (1)(a), shall be provided without charge to all senior citizen residents of the participant aged 65 and older, under such conditions as shall be prescribed by the participant.

(b) Notwithstanding any law to the contrary, no later than 180 days following the effective date of this amendatory Act of the 96th General Assembly, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, every participant, as defined in Section 2-2.02 (1)(a), shall be provided without charge to senior citizens aged 65 and older who have an annual household income that does not exceed for households of one person 150%, for households of 2 persons 150%, or for households with 3 or more persons 125% of the income eligibility limitation set forth in subsection (a-5) of Section 4 of the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, under such conditions as shall be prescribed by the participant. The Department on Aging shall furnish all information reasonably necessary to determine eligibility, including updated lists of individuals who are eligible for services without charge under this Section. Nothing in this Section shall relieve the participant from providing reduced fares as may be required by federal law.

This subsection (b) becomes inoperative 2 years after the effective date of this amendatory Act of the 96th General Assembly.

(Source: P.A. 95-708, eff. 1-18-08.)

Section 10. The Metropolitan Transit Authority Act is amended by changing Section 51 as follows:

(70 ILCS 3605/51)

Sec. 51. Free services; eligibility.

(a) Notwithstanding any law to the contrary, no later than 60 days following the effective date of this amendatory Act of the 95th General Assembly and until subsection (b) is implemented and then beginning again when subsection (b) becomes inoperative, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, the Board shall be provided without charge to all senior citizens of the Metropolitan Region (as such term is defined in 70 ILCS 3615/1.03) aged 65 and older, under such conditions as shall be prescribed by the Board.

(b) Notwithstanding any law to the contrary, no later than 180 days following the effective date of this amendatory Act of the 96th General Assembly, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, the Board shall be provided without charge to senior citizens aged 65 and older who have an annual household income that does not exceed for households of one person 150%, for households of 2 persons 150%, or for households with 3 or more persons 125% of the income eligibility limitation set forth in subsection (a-5) of Section 4 of the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, under such conditions as shall be prescribed by the Board. The Department on Aging shall furnish all information reasonably necessary to determine eligibility, including updated lists of individuals who are eligible for services without charge under this Section. Nothing in this Section shall relieve the Board from providing reduced fares as may be required by federal law.

This subsection (b) becomes inoperative 2 years after the effective date of this amendatory Act of the 96th General Assembly.

(Source: P.A. 95-708, eff. 1-18-08.)

Section 15. The Local Mass Transit District Act is amended by changing Section 8.6 as follows:

(70 ILCS 3610/8.6)

Sec. 8.6. Free services; eligibility.

(a) Notwithstanding any law to the contrary, no later than 60 days following the effective date of this amendatory Act of the 95th General Assembly and until subsection (b) is implemented and then beginning again when subsection (b) becomes inoperative, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, every District shall be provided without charge to all senior citizens of the District aged 65 and older, under such conditions as shall be prescribed by the District.

(b) Notwithstanding any law to the contrary, no later than 180 days following the effective date of this amendatory Act of the 96th General Assembly, any fixed route public transportation services provided by,

or under grant or purchase of service contracts of, every District shall be provided without charge to senior citizens aged 65 and older who have an annual household income that does not exceed for households of one person 150%, for households of 2 persons 150%, or for households with 3 or more persons 125% of the income eligibility limitation set forth in subsection (a-5) of Section 4 of the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, under such conditions as shall be prescribed by the District. The Department on Aging shall furnish all information reasonably necessary to determine eligibility, including updated lists of individuals who are eligible for services without charge under this Section. Nothing in this Section shall relieve the District from providing reduced fares as may be required by federal law.

This subsection (b) becomes inoperative 2 years after the effective date of this amendatory Act of the 96th General Assembly.

(Source: P.A. 95-708, eff. 1-18-08.)

Section 20. The Regional Transportation Authority Act is amended by changing Sections 3A.15 and 3B.14 as follows:

(70 ILCS 3615/3A.15)

Sec. 3A.15. Free services; eligibility.

(a) Notwithstanding any law to the contrary, no later than 60 days following the effective date of this amendatory Act of the 95th General Assembly and until subsection (b) is implemented and then beginning again when subsection (b) becomes inoperative, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, the Suburban Bus Board shall be provided without charge to all senior citizens of the Metropolitan Region aged 65 and older, under such conditions as shall be prescribed by the Suburban Bus Board.

(b) Notwithstanding any law to the contrary, no later than 180 days following the effective date of this amendatory Act of the 96th General Assembly, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, the Suburban Bus Board shall be provided without charge to senior citizens aged 65 and older who have an annual household income that does not exceed for households of one person 150%, for households of 2 persons 150%, or for households with 3 or more persons 125% of the income eligibility limitation set forth in subsection (a-5) of Section 4 of the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, under such conditions as shall be prescribed by the Suburban Bus Board. The Department on Aging shall furnish all information reasonably necessary to determine eligibility, including updated lists of individuals who are eligible for services without charge under this Section. Nothing in this Section shall relieve the Suburban Bus Board from providing reduced fares as may be required by federal law.

This subsection (b) becomes inoperative 2 years after the effective date of this amendatory Act of the 96th General Assembly.

(Source: P.A. 95-708, eff. 1-18-08.)

(70 ILCS 3615/3B.14)

Sec. 3B.14. Free services; eligibility.

(a) Notwithstanding any law to the contrary, no later than 60 days following the effective date of this amendatory Act of the 95th General Assembly and until subsection (b) is implemented and then beginning again when subsection (b) becomes inoperative, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, the Commuter Rail Board shall be provided without charge to all senior citizens of the Metropolitan Region aged 65 and older, under such conditions as shall be prescribed by the Commuter Rail Board.

(b) Notwithstanding any law to the contrary, no later than 180 days following the effective date of this amendatory Act of the 96th General Assembly, any fixed route public transportation services provided by, or under grant or purchase of service contracts of, the Commuter Rail Board shall be provided without charge to senior citizens aged 65 and older who have an annual household income that does not exceed for households of one person 150%, for households of 2 persons 150%, or for households with 3 or more persons 125% of the income eligibility limitation set forth in subsection (a-5) of Section 4 of the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, under such conditions as shall be prescribed by the Commuter Rail Board. The Department on Aging shall furnish all information reasonably necessary to determine eligibility, including updated lists of individuals who are eligible for services without charge under this Section. Nothing in this Section shall relieve the Commuter Rail Board from providing reduced fares as may be required by federal law.

This subsection (b) becomes inoperative 2 years after the effective date of this amendatory Act of the 96th General Assembly.

(Source: P.A. 95-708, eff. 1-18-08.)

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

The foregoing message from the Senate reporting Senate Amendments numbered 1 and 4 to HOUSE BILL 4623 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 2332

A bill for AN ACT concerning local government.

Together with the attached amendments thereto (which amendments have 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. 2332

Senate Amendment No. 2 to HOUSE BILL NO. 2332

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 2332 by replacing everything after the enacting clause with the following:

"Section 5. The Missing Persons Identification Act is amended by changing Section 1 as follows:

(50 ILCS 722/1)

Sec. 1. Short title. This Act may be cited as the ~~the~~ Missing Persons Identification Act.

(Source: P.A. 95-192, eff. 8-16-07.)".

AMENDMENT NO. 2. Amend House Bill 2332, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Township Code is amended by changing Sections 50-5 and 50-15 as follows:

(60 ILCS 1/50-5)

Sec. 50-5. Time of election and terms outside Cook County.

(a) Except as provided for Cook County in Section 50-10, and subject to the requirements of the general election law and the referendum provisions in Sections 50-25 and 50-30, at the time of the regular township election provided in the general election law, there shall be elected one township collector. Except as provided in subsection (a) of Section 50-15, the ~~The~~ collector shall hold his or her office for a term of 4 years and until a successor is elected and qualified.

(b) At the time of the regular township election provided in the general election law, there shall be elected a township supervisor. The supervisor shall be ex-officio supervisor of general assistance. The supervisor shall hold office for a term of 4 years and until a successor is elected and qualified.

(c) At the time of the regular township election provided in the general election law, there shall be elected one township clerk. The clerk shall hold office for a term of 4 years and until a successor is elected and qualified.

(d) At the time of the regular township election provided in the general election law, there shall be elected by ballot one township or multi-township assessor, as the case may be, in the manner provided in the general election law. Except as provided in subsection (c) of Section 50-15, the ~~The~~ assessor shall hold office for a term of 4 years and until a successor is elected and qualified.

(Source: P.A. 82-783; 88-62.)

(60 ILCS 1/50-15)

Sec. 50-15. Time of entering upon duties.

(a) In all counties, the township collectors elected at the township election shall enter upon their duties on January 1 next following their election and qualification until after the first election following the effective date of this amendatory Act of the 96th General Assembly.

In all counties, the term of the township collector elected at the first election following the effective date

of this amendatory Act of the 96th General Assembly shall begin on January 1 next following his or her election and shall end on the third Monday of May following the next election. Thereafter, all township collectors shall serve a term of 4 years beginning on the third Monday of May following their election.

(b) In all counties, township supervisors and township clerks shall enter upon their duties on the third Monday of May following their election.

(c) Beginning with elections in 1981 and through the election immediately preceding the effective date of this amendatory Act of the 96th General Assembly in all counties, the township and multi-township assessors shall enter upon their duties on January 1 next following their election.

In all counties, the term of the assessor or multi-township assessor elected at the first election following the effective date of this amendatory Act of the 96th General Assembly shall begin on January 1 next following his or her election and shall end on the third Monday of May following the next election. Thereafter, all assessors or multi-township assessors shall serve a term of 4 years beginning on the third Monday of May following their election.

(Source: P.A. 93-847, eff. 7-30-04.)

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

The foregoing message from the Senate reporting Senate Amendments numbered 1 and 2 to HOUSE BILL 2332 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 4927

A bill for AN ACT concerning regulation.

Together with the attached amendments thereto (which amendments have 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. 4927

Senate Amendment No. 2 to HOUSE BILL NO. 4927

Senate Amendment No. 3 to HOUSE BILL NO. 4927

Passed the Senate, as amended, May 5, 2010.

Jillayne Rock, Secretary of the Senate

AMENDMENT NO. 1. Amend House Bill 4927 by replacing everything after the enacting clause with the following:

"Section 5. The Nursing Home Care Act is amended by changing Section 1-101 as follows:

(210 ILCS 45/1-101) (from Ch. 111 1/2, par. 4151-101)

Sec. 1-101. This Act shall be known and ~~and~~ may be cited as the Nursing Home Care Act.

(Source: P.A. 85-1378.)".

AMENDMENT NO. 2. Amend House Bill 4927, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Video Gaming Act is amended by changing Sections 5, 15, 20, 25, 30, 35, 45, 55, 57, and 78 as follows:

(230 ILCS 40/5)

Sec. 5. Definitions. As used in this Act:

"Board" means the Illinois Gaming Board.

"Credit" means one, 5, 10, or 25 cents either won or purchased by a player.

"Distributor" means an individual, partnership, ~~or~~ corporation , or limited liability company licensed under this Act to buy, sell, lease, or distribute video gaming terminals or major components or parts of video gaming terminals to or from terminal operators.

"Terminal operator" means an individual, partnership, ~~or~~ corporation , or limited liability company that is licensed under this Act and that owns, services, and maintains video gaming terminals for placement in

licensed establishments, licensed truck stop establishments, licensed fraternal establishments, or licensed veterans establishments.

"Licensed technician" means an individual who is licensed under this Act to repair, service, and maintain video gaming terminals.

"Licensed terminal handler" means a person, including but not limited to an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator, who is licensed under this Act to possess or control a video gaming terminal or to have access to the inner workings of a video gaming terminal. A licensed terminal handler does not include an individual, partnership, ~~or~~ corporation , or limited liability company defined as a manufacturer, distributor, supplier, technician, or terminal operator under this Act.

"Manufacturer" means an individual, partnership, ~~or~~ corporation , or limited liability company that is licensed under this Act and that manufactures or assembles video gaming terminals.

"Supplier" means an individual, partnership, ~~or~~ corporation , or limited liability company that is licensed under this Act to supply major components or parts to video gaming terminals to licensed terminal operators.

"Net terminal income" means money put into a video gaming terminal minus credits paid out to players.

"Video gaming terminal" means any electronic video game machine that, upon insertion of cash, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

"Licensed establishment" means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises. "Licensed establishment" does not include a facility operated by an organization licensee, an intertrack wagering licensee, or an intertrack wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or a riverboat licensed under the Riverboat Gambling Act.

"Licensed fraternal establishment" means the location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

"Licensed veterans establishment" means the location where a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

"Licensed truck stop establishment" means a facility (i) that is at least a 3-acre facility with a convenience store, (ii) ~~and~~ with separate diesel islands for fueling commercial motor vehicles , (iii) that sells at retail more than 10,000 gallons of diesel or biodiesel fuel per month, and (iv) with ~~and~~ parking spaces for commercial motor vehicles . "Commercial motor vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 10,000 gallons per month.

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

(230 ILCS 40/15)

Sec. 15. Minimum requirements for licensing and registration. Every video gaming terminal offered for play shall first be tested and approved pursuant to the rules of the Board, and each video gaming terminal offered in this State for play shall conform to an approved model. The Board may utilize the services of an independent outside testing laboratory for the examination of video gaming machines and associated equipment as required by this Section. Every video gaming terminal offered in this State for play must meet minimum standards set by an independent outside testing laboratory approved by the Board. Each approved model shall, at a minimum, meet the following criteria:

(1) It must conform to all requirements of federal law and regulations, including FCC Class A Emissions Standards.

(2) It must theoretically pay out a mathematically demonstrable percentage during the expected lifetime of the machine of all amounts played, which must not be less than 80%. The Board shall establish a maximum payout percentage for approved models by rule. Video gaming terminals that may be affected by skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.

(3) It must use a random selection process to determine the outcome of each play of a game. The random selection process must meet 99% confidence limits using a standard chi-squared test for (randomness) goodness of fit.

(4) It must display an accurate representation of the game outcome.

(5) It must not automatically alter pay tables or any function of the video gaming

terminal based on internal computation of hold percentage or have any means of manipulation that affects the random selection process or probabilities of winning a game.

(6) It must not be adversely affected by static discharge or other electromagnetic interference.

(7) It must be capable of detecting and displaying the following conditions during idle states or on demand: power reset; door open; and door just closed.

(8) It must have the capacity to display complete play history (outcome, intermediate play steps, credits available, bets placed, credits paid, and credits cashed out) for the most recent game played and 10 games prior thereto.

(9) The theoretical payback percentage of a video gaming terminal must not be capable of being changed without making a hardware or software change in the video gaming terminal, either on site or via the central communications system.

(10) Video gaming terminals must be designed so that replacement of parts or modules required for normal maintenance does not necessitate replacement of the electromechanical meters.

(11) It must have nonresettable meters housed in a locked area of the terminal that keep a permanent record of all cash inserted into the machine, all winnings made by the terminal printer, credits played in for video gaming terminals, and credits won by video gaming players. The video gaming terminal must provide the means for on-demand display of stored information as determined by the Board.

(12) Electronically stored meter information required by this Section must be preserved for a minimum of 180 days after a power loss to the service.

(13) It must have one or more mechanisms that accept cash in the form of bills. The mechanisms shall be designed to prevent obtaining credits without paying by stringing, slamming, drilling, or other means. If such attempts at physical tampering are made, the video gaming terminal shall suspend itself from operating until reset.

(14) It shall have accounting software that keeps an electronic record which includes, but is not limited to, the following: total cash inserted into the video gaming terminal; the value of winning tickets claimed by players; the total credits played; the total credits awarded by a video gaming terminal; and pay back percentage credited to players of each video game.

(15) It shall be linked by a central communications system to provide auditing program information as approved by the Board. The central communications system shall use a standard industry protocol, as defined by the Gaming Standards Association, and shall have the functionality to enable the Board or its designee to activate or deactivate individual gaming devices from the central communications system. In no event may the communications system approved by the Board limit participation to only one manufacturer of video gaming terminals by either the cost in implementing the necessary program modifications to communicate or the inability to communicate with the central communications system.

(16) The Board, in its discretion, may require video gaming terminals to display Amber Alert messages if the Board makes a finding that it would be economically and technically feasible and pose no risk to the integrity and security of the central communications system and video gaming terminals.

The Board may adopt rules to establish additional criteria to preserve the integrity and security of video gaming in this State. The central communications system vendor may not hold any license issued by the Board under this Act.

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

(230 ILCS 40/20)

Sec. 20. Direct dispensing of receipt tickets only. A video gaming terminal may not directly dispense coins, cash, tokens, or any other article of exchange or value except for receipt tickets. Tickets shall be dispensed by pressing the ticket dispensing button on the video gaming terminal at the end of one's turn or play. The ticket shall indicate the total amount of credits and the cash award, the time of day in a 24-hour format showing hours and minutes, the date, the terminal serial number, the sequential number of the ticket, and an encrypted validation number from which the validity of the prize may be determined. The player shall turn in this ticket to the appropriate person at the licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment to receive the cash award. The cost of the credit shall be one cent, 5 cents, 10 cents, or 25 cents, and the maximum wager played per hand shall not exceed $2. No cash award for the maximum wager on any individual hand shall exceed $500.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/25)

Sec. 25. Restriction of licensees.

(a) Manufacturer. A person may not be licensed as a manufacturer of a video gaming terminal in Illinois unless the person has a valid manufacturer's license issued under this Act. A manufacturer may only sell video gaming terminals for use in Illinois to persons having a valid distributor's license.

(b) Distributor. A person may not sell, distribute, or lease or market a video gaming terminal in Illinois unless the person has a valid distributor's license issued under this Act. A distributor may only sell video gaming terminals for use in Illinois to persons having a valid distributor's or terminal operator's license.

(c) Terminal operator. A person may not own, maintain, or place a video gaming terminal unless he has a valid terminal operator's license issued under this Act. A terminal operator may only place video gaming terminals for use in Illinois in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. No terminal operator may give anything of value, including but not limited to a loan or financing arrangement, to a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment as any incentive or inducement to locate video terminals in that establishment. Of the after-tax profits from a video gaming terminal, 50% shall be paid to the terminal operator and 50% shall be paid to the licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, notwithstanding ~~nothwithstanding~~ any agreement to the contrary. ~~No terminal operator may own or have a substantial interest in more than 5% of the video gaming terminals licensed in this State.~~ A video terminal operator that violates one or more requirements of this subsection is guilty of a Class 4 felony and is subject to termination of his or her license by the Board.

(d) Licensed technician. A person may not service, maintain, or repair a video gaming terminal in this State unless he or she (1) has a valid technician's license issued under this Act, (2) is a terminal operator, or (3) is employed by a terminal operator, distributor, or manufacturer.

(d-5) Licensed terminal handler. No person, including, but not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator licensed pursuant to this Act, shall have possession or control of a video gaming terminal, or access to the inner workings of a video gaming terminal, unless that person possesses a valid terminal handler's license issued under this Act.

(e) Licensed establishment. No video gaming terminal may be placed in any licensed establishment, licensed veterans establishment, licensed truck stop establishment, or licensed fraternal establishment unless the owner or agent of the owner of the licensed establishment, licensed veterans establishment, licensed truck stop establishment, or licensed fraternal establishment has entered into a written use agreement with the terminal operator for placement of the terminals. A copy of the use agreement shall be on file in the terminal operator's place of business and available for inspection by individuals authorized by the Board. A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment may operate up to 5 video gaming terminals on its premises at any time.

(f) (Blank).

(g) Financial interest restrictions. As used in this Act, "substantial interest" in a partnership, a corporation, an organization, an association, ~~or~~ a business , or a limited liability company means:

(A) When, with respect to a sole proprietorship, an individual or his or her spouse owns, operates, manages, or conducts, directly or indirectly, the organization, association, or business, or any part thereof; or

(B) When, with respect to a partnership, the individual or his or her spouse shares in any of the profits, or potential profits, of the partnership activities; or

(C) When, with respect to a corporation, an individual or his or her spouse is an officer or director, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of any class of stock of the corporation; or

(D) When, with respect to an organization not covered in (A), (B) or (C) above, an individual or his or her spouse is an officer or manages the business affairs, or the individual or his or her spouse is the owner of or otherwise controls 10% or more of the assets of the organization; or

(E) When an individual or his or her spouse furnishes 5% or more of the capital, whether in cash, goods, or services, for the operation of any business, association, or organization during any calendar year; or ~~.~~

(F) When, with respect to a limited liability company, an individual or his or her spouse is a member, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of the membership

interest of the limited liability company.

For purposes of this subsection (g), "individual" includes all individuals or their spouses whose combined interest would qualify as a substantial interest under this subsection (g) and whose activities with respect to an organization, association, or business are so closely aligned or coordinated as to constitute the activities of a single entity.

(h) Location restriction. A licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that is (i) located within 1,000 feet of a facility operated by an organization ~~organizational~~ licensee, an inter-track ~~intertrack~~ wagering licensee, or an inter-track ~~intertrack~~ wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Riverboat Gambling Act or (ii) located within ~~with a~~ 100 feet of a school or a place of worship under the Religious Corporation Act, is ineligible to operate a video gaming terminal. The location restrictions in this subsection (h) do not apply if a facility operated by an organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee, a school, or a place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment becomes licensed under this Act. For the purpose of this subsection, "school" means an elementary or secondary public school, or an elementary or secondary private school registered with or recognized by the State Board of Education. "School" does not include a day care center or a home school.

Notwithstanding the provisions of this subsection (h), the Board may waive the requirement that a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment not be located within 1,000 feet from a facility operated by an organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Riverboat Gambling Act. The Board shall not grant such waiver if there is any common ownership or control, shared business activity, or contractual arrangement of any type between the establishment and the organization licensee, inter-track wagering licensee, inter-track wagering location licensee, or owners licensee of a riverboat. The Board shall adopt rules to implement the provisions of this paragraph.

(i) Undue economic concentration. In addition to considering all other requirements under this Act, in deciding whether to approve the operation of video gaming terminals by a terminal operator in a location, the Board shall consider the impact of any economic concentration of such operation of video gaming terminals. The Board shall not allow a terminal operator to operate video gaming terminals if the Board determines such operation will result in undue economic concentration. For purposes of this Section, "undue economic concentration" means that a terminal operator would have such actual or potential influence over video gaming terminals in Illinois as to:

(1) substantially impede or suppress competition among terminal operators;

(2) adversely impact the economic stability of the video gaming industry in Illinois; or

(3) negatively impact the purposes of the Video Gaming Act.

The Board shall adopt rules concerning undue economic concentration with respect to the operation of video gaming terminals in Illinois. The rules shall include, but not be limited to, (i) limitations on the number of video gaming terminals operated by any terminal operator within a defined geographic radius and (ii) guidelines on the discontinuation of operation of any such video gaming terminals the Board determines will cause undue economic concentration.

(j) ~~(i)~~ The provisions of the Illinois Antitrust Act are fully and equally applicable to the activities of any licensee under this Act.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38, eff. 7-13-09; revised 8-17-09.)

(230 ILCS 40/30)

Sec. 30. Multiple types of licenses prohibited. A video gaming terminal manufacturer may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed to sell only to persons having a valid distributor's license or, if the manufacturer also holds a valid distributor's license, to sell, distribute, lease, or market to persons having a valid terminal operator's license ~~only to sell to distributors~~. A video gaming terminal distributor may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall only contract with a licensed terminal operator. A video gaming terminal operator may not be licensed as a video gaming terminal manufacturer or distributor or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed

only to contract with licensed distributors and licensed establishments, licensed truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. An owner or manager of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment may not be licensed as a video gaming terminal manufacturer, distributor, or operator, and shall only contract with a licensed operator to place and service this equipment.
(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/35)

Sec. 35. Display of license; confiscation; violation as felony.

(a) Each video gaming terminal shall be licensed by the Board before placement or operation on the premises of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment. The license of each video gaming terminal shall be maintained at the location where the video gaming terminal is operated. Failure to do so is a petty offense with a fine not to exceed $100. Any licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 1961. Every gambling device found in a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment operating gambling games in violation of this Act shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 1961. Any license issued under the Liquor Control Act of 1934 to any owner or operator of a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that operates or permits the operation of a video gaming terminal within its establishment in violation of this Act shall be immediately revoked. No person may own, operate, have in his or her possession or custody or under his or her control, or permit to be kept in any place under his or her possession or control, any device that awards credits and contains a circuit, meter, or switch capable of removing and recording the removal of credits when the award of credits is dependent upon chance. A violation of this Section is a Class 4 felony. All devices that are owned, operated, or possessed in violation of this Section are hereby declared to be public nuisances and shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 1961. The provisions of this Section do not apply to devices or electronic video game terminals licensed pursuant to this Act. A video gaming terminal operated for amusement only and bearing a valid amusement tax sticker issued prior to July 13, 2009 (the effective date of Public Act 96-37) ~~this amendatory Act of the 96th General Assembly~~ shall not be subject to this Section until ~~the sooner of (i) the expiration of the amusement tax sticker or (ii)~~ 30 days after the Board establishes that the central communications system is functional.

(b) (1) The odds of winning each video game shall be posted on or near each video gaming terminal. The manner in which the odds are calculated and how they are posted shall be determined by the Board by rule.

(2) No video gaming terminal licensed under this Act may be played except during the legal hours of operation allowed for the consumption of alcoholic beverages at the licensed establishment, licensed fraternal establishment, or licensed veterans establishment. A licensed establishment, licensed fraternal establishment, or licensed veterans establishment that violates this subsection is subject to termination of its license by the Board.
(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/45)

Sec. 45. Issuance of license.

(a) The burden is upon each applicant to demonstrate his suitability for licensure. Each video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall be licensed by the Board. The Board may issue or deny a license under this Act to any person pursuant to the same criteria set forth in Section 9 of the Riverboat Gambling Act.

(a-5) The Board shall not grant a license to a person who has facilitated, enabled, or participated in the use of coin-operated devices for gambling purposes or who is under the significant influence or control of such a person. For the purposes of this Act, "facilitated, enabled, or participated in the use of coin-operated amusement devices for gambling purposes" means that the person has been convicted of any violation of Article 28 of the Criminal Code of 1961. If there is pending legal action against a person for any such violation, then the Board shall delay the licensure of that person until the legal action is resolved.

(b) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall submit to a background investigation conducted by

the Board with the assistance of the State Police or other law enforcement. The background investigation shall include each beneficiary of a trust, each partner of a partnership, and each director and officer and all stockholders of 5% or more in a parent or subsidiary corporation of a video gaming terminal manufacturer, distributor, supplier, operator, or licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment.

(c) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall disclose the identity of every person, association, trust, ~~or~~ corporation , or limited liability company having a greater than 1% direct or indirect pecuniary interest in the video gaming terminal operation for ~~to~~ which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a limited liability company, the names and addresses of all members; or if a partnership, the names and addresses of all partners, both general and limited.

(d) No person may be licensed as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment if that person has been found by the Board to:

(1) have a background, including a criminal record, reputation, habits, social or business associations, or prior activities that pose a threat to the public interests of the State or to the security and integrity of video gaming;

(2) create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of video gaming; or

(3) present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.

(e) Any applicant for any license under this Act has the burden of proving his or her qualifications to the satisfaction of the Board. The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in this State.

(f) A non-refundable application fee shall be paid at the time an application for a license is filed with the Board in the following amounts:

(1) Manufacturer.....$5,000
(2) Distributor.....$5,000
(3) Terminal operator.....$5,000
(4) Supplier.....$2,500
(5) Technician.....$100
(6) Terminal Handler.....$50

(g) The Board shall establish an annual fee for each license not to exceed the following:

(1) Manufacturer.....$10,000
(2) Distributor.....$10,000
(3) Terminal operator.....$5,000
(4) Supplier.....$2,000
(5) Technician.....$100
(6) Licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment.....$100
(7) Video gaming terminal.....$100
(8) Terminal Handler.....$50

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38, eff. 7-13-09; revised 8-17-09.)

(230 ILCS 40/55)

Sec. 55. Precondition for licensed location ~~establishment~~. In all cases of application for a licensed location ~~establishment~~, to operate a video gaming terminal, each licensed establishment ~~licensed truck stop establishment~~, licensed fraternal establishment, or licensed veterans establishment shall possess a valid liquor license issued by the Illinois Liquor Control Commission in effect at the time of application and at all times thereafter during which a video gaming terminal is made available to the public for play at that location. Video gaming terminals in a licensed location shall be operated only during the same hours of operation generally permitted to holders of a license under the Liquor Control Act of 1934 within the unit of local government in which they are located. A licensed truck stop establishment that does not hold a liquor license may operate video gaming terminals on a continuous basis.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/57)

Sec. 57. Insurance. Each terminal operator ~~licensed establishment, licensed truck stop establishment, licensed fraternal establishment, and licensed veterans establishment~~ shall maintain liability insurance on any gaming device that it places in a licensed video gaming location ~~on its premises~~ in an amount set by the Board.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 40/78)

Sec. 78. Authority of the Illinois Gaming Board.

(a) The Board shall have jurisdiction over and shall supervise all gaming operations governed by this Act. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.

(2) To have jurisdiction and supervision over all video gaming operations in this State and all persons in establishments where video gaming operations are conducted.

(3) To adopt rules for the purpose of administering the provisions of this Act and to prescribe rules, regulations, and conditions under which all video gaming in the State shall be conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of video gaming, including rules and regulations regarding the inspection of such establishments and the review of any permits or licenses necessary to operate an establishment under any laws or regulations applicable to establishments and to impose penalties for violations of this Act and its rules.

(b) The ~~Within 60 days after the effective date of this amendatory Act of the 96th General Assembly, the~~ Board shall adopt emergency rules to administer this Act in accordance with Section 5-45 of the Illinois Administrative Procedure Act. For the purposes of the Illinois Administrative Procedure Act, the General Assembly finds that the adoption of rules to implement this Act is deemed an emergency and necessary to the public interest, safety, and welfare.

(Source: P.A. 96-38, eff. 7-13-09.)

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

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

AMENDMENT NO. 3. Amend House Bill 4927, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 2, on page 14, by replacing lines 3 and 4 with "with or recognized by the State Board of Education."; and

on page 18, by replacing lines 21 and 22 with "~~issued prior to the effective date of this amendatory Act of the 96th General Assembly~~ shall"; and

on page 23, line 22, after the period, by inserting "A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a county with a population between 6,500 and 7,000, based on the 2000 U.S. Census, (ii) the county prohibits by ordinance the sale of alcohol, and (iii) the establishment is in a portion of the county where the sale of alcohol is prohibited.".

The foregoing message from the Senate reporting Senate Amendments numbered 1, 2 and 3 to HOUSE BILL 4927 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 their amendment to a bill of the following title, to-wit:

SENATE BILL NO. 3803

A bill for AN ACT concerning transportation.

House Amendment No. 1 to SENATE BILL NO. 3803.

Action taken by the Senate, May 5, 2010.

Jillayne Rock, Secretary of the Senate

CHANGE OF SPONSORSHIP

With the consent of the affected members, Representative Winters was removed as principal sponsor, and Representative Gabel became the new principal sponsor of SENATE BILL 3712.

With the consent of the affected members, Representative Miller was removed as principal sponsor, and Representative William Davis became the new principal sponsor of HOUSE BILL 174.

With the consent of the affected members, Representative Fritchey was removed as principal sponsor, and Representative Mautino became the new principal sponsor of SENATE BILL 2101.

With the consent of the affected members, Representative Jehan Gordon was removed as principal sponsor, and Representative Mautino became the new principal sponsor of HOUSE BILL 2369.

With the consent of the affected members, Representative Holbrook was removed as principal sponsor, and Representative Bradley became the new principal sponsor of SENATE BILL 2093.

With the consent of the affected members, Representative Brauer was removed as principal sponsor, and Representative Currie became the new principal sponsor of SENATE BILL 3721.

With the consent of the affected members, Representative Zalewski was removed as principal sponsor, and Representative Currie became the new principal sponsor of SENATE BILL 3514.

With the consent of the affected members, Representative Currie was removed as principal sponsor, and Representative Hannig became the new principal sponsor of SENATE BILL 3702.

With the consent of the affected members, Representative Hernandez was removed as principal sponsor, and Representative Lang became the new principal sponsor of HOUSE BILL 4927.

With the consent of the affected members, Representative Jakobsson was removed as principal sponsor, and Representative Bassi became the new principal sponsor of HOUSE BILL 4623.

With the consent of the affected members, Representative Currie was removed as principal sponsor, and Representative Farnham became the new principal sponsor of SENATE BILL 3658.

With the consent of the affected members, Representative Jefferson was removed as principal sponsor, and Representative Lang became the new principal sponsor of HOUSE BILL 537.

HOUSE RESOLUTIONS

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

HOUSE RESOLUTION 1218

Offered by Representative Leitch:

WHEREAS, Illinois' hardworking families and private sector employees have faced layoffs, pay cuts, loss of benefits, and other employment concessions; and

WHEREAS, Illinois is experiencing an unprecedented fiscal crisis resulting in billions in unpaid bills, a projected $1.3 billion shortfall for education in Fiscal Year 2011, and reductions to human services programs that assist Illinois' most vulnerable citizens; and

WHEREAS, The Commission on Government Forecasting and Accountability estimates that Illinois' Fiscal Year 2011 budget will have a $13 billion deficit; and

WHEREAS, The Governor's proposed Fiscal Year 2011 budget proposes to close this gap with a combination of fee and tax increases, including a 33% income tax increase, fund transfers, multi-billion dollar borrowing schemes, no pay raises for merit compensation employees, as well as instituting furlough days for these employees; and

WHEREAS, According to data from the Bureau of Labor Statistics, Illinois has lost 475,000 wage and salary jobs since November 2000, a decline of 7.64%, and economic forecasts predict a slow recovery for the State of Illinois; and

WHEREAS, In March 2000, the unemployment rate was 4.4%, and in March 2010, the unemployment rate was 11.5%; and

WHEREAS, Personal income in Illinois fell 2.1% during 2009, outstripping the national average decline of 1.7%, according to estimates released by the United States Bureau of Economic Analysis; the 2.1% decline ranks Illinois 38th in the nation; and

WHEREAS, In Fiscal Year 2011, $336.2 million is being budgeted by Governor Quinn to fulfill employee collective bargaining agreements; $230.6 million to annualize Fiscal Year 2010 pay raises and $105.6 million for Cost-of-Living and Step increases; and

WHEREAS, In light of Illinois' bleak economic forecast and extraordinarily large projected budget shortfall, it is fiscally irresponsible to consider salary increases in Fiscal Year 2011 for State employees when education and social service programs are being reduced or unfunded due to lack of funds; and

WHEREAS, State employees represented by unions should forgo compensation increases in these tough economic times by also making sacrifices to share in the recovery of Illinois' economy; and

WHEREAS, No State revenue enhancements to balance the budget should be considered until all budget expenditures are thoroughly reviewed to ensure wasteful or unnecessary spending is eliminated from the budget; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that that we urge the Governor to reopen collective bargaining agreements to remove pay increases as a means to (i) reduce State expenditures and (ii) ensure the additional funding is directed to education and social service programs; and be it further

RESOLVED, That a copy of this resolution be forwarded to the Governor.

HOUSE RESOLUTION 1219

Offered by Representative Lyons:

WHEREAS, In 1979, the General Assembly adopted legislation setting forth a procedure commonly known as "nursing home voting"; and

WHEREAS, Nursing home voting involves the use of official judges of election going onto the premises of residential facilities licensed or certified pursuant to the Nursing Home Care Act; and

WHEREAS, Nursing home residents who are registered voters have an opportunity to cast their ballots under the supervision of election judges; and

WHEREAS, This procedure was embraced in an effort to increase the ability of nursing home residents who chose to vote in elections to have their votes cast lawfully; and

WHEREAS, The law requires nursing home on-premises voting, regardless of the size of the home or the number of residents of the homes seeking to participate in the upcoming election; and

WHEREAS, There are, in addition to residential facilities licensed under the Nursing Home Care Act, numerous residential facilities licensed under the Assisted Living and Shared Housing Act and the Supportive Living Facilities Program provisions of the Illinois Public Aid Code; and

WHEREAS, Registered voters also live in those facilities; and

WHEREAS, Voters residing in these various licensed facilities may have issues both regarding ease of access in voting and the casting of ballots lawfully; and

WHEREAS, The cost/benefit impact of nursing home voting and the administrative responsibilities resulting from any proposal to expand or reduce that procedure to licensed nursing homes or to additional venues would benefit election authorities and legislators seeking to strike the appropriate balance in offering on-site voting procedures to Illinois voters; and

WHEREAS, The State Board of Elections currently coordinates meetings of The State Board of Elections Clerk Advisory Committee, which meets periodically for the purpose of sharing discussion on a

wide variety of election administration issues; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the State Board of Elections Clerk Advisory Committee to place on an upcoming agenda of that Committee a public discussion of the status of nursing home voting and the utility of any reductions or expansions in the use of on-site voting procedures for Illinois voters, permitting interested parties to offer input on any legislative or administrative changes that would benefit Illinois elections; and be it further

RESOLVED, That suitable copies of this resolution be delivered to the Governor, the Attorney General, and the State Board of Elections.

HOUSE JOINT RESOLUTION 119

Offered by Representative Acevedo:

WHEREAS, On April 23, 2010, Arizona Governor Jan Brewer signed into law SB 1070, legislation that purports to crack down on undocumented immigrants present in Arizona; and

WHEREAS, Among its many provisions, SB 1070 requires that law enforcement officers in Arizona request documentation from anyone they encounter if they have "reasonable suspicion" that such person is present in the United States unlawfully; and

WHEREAS, SB 1070 also makes it a state crime to fail to carry valid immigration documents; and

WHEREAS, Immigration law and policy and the enforcement of our nation's immigration laws are federal responsibilities, but SB 1070 would convert federal civil immigration infractions into state criminal offenses; and

WHEREAS, SB 1070, in effect, authorizes police officers in Arizona to harass minorities and engage in racial and ethnic profiling, associating an individual's skin color and appearance with "reasonable suspicion" of undocumented status; and

WHEREAS, SB 1070 has been criticized by police and other law enforcement officials inside and outside of Arizona, who are concerned that this new law will drain local law enforcement resources and undermine trust between police and immigrant, Latino, and other minority community members, who may not report crimes or cooperate with law enforcement if they fear for their own safety when encountering police; and

WHEREAS, Elected officials from both parties have expressed deep concerns about SB 1070, including New York City Mayor Michael Bloomberg, Los Angeles Mayor Antonio Villaraigosa, former Florida Governor Jeb Bush, and former Florida House Speaker and US Senate candidate Marco Rubio; and

WHEREAS, The State of Illinois has long welcomed immigrants and recognized the contributions of these newcomers; and

WHEREAS, Our state has long resisted and rejected attempts to polarize against immigrants and, in particular, undocumented immigrants; and

WHEREAS, As it had two decades ago, when it refused to observe the holiday honoring Dr. Martin Luther King Jr., the State of Arizona has again chosen a counterproductive path that offends our nation's conscience; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that we condemn, in the strongest terms, the enactment of Arizona's SB 1070, legislation that will foster racial profiling, drive a wedge between police and communities of color, and diminish the effectiveness of law enforcement; and be it further

RESOLVED, That we call upon the Arizona legislature to repeal SB 1070; and be it further

RESOLVED, That we call upon President Obama and the United States Congress to act quickly to enact comprehensive reforms that will bring workable, practical, and humane solutions to fix our broken immigration system; and be it further

RESOLVED, That we reject the use of hateful rhetoric that scapegoats immigrants for our national and state difficulties and declare that such rhetoric has no place in federal, state, or local immigration policy debates; and be it further

RESOLVED, That suitable copies of this resolution be presented to President Barack Obama, the members of the Illinois congressional delegation, Arizona Governor Jan Brewer, and the Speaker and Senate President of the Arizona Legislature.

AGREED RESOLUTIONS

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

HOUSE RESOLUTION 1209

Offered by Representative Dugan:
Congratulates Dr. Barbara J. Howery on all her accomplishments while serving as Superintendent of Pembroke School District 259.

HOUSE RESOLUTION 1210

Offered by Representative Holbrook:
Mourns the death of Otis L. "Otie" Miller of Belleville.

HOUSE RESOLUTION 1211

Offered by Representative Flowers:
Mourns the death of Dorothy Irene Height and honors her for her many contributions to our nation and the civil rights movement.

HOUSE RESOLUTION 1212

Offered by Representative Riley:
Mourns the death of Agnes Kenney of Park Forest.

HOUSE RESOLUTION 1213

Offered by Representative Jakobsson:
Congratulates Dr. Joan Dawson on her retirement from the University of Illinois at Urbana-Champaign.

HOUSE RESOLUTION 1214

Offered by Representative Black:
Congratulates Dr. Eric Jakobsson, Professor at the University of Illinois at Urbana-Champaign, on his retirement.

HOUSE RESOLUTION 1215

Offered by Representative Bost:
Congratulates Dr. Anthony J. Cuvo for his outstanding work on behalf of individuals with developmental disabilities.

HOUSE RESOLUTION 1216

Offered by Representative Miller:
Congratulates Dr. Robert M. Unger for his years of service in the dental profession.

HOUSE RESOLUTION 1217

Offered by Representative Lyons:
Mourns the death of Kevin Moran of Chicago.

HOUSE RESOLUTION 1220

Offered by Representative Dugan:

Congratulates Steve Souligne for his service to the communities of Bradley, Bourbonnais, and Kankakee.

DISTRIBUTION OF SUPPLEMENTAL CALENDAR

Supplemental Calendar No. 1 was distributed to the Members at 11:05 o'clock a.m.

AGREED RESOLUTION

HOUSE RESOLUTION 1203 was taken up for consideration.

Representative Cross moved the adoption of the agreed resolution.

The motion prevailed and the agreed resolution was adopted.

SENATE BILLS ON SECOND READING

SENATE BILL 377. Having been reproduced, was taken up and read by title a second time.

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

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

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

(30 ILCS 205/2.1 new)

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

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

(30 ILCS 210/9 new)

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

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

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

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

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

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

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

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

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

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

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

Prompt Payment Act.

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

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

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

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

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

(35 ILCS 745/10)

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

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

The amnesty program shall provide that, upon payment by a taxpayer of all taxes due from that taxpayer to the State of Illinois for any taxable period ending (i) after June 30, 1983 and prior to July 1, 2002 for the tax amnesty period occurring from October 1, 2003 through November 15, 2003, and (ii) after June 30, 2002 and prior to July 1, 2010 for the tax amnesty period beginning on October 1, 2010 through November 15, 2010, the Department shall abate and not seek to collect any interest or penalties that may be applicable and the Department shall not seek civil or criminal prosecution for any taxpayer for the period of time for which amnesty has been granted to the taxpayer. Failure to pay all taxes due to the State for a taxable period shall invalidate any amnesty granted under this Act. Amnesty shall be granted only if all amnesty conditions are satisfied by the taxpayer.

Amnesty shall not be granted to taxpayers who are a party to any criminal investigation or to any civil or criminal litigation that is pending in any circuit court or appellate court or the Supreme Court of this State for nonpayment, delinquency, or fraud in relation to any State tax imposed by any law of the State of Illinois.

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

The Department shall adopt rules as necessary to implement the provisions of this Act.

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

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

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

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

Sec. 3-2. Interest.

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

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

(2) for any period beginning the day after the one-year period described in paragraph (1) of this subsection (a), the underpayment rate established under Section 6621 of the Internal Revenue Code.

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

(c) This subsection (c) is applicable to returns due on and before December 31, 2000. Interest shall be

simple interest calculated on a daily basis. Interest shall accrue upon tax and penalty due. If notice and demand is made for the payment of any amount of tax due and if the amount due is paid within 30 days after the date of such notice and demand, interest under this Section on the amount so paid shall not be imposed for the period after the date of the notice and demand.

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

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

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

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

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

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

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

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

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

(a-5) This subsection (a-5) is applicable to returns due on and after January 1, 1996 and on or before December 31, 2000. A penalty equal to 2% of the tax required to be shown due on a return, up to a maximum amount of $250, determined without regard to any part of the tax that is paid on time or by any

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

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

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

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

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

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

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

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

proceedings in court for review of the final assessment have terminated or the period for obtaining a review has expired without proceedings for a review having been instituted. In the case of a notice of tax liability that becomes a final assessment without a protest and hearing, the penalty provided in this paragraph (2) shall be imposed at the expiration of the period provided for the filing of a protest.

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

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

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

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

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

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

(2) A penalty shall be imposed for failure to pay the tax shown due or required to be shown due on a return on or before the due date prescribed for payment of that tax or an amount that is reported in an amended return other than an amended return timely filed as required by subsection (b) of Section 506 of the Illinois Income Tax Act (penalty for late payment or nonpayment of tax). The amount of penalty imposed under this paragraph (2) shall be 2% of any amount that is paid no later than 30 days after the due date, 10% of any amount that is paid later than 30 days after the due date and prior to the date the Department has initiated an audit or investigation of the taxpayer, and 20% of any amount that is paid after the date the Department has initiated an audit or investigation of the taxpayer; provided that the penalty shall be reduced to 15% if the entire amount due is paid not later than 30 days after the

Department has provided the taxpayer with an amended return (following completion of an occupation, use, or excise tax audit) or a form for waiver of restrictions on assessment (following completion of an income tax audit); provided further that the reduction to 15% shall be rescinded if the taxpayer makes any claim for refund or credit of the tax, penalties, or interest determined to be due upon audit, except in the case of a claim filed pursuant to subsection (b) of Section 506 of the Illinois Income Tax Act or to claim a carryover of a loss or credit, the availability of which was not determined in the audit. For purposes of this paragraph (2), any overpayment reported on an original return that has been allowed as a refund or credit to the taxpayer shall be deemed to have not been paid on or before the due date for payment and any amount paid under protest pursuant to the provisions of the State Officers and Employees Money Disposition Act shall be deemed to have been paid after the Department has initiated an audit and more than 30 days after the Department has provided the taxpayer with an amended return (following completion of an occupation, use, or excise tax audit) or a form for waiver of restrictions on assessment (following completion of an income tax audit).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Failures subject to penalty. The following failures are subject to the penalty

imposed in paragraph (1) of this subsection (a):

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

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

(b) Reduction where correction in specified period.

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

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

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

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

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

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

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

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

Sec. 3-5. Penalty for negligence.

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

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

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

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

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

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

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

Sec. 3-6. Penalty for fraud.

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

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

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

that would otherwise be imposed under this Section.

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

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

(35 ILCS 735/3-7.5)

Sec. 3-7.5. Bad check penalty.

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

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

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

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

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

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

SENATE BILL 2647. Having been reproduced, was taken up and read by title a second time.

The following amendment was offered in the Committee on Elementary & Secondary Education, adopted and reproduced:

AMENDMENT NO. 1. Amend Senate Bill 2647, on page 29, immediately below line 18, by inserting the following:

"This subsection (p-60) applies only if the State Board of Education or the Capital Development Board makes one or more grants to Peoria School District 150 pursuant to the School Construction Law. The amount exempted from the debt limitation as prescribed in this subsection (p-60) shall be no greater than the amount of one or more grants awarded to Peoria School District 150 by the State Board of Education or the Capital Development Board.".

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

SENATE BILL 2660. Having been reproduced, was taken up and read by title a second time.

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

AMENDMENT NO. 1. Amend Senate Bill 2660, on page 10, line 19, after "contract", by inserting "on or before March 31, 2011"; and
on page 14, line 3, by replacing "All contract" with "Contract"; and
on page 14, line 3, by replacing "any" with "an Illinois gas"; and

on page 14, line 6, by deleting "any"; and
on page 14, line 7, by replacing "any" with "a"; and
on page 14, by replacing lines 12 through 19 with the following:

"to its performance under the contract, including (i) amounts paid for SNG under the SNG contract and (ii) costs of transportation and storage services of SNG purchased from interstate pipelines under federally approved tariffs. Any contract, the terms of"
on page 15, by deleting lines 1 through 7; and
on page 15, line 16, by replacing "utility" with "Illinois gas utility"; and
on page 15, by replacing lines 21 through 26 with the following:
"Commission. Any order, issued by the State requiring or authorizing the discontinuation of the merchant function, defined as the purchase and sale of natural gas by an Illinois gas utility for the ultimate consumer in its service territory shall include provisions necessary to prevent the impairment of the value of any contract hereunder over its full term."; and
on page 16, by replacing lines 8 and 9 with the following:
"plus the cost to the utility of the required transportation and storage services of SNG,"; and
on page 16, by replacing lines 14 and 16 with the following:
"such utility over the contract term, plus the costs of transportation and storage services of such natural gas (excluding such costs for SNG), divided by"; and
by deleting line 8 on page 18 through line 18 on page 20.

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

SENATE BILL 3460. Having been reproduced, was taken up and read by title a second time.

The following amendment was offered in the Committee on Elementary & Secondary Education, adopted and reproduced:

AMENDMENT NO. 1. Amend Senate Bill 3460 on page 2, immediately below line 10, by inserting the following:

"(b-5) When grants are made to non-profit corporations for the acquisition or construction of new facilities, the Capital Development Board or any State agency it so designates shall hold title to the facility for a period of 10 years after the date of the grant award, after which title to the facility shall be transferred to the non-profit corporation, provided that the non-profit corporation has complied with the terms of its grant agreement. When grants are made to non-profit corporations for the purpose of renovation or rehabilitation, if the non-profit corporation does not comply with item (5) of subsection (b) of this Section, the Capital Development Board or any State agency it so designates shall recover the grant pursuant to the procedures outlined in the Illinois Grant Funds Recovery Act.".

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

SENATE BILL 3638. Having been reproduced, was taken up and read by title a second time.

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

AMENDMENT NO. 1. Amend Senate Bill 3638 by replacing everything after the enacting clause with the following:

"Section 5. The Department of Revenue Law of the Civil Administrative Code of Illinois is amended by adding Section 2505-560 as follows:

(20 ILCS 2505/2505-560 new)

Sec. 2505-560. Homeowner Review Board.

(a) The purpose of this Section is to promote the health, welfare, and prosperity of all citizens of this State (i) by ensuring effective and democratic representation of taxpayers before all units of local government that impose taxes in those counties, (ii) by providing for taxpayer education on taxing and spending by those units of local government, and (iii) by promoting "sunshine in assessments" and transparency reforms. This purpose shall be deemed a statewide interest and not a private or special concern.

(b) There is created a Homeowner Review Board, an advisory board within the Department of Revenue. The board shall consist of 7 members appointed by the Governor in consultation with the Director of

Revenue. Members shall serve without compensation, except to the extent those members are employees of the Department of Revenue.

(c) The board shall perform the following functions:

(1) Oversee the implementation of P.A. 96-0122 (effective January 1, 2010).

(2) Make recommendations concerning improved communications between property tax officials and taxpayers in all counties of the State of Illinois.

(3) Make recommendations concerning the implementation of the transparency reform provisions of P.A. 96-0122 in all counties of the State of Illinois.

(4) Conduct a study on the manner in which Cook County assesses property.

(5) Examine ways in which properties are assessed, including computer assisted mass appraisal.

(6) Issue a report summarizing its findings within 180 days of the effective date of this amendatory Act of the 96th General Assembly.

(7) Maintain and administer a website cataloguing taxpayer assistance information linked to the Department of Revenue's website.

(8) Conduct at least 2 public hearings to collect information on the topics on which it is required to report.

Section 10. The Property Tax Code is amended by changing Sections 15-167, 15-169, 15-170, and 15-176 as follows:

(35 ILCS 200/15-167)

Sec. 15-167. Returning Veterans' Homestead Exemption.

(a) Beginning with taxable year 2007, a homestead exemption, limited to a reduction set forth under subsection (b), from the property's value, as equalized or assessed by the Department, is granted for property that is owned and occupied as the principal residence of a veteran returning from an armed conflict involving the armed forces of the United States who is liable for paying real estate taxes on the property and is an owner of record of the property or has a legal or equitable interest therein as evidenced by a written instrument, except for a leasehold interest, other than a leasehold interest of land on which a single family residence is located, which is occupied as the principal residence of a veteran returning from an armed conflict involving the armed forces of the United States who has an ownership interest therein, legal, equitable or as a lessee, and on which he or she is liable for the payment of property taxes. For purposes of the exemption under this Section, "veteran" means an Illinois resident who has served as a member of the United States Armed Forces, a member of the Illinois National Guard, or a member of the United States Reserve Forces.

(b) In all counties, the reduction is $5,000 and only for the taxable year in which the veteran returns from active duty in an armed conflict involving the armed forces of the United States. Beginning in taxable year 2010, the reduction shall also be allowed for the taxable year after the taxable year in which the veteran returns from active duty in an armed conflict involving the armed forces of the United States. For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, must be multiplied by the number of apartments or units occupied by a veteran returning from an armed conflict involving the armed forces of the United States who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. In a cooperative where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings is guilty of a Class B misdemeanor.

(c) Application must be made during the application period in effect for the county of his or her residence. The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire, or other reasonable methods. The determination must be made in accordance with guidelines established by the Department.

(d) The exemption under this Section is in addition to any other homestead exemption provided in this Article 15. Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

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

(35 ILCS 200/15-169)

Sec. 15-169. Disabled veterans standard homestead exemption.

(a) Beginning with taxable year 2007, an annual homestead exemption, limited to the amounts set forth in subsection (b), is granted for property that is used as a qualified residence by a disabled veteran.

(b) The amount of the exemption under this Section is as follows:

(1) for veterans with a service-connected disability of at least (i) 75% for exemptions granted in taxable years 2007 through 2009 and (ii) 70% for exemptions granted in taxable year 2010 and each taxable year thereafter, as certified by the United States Department of Veterans Affairs, the annual exemption is $5,000; and

(2) for veterans with a service-connected disability of at least 50%, but less than (i) 75% for exemptions granted in taxable years 2007 through 2009 and (ii) 70% for exemptions granted in taxable year 2010 and each taxable year thereafter, as certified by the United States Department of Veterans Affairs, the annual exemption is $2,500.

(c) The tax exemption under this Section carries over to the benefit of the veteran's surviving spouse as long as the spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence as long as it is used as his or her primary residence and he or she does not remarry.

(d) The exemption under this Section applies for taxable year 2007 and thereafter. A taxpayer who claims an exemption under Section 15-165 or 15-168 may not claim an exemption under this Section.

(e) Application must be made during the application period in effect for the county of his or her residence. The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire, or other reasonable methods. The determination must be made in accordance with guidelines established by the Department.

(f) For the purposes of this Section:

"Qualified residence" means real property, but less any portion of that property that is used for commercial purposes, with an equalized assessed value of less than $250,000 that is the disabled veteran's primary residence. Property rented for more than 6 months is presumed to be used for commercial purposes.

"Veteran" means an Illinois resident who has served as a member of the United States Armed Forces on active duty or State active duty, a member of the Illinois National Guard, or a member of the United States Reserve Forces and who has received an honorable discharge.

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

(35 ILCS 200/15-170)

(Text of Section before amendment by P.A. 96-339)

Sec. 15-170. Senior Citizens Homestead Exemption. An annual homestead exemption limited, except as described here with relation to cooperatives or life care facilities, to a maximum reduction set forth below from the property's value, as equalized or assessed by the Department, is granted for property that is occupied as a residence by a person 65 years of age or older who is liable for paying real estate taxes on the property and is an owner of record of the property or has a legal or equitable interest therein as evidenced by a written instrument, except for a leasehold interest, other than a leasehold interest of land on which a single family residence is located, which is occupied as a residence by a person 65 years or older who has an ownership interest therein, legal, equitable or as a lessee, and on which he or she is liable for the payment of property taxes. Before taxable year 2004, the maximum reduction shall be $2,500 in counties with 3,000,000 or more inhabitants and $2,000 in all other counties. For taxable years 2004 through 2005, the maximum reduction shall be $3,000 in all counties. For taxable years 2006 and 2007, the maximum reduction shall be $3,500 and, for taxable years 2008 and thereafter, the maximum reduction is $4,000 in all counties.

For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by a person 65 years of age or older who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. For land improved with a life care facility, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by persons 65 years of age or older, irrespective of any legal, equitable, or leasehold interest in the facility, who are liable, under a contract with the owner or owners of record of the facility, for paying property taxes on the property. In a

cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor. Under this Section and Sections 15-175, 15-176, and 15-177, "life care facility" means a facility, as defined in Section 2 of the Life Care Facilities Act, with which the applicant for the homestead exemption has a life care contract as defined in that Act.

When a homestead exemption has been granted under this Section and the person qualifying subsequently becomes a resident of a facility licensed under the Assisted Living and Shared Housing Act or the Nursing Home Care Act, the exemption shall continue so long as the residence continues to be occupied by the qualifying person's spouse if the spouse is 65 years of age or older, or if the residence remains unoccupied but is still owned by the person qualified for the homestead exemption.

A person who will be 65 years of age during the current assessment year shall be eligible to apply for the homestead exemption during that assessment year. Application shall be made during the application period in effect for the county of his residence.

Beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the senior citizens homestead exemption under this Section must be granted a pro-rata exemption for the assessment year. The amount of the pro-rata exemption is the exemption allowed in the county under this Section divided by 365 and multiplied by the number of days during the assessment year the property is occupied as a residence by a person eligible for the exemption under this Section. The chief county assessment officer must adopt reasonable procedures to establish eligibility for this pro-rata exemption.

The assessor or chief county assessment officer may determine the eligibility of a life care facility to receive the benefits provided by this Section, by affidavit, application, visual inspection, questionnaire or other reasonable methods in order to insure that the tax savings resulting from the exemption are credited by the management firm to the apportioned tax liability of each qualifying resident. The assessor may request reasonable proof that the management firm has so credited the exemption.

The chief county assessment officer of each county with less than 3,000,000 inhabitants shall provide to each person allowed a homestead exemption under this Section a form to designate any other person to receive a duplicate of any notice of delinquency in the payment of taxes assessed and levied under this Code on the property of the person receiving the exemption. The duplicate notice shall be in addition to the notice required to be provided to the person receiving the exemption, and shall be given in the manner required by this Code. The person filing the request for the duplicate notice shall pay a fee of $5 to cover administrative costs to the supervisor of assessments, who shall then file the executed designation with the county collector. Notwithstanding any other provision of this Code to the contrary, the filing of such an executed designation requires the county collector to provide duplicate notices as indicated by the designation. A designation may be rescinded by the person who executed such designation at any time, in the manner and form required by the chief county assessment officer.

The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire or other reasonable methods. The determination shall be made in accordance with guidelines established by the Department.

Beginning in taxable year 2010, each taxpayer who has been granted an exemption under this Section must reapply on an annual basis. The chief county assessment officer shall mail the application to the taxpayer. ~~In counties with less than 3,000,000 inhabitants, the county board may by resolution provide that if a person has been granted a homestead exemption under this Section, the person qualifying need not reapply for the exemption.~~

~~In counties with less than 3,000,000 inhabitants, if the assessor or chief county assessment officer requires annual application for verification of eligibility for an exemption once granted under this Section, the application shall be mailed to the taxpayer.~~

The assessor or chief county assessment officer shall notify each person who qualifies for an exemption under this Section that the person may also qualify for deferral of real estate taxes under the Senior Citizens Real Estate Tax Deferral Act. The notice shall set forth the qualifications needed for deferral of real estate taxes, the address and telephone number of county collector, and a statement that applications for deferral of real estate taxes may be obtained from the county collector.

Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

(Source: P.A. 95-644, eff. 10-12-07; 95-876, eff. 8-21-08; 96-355, eff. 1-1-10.)

(Text of Section after amendment by P.A. 96-339)

Sec. 15-170. Senior Citizens Homestead Exemption. An annual homestead exemption limited, except as described here with relation to cooperatives or life care facilities, to a maximum reduction set forth below from the property's value, as equalized or assessed by the Department, is granted for property that is occupied as a residence by a person 65 years of age or older who is liable for paying real estate taxes on the property and is an owner of record of the property or has a legal or equitable interest therein as evidenced by a written instrument, except for a leasehold interest, other than a leasehold interest of land on which a single family residence is located, which is occupied as a residence by a person 65 years or older who has an ownership interest therein, legal, equitable or as a lessee, and on which he or she is liable for the payment of property taxes. Before taxable year 2004, the maximum reduction shall be $2,500 in counties with 3,000,000 or more inhabitants and $2,000 in all other counties. For taxable years 2004 through 2005, the maximum reduction shall be $3,000 in all counties. For taxable years 2006 and 2007, the maximum reduction shall be $3,500 and, for taxable years 2008 and thereafter, the maximum reduction is $4,000 in all counties.

For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by a person 65 years of age or older who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. For land improved with a life care facility, the maximum reduction from the value of the property, as equalized by the Department, shall be multiplied by the number of apartments or units occupied by persons 65 years of age or older, irrespective of any legal, equitable, or leasehold interest in the facility, who are liable, under a contract with the owner or owners of record of the facility, for paying property taxes on the property. In a cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor. Under this Section and Sections 15-175, 15-176, and 15-177, "life care facility" means a facility, as defined in Section 2 of the Life Care Facilities Act, with which the applicant for the homestead exemption has a life care contract as defined in that Act.

When a homestead exemption has been granted under this Section and the person qualifying subsequently becomes a resident of a facility licensed under the Assisted Living and Shared Housing Act, ~~or~~ the Nursing Home Care Act , or the MR/DD Community Care Act, the exemption shall continue so long as the residence continues to be occupied by the qualifying person's spouse if the spouse is 65 years of age or older, or if the residence remains unoccupied but is still owned by the person qualified for the homestead exemption.

A person who will be 65 years of age during the current assessment year shall be eligible to apply for the homestead exemption during that assessment year. Application shall be made during the application period in effect for the county of his residence.

Beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the senior citizens homestead exemption under this Section must be granted a pro-rata exemption for the assessment year. The amount of the pro-rata exemption is the exemption allowed in the county under this Section divided by 365 and multiplied by the number of days during the assessment year the property is occupied as a residence by a person eligible for the exemption under this Section. The chief county assessment officer must adopt reasonable procedures to establish eligibility for this pro-rata exemption.

The assessor or chief county assessment officer may determine the eligibility of a life care facility to receive the benefits provided by this Section, by affidavit, application, visual inspection, questionnaire or other reasonable methods in order to insure that the tax savings resulting from the exemption are credited by the management firm to the apportioned tax liability of each qualifying resident. The assessor may request reasonable proof that the management firm has so credited the exemption.

The chief county assessment officer of each county with less than 3,000,000 inhabitants shall provide to each person allowed a homestead exemption under this Section a form to designate any other person to receive a duplicate of any notice of delinquency in the payment of taxes assessed and levied under this Code on the property of the person receiving the exemption. The duplicate notice shall be in addition to the notice required to be provided to the person receiving the exemption, and shall be given in the manner

required by this Code. The person filing the request for the duplicate notice shall pay a fee of $5 to cover administrative costs to the supervisor of assessments, who shall then file the executed designation with the county collector. Notwithstanding any other provision of this Code to the contrary, the filing of such an executed designation requires the county collector to provide duplicate notices as indicated by the designation. A designation may be rescinded by the person who executed such designation at any time, in the manner and form required by the chief county assessment officer.

The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire or other reasonable methods. The determination shall be made in accordance with guidelines established by the Department.

Beginning in taxable year 2010, each taxpayer who has been granted an exemption under this Section must reapply on an annual basis. The chief county assessment officer shall mail the application to the taxpayer. ~~In counties with less than 3,000,000 inhabitants, the county board may by resolution provide that if a person has been granted a homestead exemption under this Section, the person qualifying need not reapply for the exemption.~~

~~In counties with less than 3,000,000 inhabitants, if the assessor or chief county assessment officer requires annual application for verification of eligibility for an exemption once granted under this Section, the application shall be mailed to the taxpayer.~~

The assessor or chief county assessment officer shall notify each person who qualifies for an exemption under this Section that the person may also qualify for deferral of real estate taxes under the Senior Citizens Real Estate Tax Deferral Act. The notice shall set forth the qualifications needed for deferral of real estate taxes, the address and telephone number of county collector, and a statement that applications for deferral of real estate taxes may be obtained from the county collector.

Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

(Source: P.A. 95-644, eff. 10-12-07; 95-876, eff. 8-21-08; 96-339, eff. 7-1-10; 96-355, eff. 1-1-10; revised 9-25-09.)

(35 ILCS 200/15-176)

Sec. 15-176. Alternative general homestead exemption.

(a) For the assessment years as determined under subsection (j), in any county that has elected, by an ordinance in accordance with subsection (k), to be subject to the provisions of this Section in lieu of the provisions of Section 15-175, homestead property is entitled to an annual homestead exemption equal to a reduction in the property's equalized assessed value calculated as provided in this Section.

(b) As used in this Section:

(1) "Assessor" means the supervisor of assessments or the chief county assessment officer of each county.

(2) "Adjusted homestead value" means the lesser of the following values:

(A) The property's base homestead value increased by 7% for each tax year after the base year through and including the current tax year, or, if the property is sold or ownership is otherwise transferred, the property's base homestead value increased by 7% for each tax year after the year of the sale or transfer through and including the current tax year. The increase by 7% each year is an increase by 7% over the prior year.

(B) The property's equalized assessed value for the current tax year minus: (i) $4,500 in Cook County or $3,500 in all other counties in tax year 2003; (ii) $5,000 in all counties in tax years 2004 and 2005; and (iii) the lesser of the amount of the general homestead exemption under Section 15-175 or an amount equal to the increase in the equalized assessed value for the current tax year above the equalized assessed value for 1977 in tax year 2006 and thereafter.

(3) "Base homestead value".

(A) Except as provided in subdivision (b)(3)(A-5) or (b)(3)(B), "base homestead value" means the equalized assessed value of the property for the base year prior to exemptions, minus (i) $4,500 in Cook County or $3,500 in all other counties in tax year 2003, (ii) $5,000 in all counties in tax years 2004 and 2005, or (iii) the lesser of the amount of the general homestead exemption under Section 15-175 or an amount equal to the increase in the equalized assessed value for the current tax year above the equalized assessed value for 1977 in tax year 2006 and thereafter, provided that it was assessed for that year as residential property qualified for any of the homestead exemptions under Sections 15-170 through 15-175 of this Code, then in force, and further provided that the property's assessment was not based on a reduced assessed value resulting from a temporary irregularity in the

property for that year. Except as provided in subdivision (b)(3)(B), if the property did not have a residential equalized assessed value for the base year, then "base homestead value" means the base homestead value established by the assessor under subsection (c).

(A-5) On or before September 1, 2007, in Cook County, the base homestead value, as set forth under subdivision (b)(3)(A) and except as provided under subdivision (b) (3) (B), must be recalculated as the equalized assessed value of the property for the base year, prior to exemptions, minus:

(1) if the general assessment year for the property was 2003, the lesser of (i) $4,500 or (ii) the amount equal to the increase in equalized assessed value for the 2002 tax year above the equalized assessed value for 1977;

(2) if the general assessment year for the property was 2004, the lesser of (i) $4,500 or (ii) the amount equal to the increase in equalized assessed value for the 2003 tax year above the equalized assessed value for 1977;

(3) if the general assessment year for the property was 2005, the lesser of (i) $5,000 or (ii) the amount equal to the increase in equalized assessed value for the 2004 tax year above the equalized assessed value for 1977.

(B) If the property is sold or ownership is otherwise transferred, other than sales or transfers between spouses or between a parent and a child, "base homestead value" means the equalized assessed value of the property at the time of the sale or transfer prior to exemptions, minus: (i) $4,500 in Cook County or $3,500 in all other counties in tax year 2003; (ii) $5,000 in all counties in tax years 2004 and 2005; and (iii) the lesser of the amount of the general homestead exemption under Section 15-175 or an amount equal to the increase in the equalized assessed value for the current tax year above the equalized assessed value for 1977 in tax year 2006 and thereafter, provided that it was assessed as residential property qualified for any of the homestead exemptions under Sections 15-170 through 15-175 of this Code, then in force, and further provided that the property's assessment was not based on a reduced assessed value resulting from a temporary irregularity in the property.

(3.5) "Base year" means (i) tax year 2002 in Cook County or (ii) tax year 2005 or 2006 in all other counties in accordance with the designation made by the county as provided in subsection (k).

(4) "Current tax year" means the tax year for which the exemption under this Section is being applied.

(5) "Equalized assessed value" means the property's assessed value as equalized by the Department.

(6) "Homestead" or "homestead property" means:

(A) Residential property that as of January 1 of the tax year is occupied by its owner or owners as his, her, or their principal dwelling place, or that is a leasehold interest on which a single family residence is situated, that is occupied as a residence by a person who has a legal or equitable interest therein evidenced by a written instrument, as an owner or as a lessee, and on which the person is liable for the payment of property taxes. Residential units in an apartment building owned and operated as a cooperative, or as a life care facility, which are occupied by persons who hold a legal or equitable interest in the cooperative apartment building or life care facility as owners or lessees, and who are liable by contract for the payment of property taxes, shall be included within this definition of homestead property.

(B) A homestead includes the dwelling place, appurtenant structures, and so much of the surrounding land constituting the parcel on which the dwelling place is situated as is used for residential purposes. If the assessor has established a specific legal description for a portion of property constituting the homestead, then the homestead shall be limited to the property within that description.

(7) "Life care facility" means a facility as defined in Section 2 of the Life Care Facilities Act.

(c) If the property did not have a residential equalized assessed value for the base year as provided in subdivision (b)(3)(A) of this Section, then the assessor shall first determine an initial value for the property by comparison with assessed values for the base year of other properties having physical and economic characteristics similar to those of the subject property, so that the initial value is uniform in relation to assessed values of those other properties for the base year. The product of the initial value multiplied by the equalized factor for the base year for homestead properties in that county, less: (i) $4,500 in Cook County or $3,500 in all other counties in tax years 2003; (ii) $5,000 in all counties in tax year 2004 and 2005; and

(iii) the lesser of the amount of the general homestead exemption under Section 15-175 or an amount equal to the increase in the equalized assessed value for the current tax year above the equalized assessed value for 1977 in tax year 2006 and thereafter, is the base homestead value.

For any tax year for which the assessor determines or adjusts an initial value and hence a base homestead value under this subsection (c), the initial value shall be subject to review by the same procedures applicable to assessed values established under this Code for that tax year.

(d) The base homestead value shall remain constant, except that the assessor may revise it under the following circumstances:

(1) If the equalized assessed value of a homestead property for the current tax year is less than the previous base homestead value for that property, then the current equalized assessed value (provided it is not based on a reduced assessed value resulting from a temporary irregularity in the property) shall become the base homestead value in subsequent tax years.

(2) For any year in which new buildings, structures, or other improvements are constructed on the homestead property that would increase its assessed value, the assessor shall adjust the base homestead value as provided in subsection (c) of this Section with due regard to the value added by the new improvements.

(3) If the property is sold or ownership is otherwise transferred, the base homestead value of the property shall be adjusted as provided in subdivision (b)(3)(B). This item (3) does not apply to sales or transfers between spouses or between a parent and a child.

(4) the recalculation required in Cook County under subdivision (b)(3)(A-5).

(e) The amount of the exemption under this Section is the equalized assessed value of the homestead property for the current tax year, minus the adjusted homestead value, with the following exceptions:

(1) In Cook County, the exemption under this Section shall not exceed $20,000 for any taxable year through tax year:

(i) 2005, if the general assessment year for the property is 2003;

(ii) 2006, if the general assessment year for the property is 2004; or

(iii) 2007, if the general assessment year for the property is 2005.

(1.1) Thereafter, in Cook County, and in all other counties, the exemption is as follows:

(i) if the general assessment year for the property is 2006, then the exemption may not exceed: $33,000 for taxable year 2006; $26,000 for taxable year 2007; ~~and~~ $20,000 for taxable years ~~year~~ 2008 and 2009; $16,000 for taxable year 2010; and $12,000 for taxable year 2011;

(ii) if the general assessment year for the property is 2007, then the exemption may not exceed: $33,000 for taxable year 2007; $26,000 for taxable year 2008; ~~and~~ $20,000 for taxable years ~~year~~ 2009 and 2010; $16,000 for taxable year 2011; and $12,000 for taxable year 2012; and

(iii) if the general assessment year for the property is 2008, then the exemption may not exceed: $33,000 for taxable year 2008; $26,000 for taxable year 2009; ~~and~~ $20,000 for taxable years ~~year~~ 2010 and 2011; $16,000 for taxable year 2012; and $12,000 for taxable year 2013.

(1.5) In Cook County, for the 2006 taxable year only, the maximum amount of the exemption set forth under subsection (e)(1.1)(i) of this Section may be increased: (i) by $7,000 if the equalized assessed value of the property in that taxable year exceeds the equalized assessed value of that property in 2002 by 100% or more; or (ii) by $2,000 if the equalized assessed value of the property in that taxable year exceeds the equalized assessed value of that property in 2002 by more than 80% but less than 100%.

(2) In the case of homestead property that also qualifies for the exemption under Section 15-172, the property is entitled to the exemption under this Section, limited to the amount of (i) $4,500 in Cook County or $3,500 in all other counties in tax year 2003, (ii) $5,000 in all counties in tax years 2004 and 2005, or (iii) the lesser of the amount of the general homestead exemption under Section 15-175 or an amount equal to the increase in the equalized assessed value for the current tax year above the equalized assessed value for 1977 in tax year 2006 and thereafter.

(f) In the case of an apartment building owned and operated as a cooperative, or as a life care facility, that contains residential units that qualify as homestead property under this Section, the maximum cumulative exemption amount attributed to the entire building or facility shall not exceed the sum of the exemptions calculated for each qualified residential unit. The cooperative association, management firm, or other person or entity that manages or controls the cooperative apartment building or life care facility shall credit the exemption attributable to each residential unit only to the apportioned tax liability of the owner or other person responsible for payment of taxes as to that unit. Any person who willfully refuses to so credit the exemption is guilty of a Class B misdemeanor.

(g) When married persons maintain separate residences, the exemption provided under this Section shall be claimed by only one such person and for only one residence.

(h) In the event of a sale or other transfer in ownership of the homestead property, the exemption under this Section shall remain in effect for the remainder of the tax year and be calculated using the same base homestead value in which the sale or transfer occurs, but (other than for sales or transfers between spouses or between a parent and a child) shall be calculated for any subsequent tax year using the new base homestead value as provided in subdivision (b)(3)(B). The assessor may require the new owner of the property to apply for the exemption in the following year.

(i) The assessor may determine whether property qualifies as a homestead under this Section by application, visual inspection, questionnaire, or other reasonable methods. Each year, at the time the assessment books are certified to the county clerk by the board of review, the assessor shall furnish to the county clerk a list of the properties qualified for the homestead exemption under this Section. The list shall note the base homestead value of each property to be used in the calculation of the exemption for the current tax year.

(j) In counties with 3,000,000 or more inhabitants, the provisions of this Section apply as follows:

(1) If the general assessment year for the property is 2003, this Section applies for assessment years 2003 through 2011 ~~, 2004, 2005, 2006, 2007, and 2008~~. Thereafter, the provisions of Section 15-175 apply.

(2) If the general assessment year for the property is 2004, this Section applies for assessment years 2004 through 2012 ~~, 2005, 2006, 2007, 2008, and 2009~~. Thereafter, the provisions of Section 15-175 apply.

(3) If the general assessment year for the property is 2005, this Section applies for assessment years 2005 through 2013 ~~, 2006, 2007, 2008, 2009, and 2010~~. Thereafter, the provisions of Section 15-175 apply.

In counties with less than 3,000,000 inhabitants, this Section applies for assessment years (i) 2006, 2007, and 2008, and 2009 if tax year 2005 is the designated base year or (ii) 2007, 2008, 2009, and 2010 if tax year 2006 is the designated base year. Thereafter, the provisions of Section 15-175 apply.

(k) To be subject to the provisions of this Section in lieu of Section 15-175, a county must adopt an ordinance to subject itself to the provisions of this Section within 6 months after the effective date of this amendatory Act of the 95th General Assembly. In a county other than Cook County, the ordinance must designate either tax year 2005 or tax year 2006 as the base year.

(l) Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

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

Section 95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

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

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

SENATE BILL 3655. Having been reproduced, was taken up and read by title a second time.

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

AMENDMENT NO. 1. Amend Senate Bill 3655 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Income Tax Act is amended by changing Section 201 as follows:

(35 ILCS 5/201) (from Ch. 120, par. 2-201)

Sec. 201. Tax Imposed.

(a) In general. A tax measured by net income is hereby imposed on every individual, corporation, trust and estate for each taxable year ending after July 31, 1969 on the privilege of earning or receiving income in or as a resident of this State. Such tax shall be in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(b) Rates. The tax imposed by subsection (a) of this Section shall be determined as follows, except as

adjusted by subsection (d-1):

(1) In the case of an individual, trust or estate, for taxable years ending prior to July 1, 1989, an amount equal to 2 1/2% of the taxpayer's net income for the taxable year.

(2) In the case of an individual, trust or estate, for taxable years beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 2 1/2% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 3% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(3) In the case of an individual, trust or estate, for taxable years beginning after June 30, 1989, an amount equal to 3% of the taxpayer's net income for the taxable year.

(4) (Blank).

(5) (Blank).

(6) In the case of a corporation, for taxable years ending prior to July 1, 1989, an amount equal to 4% of the taxpayer's net income for the taxable year.

(7) In the case of a corporation, for taxable years beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 4% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 4.8% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(8) In the case of a corporation, for taxable years beginning after June 30, 1989, an amount equal to 4.8% of the taxpayer's net income for the taxable year.

(c) Personal Property Tax Replacement Income Tax. Beginning on July 1, 1979 and thereafter, in addition to such income tax, there is also hereby imposed the Personal Property Tax Replacement Income Tax measured by net income on every corporation (including Subchapter S corporations), partnership and trust, for each taxable year ending after June 30, 1979. Such taxes are imposed on the privilege of earning or receiving income in or as a resident of this State. The Personal Property Tax Replacement Income Tax shall be in addition to the income tax imposed by subsections (a) and (b) of this Section and in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(d) Additional Personal Property Tax Replacement Income Tax Rates. The personal property tax replacement income tax imposed by this subsection and subsection (c) of this Section in the case of a corporation, other than a Subchapter S corporation and except as adjusted by subsection (d-1), shall be an additional amount equal to 2.85% of such taxpayer's net income for the taxable year, except that beginning on January 1, 1981, and thereafter, the rate of 2.85% specified in this subsection shall be reduced to 2.5%, and in the case of a partnership, trust or a Subchapter S corporation shall be an additional amount equal to 1.5% of such taxpayer's net income for the taxable year.

(d-1) Rate reduction for certain foreign insurers. In the case of a foreign insurer, as defined by Section 35A-5 of the Illinois Insurance Code, whose state or country of domicile imposes on insurers domiciled in Illinois a retaliatory tax (excluding any insurer whose premiums from reinsurance assumed are 50% or more of its total insurance premiums as determined under paragraph (2) of subsection (b) of Section 304, except that for purposes of this determination premiums from reinsurance do not include premiums from inter-affiliate reinsurance arrangements), beginning with taxable years ending on or after December 31, 1999, the sum of the rates of tax imposed by subsections (b) and (d) shall be reduced (but not increased) to the rate at which the total amount of tax imposed under this Act, net of all credits allowed under this Act, shall equal (i) the total amount of tax that would be imposed on the foreign insurer's net income allocable to Illinois for the taxable year by such foreign insurer's state or country of domicile if that net income were subject to all income taxes and taxes measured by net income imposed by such foreign insurer's state or country of domicile, net of all credits allowed or (ii) a rate of zero if no such tax is imposed on such income by the foreign insurer's state of domicile. For the purposes of this subsection (d-1), an inter-affiliate includes a mutual insurer under common management.

(1) For the purposes of subsection (d-1), in no event shall the sum of the rates of tax imposed by subsections (b) and (d) be reduced below the rate at which the sum of:

(A) the total amount of tax imposed on such foreign insurer under this Act for a taxable year, net of all credits allowed under this Act, plus

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code,

equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as

described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

(2) Any reduction in the rates of tax imposed by this subsection shall be applied first against the rates imposed by subsection (b) and only after the tax imposed by subsection (a) net of all credits allowed under this Section other than the credit allowed under subsection (i) has been reduced to zero, against the rates imposed by subsection (d).

This subsection (d-1) is exempt from the provisions of Section 250.

(e) Investment credit. A taxpayer shall be allowed a credit against the Personal Property Tax Replacement Income Tax for investment in qualified property.

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all such certifications immediately. For tax years ending after December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

(2) The term "qualified property" means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings and signs that are real property, but not including land or improvements to real property that are not a structural component of a building such as landscaping, sewer lines, local access roads, fencing, parking lots, and other appurtenances;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (e);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in Illinois by a taxpayer who is primarily engaged in manufacturing, or in mining coal or fluorite, or in retailing, or was placed in service on or after July 1, 2006 in a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act; and

(E) has not previously been used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (e) or subsection (f).

(3) For purposes of this subsection (e), "manufacturing" means the material staging and

production of tangible personal property by procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes some existing material into new shapes, new qualities, or new combinations. For purposes of this subsection (e) the term "mining" shall have the same meaning as the term "mining" in Section 613(c) of the Internal Revenue Code. For purposes of this subsection (e), the term "retailing" means the sale of tangible personal property for use or consumption and not for resale, or services rendered in conjunction with the sale of tangible personal property for use or consumption and not for resale. For purposes of this subsection (e), "tangible personal property" has the same meaning as when that term is used in the Retailers' Occupation Tax Act, and, for taxable years ending after December 31, 2008, does not include the generation, transmission, or distribution of electricity.

(4) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(5) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(6) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(7) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the Personal Property Tax Replacement Income Tax for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation and, (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (7), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(8) Unless the investment credit is extended by law, the basis of qualified property shall not include costs incurred after December 31, 2013, except for costs incurred pursuant to a binding contract entered into on or before December 31, 2013.

(9) Each taxable year ending before December 31, 2000, a partnership may elect to pass through to its partners the credits to which the partnership is entitled under this subsection (e) for the taxable year. A partner may use the credit allocated to him or her under this paragraph only against the tax imposed in subsections (c) and (d) of this Section. If the partnership makes that election, those credits shall be allocated among the partners in the partnership in accordance with the rules set forth in Section 704(b) of the Internal Revenue Code, and the rules promulgated under that Section, and the allocated amount of the credits shall be allowed to the partners for that taxable year. The partnership shall make this election on its Personal Property Tax Replacement Income Tax return for that taxable year. The election to pass through the credits shall be irrevocable.

For taxable years ending on or after December 31, 2000, a partner that qualifies its partnership for a subtraction under subparagraph (I) of paragraph (2) of subsection (d) of Section 203 or a shareholder that qualifies a Subchapter S corporation for a subtraction under subparagraph (S) of paragraph (2) of subsection (b) of Section 203 shall be allowed a credit under this subsection (e) equal to its share of the credit earned under this subsection (e) during the taxable year by the partnership or Subchapter S corporation, determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. This paragraph is exempt from the provisions of Section 250.

(f) Investment credit; Enterprise Zone; River Edge Redevelopment Zone.

(1) A taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service in an Enterprise Zone created pursuant to the Illinois Enterprise Zone Act or, for property placed in service on or after July 1, 2006, a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (f) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. The credit shall be .5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service in the Enterprise Zone or

River Edge Redevelopment Zone and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1985, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (f);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer; and

(E) has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (f) or subsection (e).

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside the Enterprise Zone or River Edge Redevelopment Zone within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) There shall be allowed an additional credit equal to 0.5% of the basis of qualified property placed in service during the taxable year in a River Edge Redevelopment Zone, provided such property is placed in service on or after July 1, 2006, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is 0.5% and the denominator of which is 1%, but shall not exceed 0.5%.

(g) Jobs Tax Credit; Enterprise Zone, River Edge Redevelopment Zone, and Foreign Trade Zone or Sub-Zone.

(1) A taxpayer conducting a trade or business in an enterprise zone or a High Impact Business designated by the Department of Commerce and Economic Opportunity or for taxable years ending on or after December 31, 2006, in a River Edge Redevelopment Zone conducting a trade or business in a federally designated Foreign Trade Zone or Sub-Zone shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section in the amount of $500 per eligible employee hired to work in the zone during the taxable year.

(2) To qualify for the credit:

(A) the taxpayer must hire 5 or more eligible employees to work in an enterprise zone, River Edge Redevelopment Zone, or federally designated Foreign Trade Zone or Sub-Zone during the taxable year;

(B) the taxpayer's total employment within the enterprise zone, River Edge Redevelopment Zone, or federally designated Foreign Trade Zone or Sub-Zone must increase by 5 or more full-time employees beyond the total employed in that zone at the end of the previous tax year for which a jobs tax credit under this Section was taken, or beyond the total employed by the taxpayer as of December 31, 1985, whichever is later; and

(C) the eligible employees must be employed 180 consecutive days in order to be deemed hired for purposes of this subsection.

(3) An "eligible employee" means an employee who is:

(A) Certified by the Department of Commerce and Economic Opportunity as "eligible for services" pursuant to regulations promulgated in accordance with Title II of the Job Training Partnership Act, Training Services for the Disadvantaged or Title III of the Job Training Partnership Act, Employment and Training Assistance for Dislocated Workers Program.

(B) Hired after the enterprise zone, River Edge Redevelopment Zone, or federally designated Foreign Trade Zone or Sub-Zone was designated or the trade or business was located in that zone, whichever is later.

(C) Employed in the enterprise zone, River Edge Redevelopment Zone, or Foreign Trade Zone or Sub-Zone. An employee is employed in an enterprise zone or federally designated Foreign Trade Zone or Sub-Zone if his services are rendered there or it is the base of operations for the services performed.

(D) A full-time employee working 30 or more hours per week.

(4) For tax years ending on or after December 31, 1985 and prior to December 31, 1988, the credit shall be allowed for the tax year in which the eligible employees are hired. For tax years ending on or after December 31, 1988, the credit shall be allowed for the tax year immediately following the tax year in which the eligible employees are hired. If the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

(5) The Department of Revenue shall promulgate such rules and regulations as may be deemed necessary to carry out the purposes of this subsection (g).

(6) The credit shall be available for eligible employees hired on or after January 1, 1986.

(h) Investment credit; High Impact Business.

(1) Subject to subsections (b) and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service by a Department of Commerce and Economic Opportunity designated High Impact Business. The credit shall be .5% of the basis for such property. The credit shall not be available (i) until the minimum investments in qualified property set forth in subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act have been satisfied or (ii) until the time authorized in subsection (b-5) of the Illinois Enterprise Zone Act for entities designated as High Impact Businesses under subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone Act, and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. The credit applicable to such investments shall be taken in the taxable year in which such investments have been completed. The credit for additional investments beyond the minimum investment by a designated high impact business authorized under subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1987, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time

shall be applied first.

Changes made in this subdivision (h)(1) by Public Act 88-670 restore changes made by Public Act 85-1182 and reflect existing law.

(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (h);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code; and

(D) is not eligible for the Enterprise Zone Investment Credit provided by subsection (f) of this Section.

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year ending on or before December 31, 1996, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) Beginning with tax years ending after December 31, 1996, if a taxpayer qualifies for the credit under this subsection (h) and thereby is granted a tax abatement and the taxpayer relocates its entire facility in violation of the explicit terms and length of the contract under Section 18-183 of the Property Tax Code, the tax imposed under subsections (a) and (b) of this Section shall be increased for the taxable year in which the taxpayer relocated its facility by an amount equal to the amount of credit received by the taxpayer under this subsection (h).

(i) Credit for Personal Property Tax Replacement Income Tax. For tax years ending prior to December 31, 2003, a credit shall be allowed against the tax imposed by subsections (a) and (b) of this Section for the tax imposed by subsections (c) and (d) of this Section. This credit shall be computed by multiplying the tax imposed by subsections (c) and (d) of this Section by a fraction, the numerator of which is base income allocable to Illinois and the denominator of which is Illinois base income, and further multiplying the product by the tax rate imposed by subsections (a) and (b) of this Section.

Any credit earned on or after December 31, 1986 under this subsection which is unused in the year the credit is computed because it exceeds the tax liability imposed by subsections (a) and (b) for that year (whether it exceeds the original liability or the liability as later amended) may be carried forward and applied to the tax liability imposed by subsections (a) and (b) of the 5 taxable years following the excess credit year, provided that no credit may be carried forward to any year ending on or after December 31, 2003. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first.

If, during any taxable year ending on or after December 31, 1986, the tax imposed by subsections (c) and (d) of this Section for which a taxpayer has claimed a credit under this subsection (i) is reduced, the amount of credit for such tax shall also be reduced. Such reduction shall be determined by recomputing the credit to take into account the reduced tax imposed by subsections (c) and (d). If any portion of the reduced amount of credit has been carried to a different taxable year, an amended return shall be filed for such taxable year to reduce the amount of credit claimed.

(j) Training expense credit. Beginning with tax years ending on or after December 31, 1986 and prior to December 31, 2003, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) under this Section for all amounts paid or accrued, on behalf of all persons employed by the taxpayer in Illinois or Illinois residents employed outside of Illinois by a taxpayer, for educational or vocational training in semi-technical or technical fields or semi-skilled or skilled fields, which were deducted from gross income in the computation of taxable income. The credit against the tax imposed by subsections (a) and (b) shall be 1.6% of such training expenses. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (j) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

Any credit allowed under this subsection which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first. No carryforward credit may be claimed in any tax year ending on or after December 31, 2003.

(k) Research and development credit.

For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2011, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

For purposes of this subsection, "qualifying expenditures" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under Section 41 of the Internal Revenue Code and which are conducted in this State, "qualifying expenditures for increasing research activities in this State" means the excess of qualifying expenditures for the taxable year in which incurred over qualifying expenditures for the base period, "qualifying expenditures for the base period" means the average of the qualifying expenditures for each year in the base period, and "base period" means the 3 taxable years immediately preceding the taxable year for which the determination is being made.

Any credit in excess of the tax liability for the taxable year may be carried forward. A taxpayer may elect to have the unused credit shown on its final completed return carried over as a credit against the tax liability for the following 5 taxable years or until it has been fully used, whichever occurs first; provided that no credit earned in a tax year ending prior to December 31, 2003 may be carried forward to any year ending on or after December 31, 2003, and no credit may be carried forward to any taxable year ending on or after January 1, 2011.

If an unused credit is carried forward to a given year from 2 or more earlier years, that credit arising in the earliest year will be applied first against the tax liability for the given year. If a tax liability for the given year still remains, the credit from the next earliest year will then be applied, and so on, until all credits have been used or no tax liability for the given year remains. Any remaining unused credit or credits then will be carried forward to the next following year in which a tax liability is incurred, except that no credit can be carried forward to a year which is more than 5 years after the year in which the expense for which the credit is given was incurred.

No inference shall be drawn from this amendatory Act of the 91st General Assembly in construing this Section for taxable years beginning before January 1, 1999.

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act.

The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site, except that the $100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed $40,000 per year with a maximum total of $150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(m) Education expense credit. Beginning with tax years ending after December 31, 1999, a taxpayer who is the custodian of one or more qualifying pupils shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for qualified education expenses incurred on behalf of the qualifying pupils. The credit shall be equal to 25% of qualified education expenses, but in no event may the total credit under this subsection claimed by a family that is the custodian of qualifying pupils exceed $500. In no event shall a credit under this subsection reduce the taxpayer's liability under this Act to less than zero. This subsection is exempt from the provisions of Section 250 of this Act.

For purposes of this subsection:

"Qualifying pupils" means individuals who (i) are residents of the State of Illinois, (ii) are under the age of 21 at the close of the school year for which a credit is sought, and (iii) during the school year for which a credit is sought were full-time pupils enrolled in a kindergarten through twelfth grade education program at any school, as defined in this subsection.

"Qualified education expense" means the amount incurred on behalf of a qualifying pupil in excess of $250 for tuition, book fees, and lab fees at the school in which the pupil is enrolled during the regular school year.

"School" means any public or nonpublic elementary or secondary school in Illinois that is in compliance with Title VI of the Civil Rights Act of 1964 and attendance at which satisfies the requirements of Section 26-1 of the School Code, except that nothing shall be construed to require a child to attend any particular public or nonpublic school to qualify for the credit under this Section.

"Custodian" means, with respect to qualifying pupils, an Illinois resident who is a parent, the parents, a legal guardian, or the legal guardians of the qualifying pupils.

(n) River Edge Redevelopment Zone site remediation tax credit.

(i) For tax years ending on or after December 31, 2006, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14a of the Environmental Protection Act that were paid in performing environmental remediation at a site within a River Edge Redevelopment Zone for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. Determinations as to credit availability for purposes of this Section shall be made consistent with rules adopted by the Pollution Control Board pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(iv) This subsection is exempt from the provisions of Section 250.

(Source: P.A. 95-454, eff. 8-27-07; 96-115, eff. 7-31-09; 96-116, eff. 7-31-09; revised 8-20-09.)

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

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

SENATE BILL 3659. Having been reproduced, was taken up and read by title a second time.

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

AMENDMENT NO. 1. Amend Senate Bill 3659 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Public Private Agreements for the Illiana Expressway Act.

Section 5. Legislative findings.

(a) The State of Illinois and the State of Indiana are engaged in collaborative planning efforts to build a new interstate highway connecting Interstate Highway 55 in Illinois to Interstate Highway 65 in Indiana to serve the public at large.

(b) The Illiana Expressway will promote development and investment in the State of Illinois and serve as a critical transportation route in the region.

(c) Public private agreements between the State of Illinois and one or more private entities to develop, finance, construct, manage, or operate the Illiana Expressway have the potential of maximizing value and

benefit to the People of the State of Illinois and the public at large.

(d) Public private agreements may enable the Illiana Expressway to be developed, financed, constructed, managed, or operated in an entrepreneurial and business-like manner.

(e) In the event the State of Illinois enters into one or more public private agreements to develop, finance, construct, manage, or operate the Illiana Expressway, the private parties to the agreements should be accountable to the People of Illinois through a comprehensive system of oversight, regulation, auditing, and reporting.

(f) It is the intent of this Act to use Illinois design professionals, construction companies, and workers to the greatest extent permitted by law by offering them the right to compete for this work.

Section 10. Definitions. As used in this Act:

"Agreement" means a public private agreement.

"Contractor" means a person that has been selected to enter or has entered into a public private agreement with the Department on behalf of the State for the development, financing, construction, management, or operation of the Illiana Expressway pursuant to this Act.

"Department" means the Illinois Department of Transportation.

"Illiana Expressway" means the fully access-controlled interstate highway connecting Interstate Highway 55 in northeastern Illinois to Interstate Highway 65 in northwestern Indiana, which may be operated as a toll or non-toll facility.

"Metropolitan planning organization" means a metropolitan planning organization designated under 23 U.S.C. Section 134.

"Offeror" means a person that responds to a request for qualifications under this Act.

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

"Public private agreement" means an agreement or contract between the Department on behalf of the State and all schedules, exhibits, and attachments thereto, entered into pursuant to a competitive request for qualifications process governed by the Illinois Procurement Code and rules adopted under that Code and this Act, for the development, financing, construction, management, or operation of the Illiana Expressway pursuant to this Act.

"Revenues" means all revenues including but not limited to income; user fees; earnings; interest; lease payments; allocations; moneys from the federal government, the State, and units of local government, including but not limited to federal, State, and local appropriations, grants, loans, lines of credit, and credit guarantees; bond proceeds; equity investments; service payments; or other receipts arising out of or in connection with the financing, development, construction, management, or operation of the Illiana Expressway.

"State" means the State of Illinois.

"Secretary" means the Secretary of the Illinois Department of Transportation.

"Unit of local government" has the meaning ascribed to that term in Article VII, Section 1 of the Constitution of the State of Illinois, and, for purposes of this Act, includes school districts.

"User fees" means the tolls, rates, fees, or other charges imposed by the State or the contractor for use of all or part of the Illiana Expressway.

Section 15. Public private agreement authorized.

(a) Notwithstanding any provision of law to the contrary, the Department on behalf of the State may, pursuant to a competitive request for qualifications process governed by the Illinois Procurement Code and rules adopted under that Code and this Act, enter into one or more public private agreements with one or more contractors to develop, finance, construct, manage, or operate the Illiana Expressway on behalf of the State, and further pursuant to which the contractors may receive certain revenues including user fees in consideration of the payment of moneys to the State for that right.

(b) Before taking any action in connection with the development, financing, construction, maintenance, or operation of the Illiana Expressway that is not authorized by an interim agreement under Section 30 of this Act, a contractor shall enter into a public private agreement.

(c) The term of a public private agreement, including all extensions, shall be no more than 99 years.

(d) The term of a public private agreement may be extended but only if the extension is specifically authorized by the General Assembly by law.

Section 17. Procurement; prequalification. The Department may establish a process for prequalification of offerors. If the Department does create such a process, it shall: (i) provide a public notice of the prequalification at least 30 days prior to the date on which applications are due; (ii) set forth requirements and evaluation criteria in order to become prequalified; (iii) determine which offerors that have submitted

prequalification applications, if any, meet the requirements and evaluation criteria; and (iv) allow only those offerors that have been prequalified to respond to the request for qualifications.

Section 20. Procurement; request for qualifications process.

(a) Notwithstanding any provision of law to the contrary, the Department on behalf of the State shall select a contractor through a competitive request for qualifications process governed by the Illinois Procurement Code and rules adopted under that Code and this Act.

(b) The competitive request for qualifications process shall, at a minimum, solicit statements of qualification and proposals from offerors.

(c) The competitive request for qualifications process shall, at a minimum, take into account the following criteria:

(1) The offeror's plans for the Illiana Expressway project;

(2) The offeror's current and past business practices;

(3) The offeror's poor or inadequate past performance in developing, financing, constructing, managing, or operating highways or other public assets;

(4) The offeror's ability to meet and past performance in meeting or exhausting good faith efforts to meet the utilization goals for business enterprises established in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act;

(5) The offeror's ability to comply with and past performance in complying with Section 2-105 of the Illinois Human Rights Act; and

(6) The offeror's plans to comply with the Business Enterprise for Minorities, Females, and Persons with Disabilities Act and Section 2-105 of the Illinois Human Rights Act.

(d) The Department shall retain the services of an advisor or advisors with significant experience in the development, financing, construction, management, or operation of public assets to assist in the preparation of the request for qualifications.

(e) The Department shall not include terms in the request for qualifications that provide an advantage, whether directly or indirectly, to any contractor presently providing goods, services, or equipment to the Department.

(f) The Department shall select at least 2 offerors as finalists. The Department shall submit the offerors' statements of qualification and proposals to the Commission on Government Forecasting and Accountability and the Procurement Policy Board, which shall, within 30 days of the submission, complete a review of the statements of qualification and proposals and, jointly or separately, report on, at a minimum, the satisfaction of the criteria contained in the request for qualifications, the qualifications of the offerors, and the value of the proposals to the State. The Department and shall not select an offeror as the contractor for the Illiana Expressway project until it has received and considered the findings of the Commission on Government Forecasting and Accountability and the Procurement Policy Board as set forth in their respective reports.

(g) Before awarding a public private agreement to an offeror, the Department shall schedule and hold a public hearing or hearings on the proposed public private agreement and publish notice of the hearing or hearings at least 7 days before the hearing and in accordance with Section 4-219 of the Illinois Highway Code. The notice must include the following:

(1) the date, time, and place of the hearing and the address of the Department;

(2) the subject matter of the hearing;

(3) a description of the agreement that may be awarded; and

(4) the recommendation that has been made to select an offeror as the contractor for the Illiana Expressway project.

At the hearing, the Department shall allow the public to be heard on the subject of the hearing.

(h) After the procedures required in this Section have been completed, the Department shall make a determination as to whether the offeror should be designated as the contractor for the Illiana Expressway project and shall submit the decision to the Governor and to the Governor's Office of Management and Budget. After review of the Department's determination, the Governor may accept or reject the determination. If the Governor accepts the determination of the Department, the Governor shall designate offeror for the Illiana Expressway project.

Section 25. Provisions of the public private agreement.

(a) The public private agreement shall include all of the following:

(1) The term of the public private agreement that is consistent with Section 15 of this Act;

(2) The powers, duties, responsibilities, obligations, and functions of the Department and the contractor;

(3) Compensation or payments to the Department;

(4) Compensation or payments to the contractor;

(5) A provision specifying that the Department:

(A) has ready access to information regarding the contractor's powers, duties, responsibilities, obligations, and functions under the public private agreement;

(B) has the right to demand and receive information from the contractor concerning any aspect of the contractor's powers, duties, responsibilities, obligations, and functions under the public private agreement; and

(C) has the authority to direct or countermand decisions by the contractor at any time;

(6) A provision imposing an affirmative duty on the contractor to provide the Department with any information the contractor reasonably believes the Department would want to know or would need to know to enable the Department to exercise its powers, carry out its duties, responsibilities, and obligations, and perform its functions under this Act or the public private agreement or as otherwise required by law;

(7) A provision requiring the contractor to provide the Department with advance notice of any decision that bears significantly on the public interest so the Department has a reasonable opportunity to evaluate and countermand that decision pursuant to this Section;

(8) A requirement that the Department monitor and oversee the contractor's practices and take action that the Department considers appropriate to ensure that the contractor is in compliance with the terms of the public private agreement;

(9) The authority of the Department to enter into contracts with third parties pursuant to Section 50 of this Act;

(10) A provision governing the contractor's authority to negotiate and execute subcontracts with third parties;

(10.5) A provision stating that, in the event the contractor finds it necessary, proper, or desirable to enter into subcontracts with one or more design-build entities, then it must follow a selection process that is, to the greatest extent possible, identical to the selection process contained in the Design-Build Procurement Act;

(11) The authority of the contractor to impose user fees and the amounts of those fees, including the authority of the contractor to use congestion pricing, pursuant to which higher tolls rates are imposed during times or in locations of increased congestion;

(12) A provision governing the deposit and allocation of revenues including user fees;

(13) A provision governing rights to real and personal property of the State, the Department, the contractor, and other third parties;

(14) A provision stating that the contractor must, pursuant to Section 75 of this Act, finance an independent audit if the construction costs under the contract exceed $50,000,000;

(15) A provision regarding the implementation and delivery of a comprehensive system of internal audits;

(16) A provision regarding the implementation and delivery of reports, which must include a requirement that the contractor file with the Department, at least on an annual basis, financial statements containing information required by generally accepted accounting principles (GAAP);

(17) Procedural requirements for obtaining the prior approval of the Department when rights that are the subject of the agreement, including but not limited to development rights, construction rights, property rights, and rights to certain revenues, are sold, assigned, transferred, or pledged as collateral to secure financing or for any other reason;

(18) Grounds for termination of the agreement by the Department or the contractor and a restatement of the Department's rights under Section 35 of this Act;

(19) A requirement that the contractor enter into a project labor agreement pursuant to Section 100 of this Act;

(20) Timelines, deadlines, and scheduling;

(21) Review of plans, including development, financing, construction, management, or operations plans, by the Department;

(22) Inspections by the Department, including inspections of construction work and improvements;

(23) Rights and remedies of the Department in the event that the contractor defaults or otherwise fails to comply with the terms of the agreement;

(24) A code of ethics for the contractor's officers and employees; and

(25) Procedures for amendment to the agreement.

(b) The public private agreement may include any or all of the following:

(1) A provision regarding the extension of the agreement that is consistent with Section 15 of this Act;

(2) Cash reserves requirements;

(3) A provision requiring the contractor to locate its principal office within the State;

(4) Delivery of performance and payment bonds or other performance security in a form and amount that is satisfactory to the Department;

(5) Maintenance of public liability insurance;

(6) Maintenance of self-insurance;

(7) Provisions governing grants and loans, pursuant to which the Department may agree to make grants or loans for the development, financing, construction, management, or operation of the Illiana Expressway project from time to time from amounts received from the federal government or any agency or instrumentality of the federal government or from any State or local agency;

(8) Reimbursements to the Department for work performed and goods, services, and equipment provided by the Department; and

(9) All other terms, conditions, and provisions acceptable to the Department that the Department deems necessary and proper and in the public interest.

Section 30. Interim agreements.

(a) Prior to or in connection with the negotiation of the public private agreement, the Department may enter into an interim agreement with the contractor.

(b) The interim agreement may not authorize the contractor to perform construction work prior to the execution of the public private agreement.

(c) The interim agreement may include any or all of the following:

(1) Timelines, deadlines, and scheduling;

(2) Compensation including the payment of costs and fees in the event the Department terminates the interim agreement or declines to proceed with negotiation of the public private agreement;

(3) A provision governing the contractor's authority to commence activities related to the Illiana Expressway project including but not limited to project planning, advance right-of-way acquisition, design and engineering, environmental analysis and mitigation, surveying, conducting studies including revenue and transportation studies, and ascertaining the availability of financing;

(4) Procurement procedures;

(5) A provision governing rights to real and personal property of the State, the Department, the contractor, and other third parties;

(6) All other terms, conditions, and provisions acceptable to the Department that the Department deems necessary and proper and in the public interest.

(d) The Department may enter into one or more interim agreements with one or more contractors if the Department determines in writing that it is in the public interest to do so.

Section 35. Termination of the Public Private Agreement. The Department may terminate a public private agreement or interim agreement under Section 30 of this Act if the contractor or any executive employee of the contractor is found guilty of any criminal offense related to the conduct of its business or the regulation thereof in any jurisdiction. For purposes of this Section, an "executive employee" is the President, Chairman, Chief Executive Officer, or Chief Financial Officer; any employee with executive decision-making authority over the long-term or day-to-day affairs of the contractor; or any employee whose compensation or evaluation is determined in whole or in part by the award of the public private agreement.

Section 40. Public private agreement proceeds. After the payment of all transaction costs, including payments for legal, accounting, financial, consultation, and other professional services, all moneys received by the State as compensation for the public private agreement shall be deposited into the Illiana Expressway Proceeds Fund, which is hereby created as a special fund in the State treasury. Monies in the Illiana Expressway Proceeds Fund shall be appropriated by the General Assembly and expended for the purposes and activities specified by this Act.

Section 45. User fees. No user fees may be imposed by the contractor except as set forth in the public private agreement.

Section 47. Selection of professional design firms. Notwithstanding any provision of law to the contrary, the selection of professional design firms by the Department or the contractor shall comply with the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act.

Section 50. Other contracts. The Department may, pursuant to the Illinois Procurement Code and rules adopted under that Code, award contracts for goods, services, or equipment to persons other than the contractor for goods, services, or equipment not provided for in the public private agreement.

Section 55. Planning for the Illiana Expressway project. The Illiana Expressway project shall be subject to all applicable planning requirements otherwise required by law, including land use planning, regional planning, transportation planning, and environmental compliance requirements.

Section 60. Illinois Department of Transportation; reporting requirements and information requests.

(a) The Department shall submit written monthly progress reports to the Procurement Policy Board and the General Assembly on the Illiana Expressway project. The report shall include the status of any public private agreements or other contracting and any ongoing or completed studies. The Procurement Policy Board may determine the format for the written monthly progress reports.

(b) The Department shall also respond promptly in writing to all inquiries and comments of the Procurement Policy Board with respect to any conduct taken by the Department to implement, execute, or administer the provisions of this Act.

(c) Upon request, the Department shall appear and testify before the Procurement Policy Board and produce information requested by the Procurement Policy Board.

(d) At least 30 days prior to the beginning of the Department's fiscal year, the Department shall prepare an annual written progress report on the Illiana Expressway project. The report shall include the status of any public private agreements or other contracting and any ongoing or completed studies. The report shall be delivered to the Procurement Policy Board and each county, municipality, and metropolitan planning organization whose territory includes or lies within 5 miles from a proposed or existing Illiana Expressway project site.

Section 65. Illinois Department of Transportation; publication requirements.

(a) The Department shall publish a notice of the execution of the public private agreement on its website and in a newspaper of general circulation within the county or counties whose territory includes or lies within 5 miles from a proposed or existing Illiana Expressway project site.

(b) The Department shall publish the full text of the public private agreement on its website.

Section 70. Electronic toll collection systems. Any electronic toll collection system used on the Illiana Expressway must be compatible with the electronic toll collection system used by the Illinois State Toll Highway Authority.

Section 75. Independent audits. If the public private agreement provides for the construction of all or part of the Illiana Expressway project and the estimated construction costs under the agreement exceed $50,000,000, the Department must also require the contractor to finance an independent audit of any and all traffic and cost estimates associated with the agreement as well as a review of all public costs and potential liabilities to which taxpayers could be exposed (including improvements to other transportation facilities that may be needed as a result of the agreement, failure by the contractor to reimburse the Department for services provided, and potential risk and liability in the event of default on the agreement or default on other types of financing). The independent audit must be conducted by an independent consultant selected by the Department.

Section 80. Property acquisition. The Department may acquire property for the Illiana Expressway project using the powers granted to it in the Illinois Highway Code. The Department may not exercise the power of quick take in connection with the Illiana Expressway project.

Section 85. Rights of the Illinois Department of Transportation upon expiration or termination of the agreement.

(a) Upon the termination or expiration of the public private agreement, including a termination for default, the Department shall have the right to take over the Illiana Expressway project and to succeed to all of the right, title, and interest in the Illiana Expressway project, subject to any liens on revenues previously granted by the contractor to any person providing financing for the Illiana Expressway Project.

(b) If the Department elects to take over the Illiana Expressway project as provided in subsection (a) of this Section, the Department may, without limitation, do the following:

(1) develop, finance, construct, maintain, or operate the project, including through another public private agreement entered into in accordance with this Act; or

(2) impose, collect, retain, and use user fees, if any, for the project.

(c) If the Department elects to take over the Illiana Expressway project as provided in subsection (a) of

this Section, the Department may, without limitation, use the revenues, if any, for any lawful purpose, including to:

(1) make payments to individuals or entities in connection with any financing of the Illiana Expressway project;

(2) permit a contractor or third party to receive some or all of the revenues under the public private agreement entered into under this Act;

(3) pay development costs of the Illiana Expressway;

(4) pay current operation costs of the Illiana Expressway; and

(5) pay the contractor for any compensation or payment owing upon termination.

(d) All real property acquired as a part of the Illiana Expressway shall be held in the name of the State of Illinois upon termination of the Illiana Expressway project.

(e) The full faith and credit of the State or any political subdivision of the State or the Department is not pledged to secure any financing of the contractor by the election to take over the Illiana Expressway project. Assumption of development or operation, or both, of the Illiana Expressway project does not obligate the State or any political subdivision of the State or the Department to pay any obligation of the contractor.

Section 90. Standards for the Illiana Expressway project.

(a) The plans and specifications for the Illiana Expressway project must comply with:

(1) the Department's standards for other projects of a similar nature or as otherwise provided in the public private agreement;

(2) the Professional Engineering Practice Act of 1989, the Structural Engineering Practice Act of 1989, the Illinois Architecture Practice Act of 1989, and the Illinois Professional Land Surveyor Act of 1989; and

(3) any other applicable State or federal standards.

(b) The Illiana Expressway constructed is considered to be part of the State highway system for purposes of identification, maintenance standards, and enforcement of traffic laws under the jurisdiction of the Department. The Department shall establish performance based standards for financial documents related to the Illiana Expressway.

Section 95. Financial arrangements.

(a) The Department may apply for, execute, or endorse applications submitted by contractors and other third parties to obtain federal, State, or local credit assistance to develop, finance, maintain, or operate the Illiana Expressway project.

(b) The Department may take any action to obtain federal, State, or local assistance for the Illiana Expressway project that serves the public purpose of this Act and may enter into any contracts required to receive the federal assistance. The Department may determine that it serves the public purpose of this Act for all or any portion of the costs of the Illiana Expressway project to be paid, directly or indirectly, from the proceeds of a grant or loan, line of credit, or loan guarantee made by a local, State, or federal government or any agency or instrumentality of a local, State, or federal government. Such assistance may include, but not be limited to, federal credit assistance pursuant to the Transportation Infrastructure Finance and Innovation Act (TIFIA).

(c) The Department may agree to make grants or loans for the development, financing, construction, management, or operation of the Illiana Expressway project from time to time, from amounts received from the federal, State, or local government or any agency or instrumentality of the federal, State, or local government.

(d) Any financing of the Illiana Expressway project may be in the amounts and subject to the terms and conditions contained in the public private agreement.

(e) For the purpose of financing the Illiana Expressway project, the contractor and the Department may do the following:

(1) propose to use any and all revenues that may be available to them;

(2) enter into grant agreements;

(3) access any other funds available to the Department; and

(4) accept grants from any public or private agency or entity.

(f) For the purpose of financing the Illiana Expressway project, public funds may be used and mixed and aggregated with funds provided by or on behalf of the contractor or other private entities.

(g) For the purpose of financing the Illiana Expressway project, the Department is authorized to apply for, execute, or endorse applications for an allocation of tax-exempt bond financing authorization provided by Section 142(m) of the United States Internal Revenue Code, as well as financing available under any

other federal law or program.

(h) Any bonds, debt, or other securities or other financing issued for the purposes of this Act shall not be deemed to constitute a debt of the State or any political subdivision of the State or a pledge of the faith and credit of the State or any political subdivision of the State.

Section 100. Labor.

(a) The public private agreement shall require the contractor to enter into a project labor agreement.

(b) The public private agreement shall require all construction contractors to comply with the requirements of Section 30-22 of the Illinois Procurement Code as they apply to responsible bidders and to present satisfactory evidence of that compliance to the Department, unless the Illiana Expressway project is federally funded and the application of those requirements would jeopardize the receipt or use of federal funds in support of the Illiana Expressway project.

Section 105. Law enforcement.

(a) All law enforcement officers of the State and of each affected local jurisdiction have the same powers and jurisdiction within the boundaries of the Illiana Expressway as they have in their respective areas of jurisdiction.

(b) Law enforcement officers shall have access to the Illiana Expressway at any time for the purpose of exercising the law enforcement officers' powers and jurisdiction.

(c) The traffic and motor vehicle laws of the State of Illinois or, if applicable, any local jurisdiction shall be the same as those applying to conduct on highways in the State of Illinois or the local jurisdiction.

(d) Punishment for infractions and offenses shall be as prescribed by law for conduct occurring on highways in the State of Illinois or the local jurisdiction.

Section 110. Term of agreement; reversion of property to the Department.

(a) The Department shall terminate the contractor's authority and duties under the public private agreement on the date set forth in the public private agreement.

(b) Upon termination of the public private agreement, the authority and duties of the contractor under this Act cease, except for those duties and obligations that extend beyond the termination, as set forth in the public private agreement, and all interests in the Illiana Expressway shall revert to the Department.

Section 115. Additional powers of the Department with respect to the Illiana Expressway.

(a) The Department may exercise any powers provided under this Act in participation or cooperation with any governmental entity and enter into any contracts to facilitate that participation or cooperation. The Department shall cooperate with other governmental entities under this Act.

(b) The Department may make and enter into all contracts and agreements necessary or incidental to the performance of the Department's duties and the execution of the Department's powers under this Act. Except as otherwise required by law, these contracts or agreements are not subject to any approvals other than the approval of the Department, Governor, or federal agencies.

(c) The Department may pay the costs incurred under the public private agreement entered into under this Act from any funds available to the Department for the purpose of the Illiana Expressway under this Act or any other statute.

(d) The Department or other State agency may not take any action that would impair the public private agreement entered into under this Act, except as provided by law.

(e) The Department may enter into an agreement between and among the contractor, the Department, and the Department of State Police concerning the provision of law enforcement assistance with respect to the Illiana Expressway under this Act.

(f) The Department is authorized to enter into arrangements with the Illinois State Police related to costs incurred in providing law enforcement assistance under this Act.

Section 120. Prohibited local action; home rule. A unit of local government, including a home rule unit, may not take any action that would have the effect of impairing the public private agreement under this Act. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

Section 125. Powers liberally construed. The powers conferred by this Act shall be liberally construed in order to accomplish their purposes and shall be in addition and supplemental to the powers conferred by any other law. If any other law or rule is inconsistent with this Act, this Act is controlling as to any public private agreement entered into under this Act.

Section 130. Full and complete authority. This Act contains full and complete authority for agreements and leases with private entities to carry out the activities described in this Act. Except as otherwise required by law, no procedure, proceedings, publications, notices, consents, approvals, orders, or acts by the Department or any other State or local agency or official are required to enter into an agreement or lease.

Section 135. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 905. The Department of Transportation Law of the Civil Administrative Code of Illinois is amended by adding Section 2705-220 as follows:

(20 ILCS 2705/2705-220 new)

Sec. 2705-220. Public private partnerships for transportation. The Department may exercise all powers granted to it under the Public Private Agreements for the Illiana Expressway Act.

Section 910. The Illinois Finance Authority Act is amended by adding Section 825-105 as follows:

(20 ILCS 3501/825-105 new)

Sec. 825-105. Illiana Expressway financing. For the purpose of financing the Illiana Expressway under the Public Private Agreements for the Illiana Expressway Act, the Authority is authorized to apply for an allocation of tax-exempt bond financing authorization provided by Section 142(m) of the United States Internal Revenue Code, as well as financing available under any other federal law or program.

Section 915. The State Finance Act is amended by adding Section 5.755 as follows:

(30 ILCS 105/5.755 new)

Sec. 5.755. The Illiana Expressway Proceeds Fund.

Section 920. The Public Construction Bond Act is amended by adding Section 1.5 as follows:

(30 ILCS 550/1.5 new)

Sec. 1.5. Public private agreements. This Act applies to any public private agreement entered into under the Public Private Agreements for the Illiana Expressway Act.

Section 925. The Employment of Illinois Workers on Public Works Act is amended by adding Section 2.5 as follows:

(30 ILCS 570/2.5 new)

Sec. 2.5. Public private agreements. This Act applies to any public private agreement entered into under the Public Private Agreements for the Illiana Expressway Act.

Section 930. The Business Enterprise for Minorities, Females, and Persons with Disabilities Act is amended by adding Section 2.5 as follows:

(30 ILCS 575/2.5 new)

Sec. 2.5. Public private agreements. This Act applies to any public private agreement entered into under the Public Private Agreements for the Illiana Expressway Act.

Section 935. The Retailers' Occupation Tax Act is amended by adding Section 1q as follows:

(35 ILCS 120/1q new)

Sec. 1q. Building materials exemption; Illiana Expressway public private partnership.

(a) Each retailer that makes a qualified sale of building materials to be incorporated into the Illiana Expressway as defined in the Public Private Agreements for the Illiana Expressway Act, by remodeling, rehabilitating, or new construction, may deduct receipts from those sales when calculating the tax imposed by this Act.

(b) As used in this Section, "qualified sale" means a sale of building materials that will be incorporated into the Illiana Expressway for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the Illinois Department of Transportation, which has authority over the project.

(c) To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the Certificate of Eligibility for Sales Tax Exemption issued by the Illinois Department of Transportation, which has jurisdiction over the project into which the building materials will be incorporated is located. The Certificate of Eligibility for Sales Tax Exemption must contain all of the following:

(1) statement that the project identified in the Certificate meets all the requirements of the Illinois Department of Transportation;

(2) the location or address of the project; and

(3) the signature of the Secretary of the Illinois Department of Transportation, which has authority over the Illiana Expressway or the Secretary's delegate.

(d) In addition to meeting the requirements of subsection (c) of this Act, the retailer must obtain a certificate from the purchaser that contains all of the following:

(1) a statement that the building materials are being purchased for incorporation into the Illiana Expressway in accordance with the Public Private Agreements for the Illiana Expressway Act;

(2) the location or address of the project into which the building materials will be incorporated;

(3) the name of the project;

(4) a description of the building materials being purchased; and

(5) the purchaser's signature and date of purchase.

(e) This Section is exempt from Section 2-70 of this Act.

Section 940. The Property Tax Code is amended by changing Section 15-55 as follows:

(35 ILCS 200/15-55)

Sec. 15-55. State property.

(a) All property belonging to the State of Illinois is exempt. However, the State agency holding title shall file the certificate of ownership and use required by Section 15-10, together with a copy of any written lease or agreement, in effect on March 30 of the assessment year, concerning parcels of 1 acre or more, or an explanation of the terms of any oral agreement under which the property is leased, subleased or rented.

The leased property shall be assessed to the lessee and the taxes thereon extended and billed to the lessee, and collected in the same manner as for property which is not exempt. The lessee shall be liable for the taxes and no lien shall attach to the property of the State.

For the purposes of this Section, the word "leases" includes licenses, franchises, operating agreements and other arrangements under which private individuals, associations or corporations are granted the right to use property of the Illinois State Toll Highway Authority and includes all property of the Authority used by others without regard to the size of the leased parcel.

(b) However, all property of every kind belonging to the State of Illinois, which is or may hereafter be leased to the Illinois Prairie Path Corporation, shall be exempt from all assessments, taxation or collection, despite the making of any such lease, if it is used for:

(1) conservation, nature trail or any other charitable, scientific, educational or recreational purposes with public benefit, including the preserving and aiding in the preservation of natural areas, objects, flora, fauna or biotic communities;

(2) the establishment of footpaths, trails and other protected areas;

(3) the conservation of the proper use of natural resources or the promotion of the study of plant and animal communities and of other phases of ecology, natural history and conservation;

(4) the promotion of education in the fields of nature, preservation and conservation;

or

(5) similar public recreational activities conducted by the Illinois Prairie Path Corporation.

No lien shall attach to the property of the State. No tax liability shall become the obligation of or be enforceable against Illinois Prairie Path Corporation.

(c) If the State sells the James R. Thompson Center or the Elgin Mental Health Center and surrounding land located at 750 S. State Street, Elgin, Illinois, as provided in subdivision (a)(2) of Section 7.4 of the State Property Control Act, to another entity whose property is not exempt and immediately thereafter enters into a leaseback or other agreement that directly or indirectly gives the State a right to use, control, and possess the property, that portion of the property leased and occupied exclusively by the State shall remain exempt under this Section. For the property to remain exempt under this subsection (c), the State must retain an option to purchase the property at a future date or, within the limitations period for reverters, the property must revert back to the State.

If the property has been conveyed as described in this subsection (c), the property is no longer exempt pursuant to this Section as of the date when:

(1) the right of the State to use, control, and possess the property has been terminated; or

(2) the State no longer has an option to purchase or otherwise acquire the property and there is no provision for a reverter of the property to the State within the limitations period for reverters.

Pursuant to Sections 15-15 and 15-20 of this Code, the State shall notify the chief county assessment officer of any transaction under this subsection (c). The chief county assessment officer shall determine initial and continuing compliance with the requirements of this Section for tax exemption. Failure to notify the chief county assessment officer of a transaction under this subsection (c) or to otherwise comply with the requirements of Sections 15-15 and 15-20 of this Code shall, in the discretion of the chief county assessment officer, constitute cause to terminate the exemption, notwithstanding any other provision of this Code.

(c-1) If the Illinois State Toll Highway Authority sells the Illinois State Toll Highway Authority headquarters building and surrounding land, located at 2700 Ogden Avenue, Downers Grove, Illinois as provided in subdivision (a)(2) of Section 7.5 of the State Property Control Act, to another entity whose property is not exempt and immediately thereafter enters into a leaseback or other agreement that directly or indirectly gives the State or the Illinois State Toll Highway Authority a right to use, control, and possess

the property, that portion of the property leased and occupied exclusively by the State or the Authority shall remain exempt under this Section. For the property to remain exempt under this subsection (c), the Authority must retain an option to purchase the property at a future date or, within the limitations period for reverters, the property must revert back to the Authority.

If the property has been conveyed as described in this subsection (c), the property is no longer exempt pursuant to this Section as of the date when:

(1) the right of the State or the Authority to use, control, and possess the property has been terminated; or

(2) the Authority no longer has an option to purchase or otherwise acquire the property

and there is no provision for a reverter of the property to the Authority within the limitations period for reverters.

Pursuant to Sections 15-15 and 15-20 of this Code, the Authority shall notify the chief county assessment officer of any transaction under this subsection (c). The chief county assessment officer shall determine initial and continuing compliance with the requirements of this Section for tax exemption. Failure to notify the chief county assessment officer of a transaction under this subsection (c) or to otherwise comply with the requirements of Sections 15-15 and 15-20 of this Code shall, in the discretion of the chief county assessment officer, constitute cause to terminate the exemption, notwithstanding any other provision of this Code.

(d) The fair market rent of each parcel of real property in Will County owned by the State of Illinois for the purpose of developing an airport by the Department of Transportation shall include the assessed value of leasehold tax. The lessee of each parcel of real property in Will County owned by the State of Illinois for the purpose of developing an airport by the Department of Transportation shall not be liable for the taxes thereon. In order for the State to compensate taxing districts for the leasehold tax under this paragraph the Will County Supervisor of Assessments shall certify, in writing, to the Department of Transportation, the amount of leasehold taxes extended for the 2002 property tax year for each such exempt parcel. The Department of Transportation shall pay to the Will County Treasurer, from the Tax Recovery Fund, on or before July 1 of each year, the amount of leasehold taxes for each such exempt parcel as certified by the Will County Supervisor of Assessments. The tax compensation shall terminate on December 31, 2020. It is the duty of the Department of Transportation to file with the Office of the Will County Supervisor of Assessments an affidavit stating the termination date for rental of each such parcel due to airport construction. The affidavit shall include the property identification number for each such parcel. In no instance shall tax compensation for property owned by the State be deemed delinquent or bear interest. In no instance shall a lien attach to the property of the State. In no instance shall the State be required to pay leasehold tax compensation in excess of the Tax Recovery Fund's balance.

(e) Public Act 81-1026 applies to all leases or agreements entered into or renewed on or after September 24, 1979.

(f) Notwithstanding anything to the contrary in this Code, all property owned by the State that is the Illiana Expressway, as defined as in the Public Private Agreements for the Illiana Expressway Act and that is used for transportation purposes and that is leased for those purposes to another entity whose property is not exempt shall remain exempt, and any leasehold interest in the property shall not be subject to taxation under Section 9-195 of this Act.

(Source: P.A. 95-331, eff. 8-21-07; 96-192, eff. 8-10-09.)

Section 945. The Prevailing Wage Act is amended by changing Section 2 as follows:

(820 ILCS 130/2) (from Ch. 48, par. 39s-2)

Sec. 2. This Act applies to the wages of laborers, mechanics and other workers employed in any public works, as hereinafter defined, by any public body and to anyone under contracts for public works. This includes any maintenance, repair, assembly, or disassembly work performed on equipment whether owned, leased, or rented.

As used in this Act, unless the context indicates otherwise:

"Public works" means all fixed works constructed or demolished by any public body, or paid for wholly or in part out of public funds. "Public works" as defined herein includes all projects financed in whole or in part with bonds, grants, loans, or other funds made available by or through the State or any of its political subdivisions, including but not limited to: bonds issued under the Industrial Project Revenue Bond Act (Article 11, Division 74 of the Illinois Municipal Code), the Industrial Building Revenue Bond Act, the Illinois Finance Authority Act, the Illinois Sports Facilities Authority Act, or the Build Illinois Bond Act; loans or other funds made available pursuant to the Build Illinois Act; or funds from the Fund for Illinois' Future under Section 6z-47 of the State Finance Act, funds for school construction under Section 5 of the

General Obligation Bond Act, funds authorized under Section 3 of the School Construction Bond Act, funds for school infrastructure under Section 6z-45 of the State Finance Act, and funds for transportation purposes under Section 4 of the General Obligation Bond Act. "Public works" also includes (i) all projects financed in whole or in part with funds from the Department of Commerce and Economic Opportunity under the Illinois Renewable Fuels Development Program Act for which there is no project labor agreement and (ii) all work performed pursuant to a public private agreement under the Public Private Agreements for the Illiana Expressway Act. "Public works" also includes all projects at leased facility property used for airport purposes under Section 35 of the Local Government Facility Lease Act. "Public works" also includes the construction of a new wind power facility by a business designated as a High Impact Business under Section 5.5(a)(3)(E) of the Illinois Enterprise Zone Act. "Public works" does not include work done directly by any public utility company, whether or not done under public supervision or direction, or paid for wholly or in part out of public funds. "Public works" does not include projects undertaken by the owner at an owner-occupied single-family residence or at an owner-occupied unit of a multi-family residence.

"Construction" means all work on public works involving laborers, workers or mechanics. This includes any maintenance, repair, assembly, or disassembly work performed on equipment whether owned, leased, or rented.

"Locality" means the county where the physical work upon public works is performed, except (1) that if there is not available in the county a sufficient number of competent skilled laborers, workers and mechanics to construct the public works efficiently and properly, "locality" includes any other county nearest the one in which the work or construction is to be performed and from which such persons may be obtained in sufficient numbers to perform the work and (2) that, with respect to contracts for highway work with the Department of Transportation of this State, "locality" may at the discretion of the Secretary of the Department of Transportation be construed to include two or more adjacent counties from which workers may be accessible for work on such construction.

"Public body" means the State or any officer, board or commission of the State or any political subdivision or department thereof, or any institution supported in whole or in part by public funds, and includes every county, city, town, village, township, school district, irrigation, utility, reclamation improvement or other district and every other political subdivision, district or municipality of the state whether such political subdivision, municipality or district operates under a special charter or not.

The terms "general prevailing rate of hourly wages", "general prevailing rate of wages" or "prevailing rate of wages" when used in this Act mean the hourly cash wages plus fringe benefits for training and apprenticeship programs approved by the U.S. Department of Labor, Bureau of Apprenticeship and Training, health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character on public works.
(Source: P.A. 95-341, eff. 8-21-07; 96-28, eff. 7-1-09; 96-58, eff. 1-1-10; 96-186, eff. 1-1-10; revised 8-20-09.)

Section 999. Effective date. This Act takes effect upon becoming law.".

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

SENATE BILL 3683. Having been reproduced, was taken up and read by title a second time.

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

AMENDMENT NO. 1. Amend Senate Bill 3683 by replacing everything after the enacting clause with the following:

"Section 5. The River Edge Redevelopment Zone Act is amended by adding Section 10-10.1 as follows:
(65 ILCS 115/10-10.1 new)

Sec. 10-10.1. Utility facilities.

(a) It is in the public interest that costs for redevelopment in a River Edge Redevelopment Zone impacting a public utility, as defined by Section 3-105 of the Public Utilities Act, or a public utility's property, as described in subsection (b) of this Section, should not be allocated solely to the entity engaging in economic redevelopment because this economic redevelopment benefits the utility service territory as a whole and not just the particular area where the redevelopment occurs.

(b) A public utility that has facilities or land affected by the clean-up, remediation, and redevelopment of

a River Edge Redevelopment Zone and that incurs costs related to the remediation or the removing or relocating of utility facilities in the River Edge Redevelopment Zone may recover these costs pursuant to subsections (c) and (d) of this Section.

(c) The costs incurred by a public utility for facility removal or relocation described in subsection (b) of this Section shall be shared equally among the public utility, the municipality in which the facility is located, and any landowner that is located within 100 feet of the utility facility and that directly benefits from the removal or relocation of the utility facility or the redevelopment of the public utility's land. In no event shall the costs incurred by each municipality or landowner for a given project exceed an equal percentage of the total direct, indirect, and overhead project costs, or $3,667,000 each, whichever amount is less. The costs incurred by the public utility for facility removal or relocation that are not the responsibility of the municipality or landowner under this subsection (c) shall be recovered by the public utility from all retail customers located in the municipality or municipalities in which the removal or relocation occurs through an appropriate tariff mechanism, and the public utility may record and defer such costs as a regulatory asset until they are so recovered.

(d) The Illinois Commerce Commission shall allow a public utility described in subsection (b) to fully recover from all retail customers in its service territory all reasonable costs that it incurs in conducting environmental remediation in the River Edge Redevelopment Zone related to the removal or relocation of utility facilities in the River Edge Redevelopment Zone, including, but not limited to, transmission and distribution lines, transformers, and poles. These environmental remediation costs also include, but are not limited to, direct, indirect, and overhead costs calculated by the public utility for taxes or other charges, cost adjustments made after the project has begun, and any other charges. The public utility shall record and defer such costs as a regulatory asset to be included in the public utility's total rate base and amortized in the public utility's next filing for a general increase in rates over a reasonable period that is shorter than the life of the affected facility or facilities. Such regulatory assets shall be collected from all residential and commercial ratepayers system-wide, and not only from ratepayers in the municipality's corporate limits. In the event the River Edge Redevelopment Zone is decertified, the public utility shall be permitted to recover all reasonable costs incurred as of the date of the decertification, as well as all costs incurred subsequent to decertification that are necessary to complete any projects commenced while the River Edge Redevelopment Zone was certified, consistent with this Section.

(e) This Section is repealed 7 years after the effective date of this amendatory Act of the 96th General Assembly.

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

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

SENATE BILL 3702. Having been reproduced, was taken up and read by title a second time.

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

AMENDMENT NO. 1. Amend Senate Bill 3702 by replacing everything after the enacting clause with the following:

"Section 5. The State Finance Act is amended by adding Sections 5.777, 5.778, 5.779, 6z-76, 6z-82, and 6z-83 as follows:

(30 ILCS 105/5.777 new)

Sec. 5.777. The Illinois Route 66 Fund.

(30 ILCS 105/5.778 new)

Sec. 5.778. The Habitat for Humanity Fund.

(30 ILCS 105/5.779 new)

Sec. 5.779. The Disabled Veterans Property Tax Relief Fund.

(30 ILCS 105/6z-76 new)

Sec. 6z-76. Illinois Route 66 Fund. The Illinois Route 66 Fund is created as a special fund in the State treasury. Subject to appropriation, the Fund shall be used by the Department of Commerce and Economic Opportunity to make grants to not-for-profit corporations that have a statewide impact on Illinois Route 66 and that maintain, improve, or repair Historic Route 66 in Illinois. Grant moneys may be used for tourism promotion, matching grant funds, project development and implementation, grants to units of local government, and rehabilitation of historic structures.

(30 ILCS 105/6z-82 new)

Sec. 6z-82. The Habitat for Humanity Fund; creation. The Habitat for Humanity Fund is created as a special fund in the State treasury. Moneys in the Fund shall be appropriated to the Department of Human Services for the purpose of making grants to Habitat for Humanity of Illinois, Inc., for the purpose of supporting Habitat for Humanity projects in Illinois.

(30 ILCS 105/6z-83 new)

Sec. 6z-83. The Disabled Veterans Property Tax Relief Fund; creation. The Disabled Veterans Property Tax Relief Fund is created as a special fund in the State treasury. Subject to appropriation, moneys in the Fund shall be used by the Department of Veterans' Affairs for the purpose of providing property tax relief to disabled veterans. The Department of Veterans' Affairs may adopt rules to implement this Section.

Section 10. The Illinois Income Tax Act is amended by adding Sections 507UU, 507VV, 507WW, and 507XX as follows:

(35 ILCS 5/507UU new)

Sec. 507UU. The Illinois Route 66 checkoff. For taxable years ending on or after December 31, 2010, the Department shall print, on its standard individual income tax form, a provision indicating that, if the taxpayer wishes to contribute to the Illinois Route 66 Fund, as authorized by this amendatory Act of the 96th General Assembly, then he or she may do so by stating the amount of the contribution (not less than $1) on the return and indicating that the contribution will reduce the taxpayer's refund or increase the amount of payment to accompany the return. The taxpayer's failure to remit any amount of the increased payment reduces the contribution accordingly. This Section does not apply to any amended return.

(35 ILCS 5/507VV new)

Sec. 507VV. Habitat for Humanity fund checkoff. For taxable years ending on or after December 31, 2010, the Department shall print on its standard individual income tax form a provision indicating that if the taxpayer wishes to contribute to the Habitat for Humanity Fund as authorized by this amendatory Act of the 96th General Assembly, he or she may do so by stating the amount of the contribution (not less than $1) on the return and that the contribution will reduce the taxpayer's refund or increase the amount of the payment to accompany the return. Failure to remit any amount of increased payment shall reduce the contribution accordingly. This Section shall not apply to an amended return.

(35 ILCS 5/507WW new)

Sec. 507WW. The State parks checkoff. For taxable years ending on or after December 31, 2010, the Department shall print, on its standard individual income tax form, a provision indicating that, if the taxpayer wishes to contribute to the State Parks Fund, as authorized by this amendatory Act of the 96th General Assembly, then he or she may do so by stating the amount of the contribution (not less than $1) on the return and indicating that the contribution will reduce the taxpayer's refund or increase the amount of payment to accompany the return. The taxpayer's failure to remit any amount of the increased payment reduces the contribution accordingly. This Section does not apply to any amended return.

(35 ILCS 5/507XX new)

Sec. 507XX. The disabled veterans property tax relief checkoff. For taxable years ending on or after December 31, 2010, the Department shall print, on its standard individual income tax form, a provision indicating that, if the taxpayer wishes to contribute to the Disabled Veterans Property Tax Relief Fund, as authorized by this amendatory Act of the 96th General Assembly, then he or she may do so by stating the amount of the contribution (not less than $1) on the return and indicating that the contribution will reduce the taxpayer's refund or increase the amount of payment to accompany the return. The taxpayer's failure to remit any amount of the increased payment reduces the contribution accordingly. This Section does not apply to any amended return.

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

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

RESOLUTIONS

Having been reported out of the Committee on International Trade & Commerce on May 5, 2010, HOUSE RESOLUTION 888 was taken up for consideration.

Representative William Davis moved the adoption of the resolution.

The motion prevailed and the resolution was adopted.

SENATE RESOLUTION

Having been reported out of the Committee on Executive on May 5, 2010, SENATE JOINT RESOLUTION 110 was taken up for consideration.

Representative Reitz moved the adoption of the resolution.

And on that motion, a vote was taken resulting as follows:

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

(ROLL CALL 2)

The motion prevailed and the Resolution was adopted.

Ordered that the Clerk inform the Senate.

SENATE BILL ON SECOND READING

SENATE BILL 3658. Having been reproduced, was taken up and read by title a second time.

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

AMENDMENT NO. 1. Amend Senate Bill 3658 by replacing everything after the enacting clause with the following:

"Section 5. The Use Tax Act is amended by changing Section 3-10 and by adding Section 3-6 as follows:

(35 ILCS 105/3-6 new)

Sec. 3-6. Sales tax holiday items.

(a) The tangible personal property described in this subsection qualifies for the 1.25% reduced rate of tax for the period set forth in Section 3-10 of this Act (hereinafter referred to as the Sales Tax Holiday Period). The reduced rate on these items shall be administered under the provisions of subsection (b) of this Section. The following items are subject to the reduced rate:

(1) Clothing items that each have a retail selling price of less than $100.

"Clothing" means, unless otherwise specified in this Section, all human wearing apparel suitable for general use. "Clothing" does not include clothing accessories, protective equipment, or sport or recreational equipment. "Clothing" includes, but is not limited to: household and shop aprons; athletic supporters; bathing suits and caps; belts and suspenders; boots; coats and jackets; ear muffs; footlets; gloves and mittens for general use; hats and caps; hosiery; insoles for shoes; lab coats; neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and shoelaces; slippers; sneakers; socks and stockings; steel-toed shoes; underwear; and school uniforms.

"Clothing accessories" means, but is not limited to: briefcases; cosmetics; hair notions, including, but not limited to barrettes, hair bows, and hair nets; handbags; handkerchiefs; jewelry; non-prescription sunglasses; umbrellas; wallets; watches; and wigs and hair pieces.

"Protective equipment" means, but is not limited to: breathing masks; clean room apparel and equipment; ear and hearing protectors; face shields; hard hats; helmets; paint or dust respirators; protective gloves; safety glasses and goggles; safety belts; tool belts; and welder's gloves and masks.

"Sport or recreational equipment" means, but is not limited to: ballet and tap shoes; cleated or spiked athletic shoes; gloves, including, but not limited to, baseball, bowling, boxing, hockey, and golf gloves; goggles; hand and elbow guards; life preservers and vests; mouth guards; roller and ice skates; shin guards; shoulder pads; ski boots; waders; and wetsuits and fins.

(2) School supplies. "School supplies" means, unless otherwise specified in this Section, items used by a student in a course of study. The purchase of school supplies for use by persons other than students for use in a course of study are not eligible for the reduced rate of tax. "School supplies" do not include school art supplies; school instructional materials; cameras; film and memory cards; videocameras, tapes, and videotapes; computers; cell phones; Personal Digital Assistants (PDAs); handheld electronic schedulers; and school computer supplies.

"School supplies" includes, but is not limited to: binders; book bags; calculators; cellophane tape; blackboard chalk; compasses; composition books; crayons; erasers; expandable, pocket, plastic, and manila folders; glue, paste, and paste sticks; highlighters; index cards; index card boxes; legal pads; lunch boxes; markers; notebooks; paper, including loose leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board, and construction paper; pencils; pencil leads; pens; ink and ink refills for pens; pencil boxes and other school supply boxes; pencil sharpeners; protractors; rulers;

scissors; and writing-tablets.

"School art supply" means an item commonly used by a student in a course of study for artwork and includes only the following items: clay and glazes; acrylic, tempera, and oil paint; paintbrushes for artwork; sketch and drawing pads; and watercolors.

"School instructional material" means written material commonly used by a student in a course of study as a reference and to learn the subject being taught and includes only the following items: reference books; reference maps and globes; textbooks; and workbooks.

"School computer supply" means an item commonly used by a student in a course of study in which a computer is used and applies only to the following items: flashdrives and other computer data storage devices; data storage media, such as diskettes and compact disks; boxes and cases for disk storage; external ports or drives; computer cases; computer cables; computer printers; and printer cartridges, toner, and ink.

(b) Administration. Notwithstanding any other provision of this Act, the reduced rate of tax under Section 3-10 of this Act for clothing and school supplies shall be administered by the Department under the provisions of this subsection (b).

(1) Bundled sales. Items that qualify for the reduced rate of tax that are bundled together with items that do not qualify for the reduced rate of tax and that are sold for one itemized price will be subject to the reduced rate of tax only if the value of the items that qualify for the reduced rate of tax exceeds the value of the items that do not qualify for the reduced rate of tax.

(2) Coupons and discounts. An unreimbursed discount by the seller reduces the sales price of the property so that the discounted sales price determines whether the sales price is within a sales tax holiday price threshold. A coupon or other reduction in the sales price is treated as a discount if the seller is not reimbursed for the coupon or reduction amount by a third-party.

(3) Splitting of items normally sold together. Articles that are normally sold as a single unit must continue to be sold in that manner. Such articles cannot be priced separately and sold as individual items in order to obtain the reduced rate of tax. For example, a pair of shoes cannot have each shoe sold separately so that the sales price of each shoe is within a sales tax holiday price threshold.

(4) Rain checks. A rain check is a procedure that allows a customer to purchase an item at a certain price at a later time because the particular item was out of stock. Eligible property that customers purchase during the Sales Tax Holiday Period with the use of a rain check will qualify for the reduced rate of tax regardless of when the rain check was issued. Issuance of a rain check during the Sales Tax Holiday Period will not qualify eligible property for the reduced rate of tax if the property is actually purchased after the Sales Tax Holiday Period.

(5) Exchanges. The procedure for an exchange in regards to a sales tax holiday is as follows:

(A) If a customer purchases an item of eligible property during the Sales Tax Holiday Period, but later exchanges the item for a similar eligible item, even if a different size, different color, or other feature, no additional tax is due even if the exchange is made after the Sales Tax Holiday Period.

(B) If a customer purchases an item of eligible property during the Sales Tax Holiday Period, but after the Sales Tax Holiday Period has ended, the customer returns the item and receives credit on the purchase of a different item, the 6.25% general merchandise sales tax rate is due on the sale of the newly purchased item.

(C) If a customer purchases an item of eligible property before the Sales Tax Holiday Period, but during the Sales Tax Holiday Period the customer returns the item and receives credit on the purchase of a different item of eligible property, the reduced rate of tax is due on the sale of the new item if the new item is purchased during the Sales Tax Holiday Period.

(6) Delivery charges. Delivery charges, including shipping, handling and service charges, are part of the sales price of eligible property.

(7) Order date and back orders. For the purpose of a sales tax holiday, eligible property qualifies for the reduced rate of tax if: (i) the item is both delivered to and paid for by the customer during the Sales Tax Holiday Period or (ii) the customer orders and pays for the item and the seller accepts the order during the Sales Tax Holiday Period for immediate shipment, even if delivery is made after the Sales Tax Holiday Period. The seller accepts an order when the seller has taken action to fill the order for immediate shipment. Actions to fill an order include placement of an "in date" stamp on an order or assignment of an "order number" to an order within the Sales Tax Holiday Period. An order is for immediate shipment when the customer does not request delayed shipment. An order is for immediate shipment notwithstanding that the shipment may be delayed because of a backlog of orders or because stock is currently unavailable to, or on back order by, the seller.

(8) Returns. For a 60-day period immediately after the Sales Tax Holiday Period, if a customer returns

an item that would qualify for the reduced rate of tax, credit for or refund of sales tax shall be given only at the reduced rate unless the customer provides a receipt or invoice that shows tax was paid at the 6.25% general merchandise rate, or the seller has sufficient documentation to show that tax was paid at the 6.25% general merchandise rate on the specific item. This 60-day period is set solely for the purpose of designating a time period during which the customer must provide documentation that shows that the appropriate sales tax rate was paid on returned merchandise. The 60-day period is not intended to change a seller's policy on the time period during which the seller will accept returns.

(c) The Department may implement the provisions of this Section through the use of emergency rules, along with permanent rules filed concurrently with such emergency rules, in accordance with the provisions of Section 5-45 of the Illinois Administrative Procedure Act. For purposes of the Illinois Administrative Procedure Act, the adoption of rules to implement the provisions of this Section shall be deemed an emergency and necessary for the public interest, safety, and welfare.

(35 ILCS 105/3-10)

Sec. 3-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of either the selling price or the fair market value, if any, of the tangible personal property. In all cases where property functionally used or consumed is the same as the property that was purchased at retail, then the tax is imposed on the selling price of the property. In all cases where property functionally used or consumed is a by-product or waste product that has been refined, manufactured, or produced from property purchased at retail, then the tax is imposed on the lower of the fair market value, if any, of the specific property so used in this State or on the selling price of the property purchased at retail. For purposes of this Section "fair market value" means the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. The fair market value shall be established by Illinois sales by the taxpayer of the same property as that functionally used or consumed, or if there are no such sales by the taxpayer, then comparable sales or purchases of property of like kind and character in Illinois.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

Beginning on August 6, 2010 through August 15, 2010, and each year thereafter beginning on the first Friday in August and ending on the Sunday occurring 9 days thereafter, with respect to sales tax holiday items as defined in Section 3-6 of this Act, the tax is imposed at the rate of 1.25%. The reduced rate of tax for sales tax holiday items as defined in Section 3-6 of this Act shall not be authorized for periods after August 16, 2013.

With respect to gasohol, the tax imposed by this Act applies to (i) 70% of the proceeds of sales made on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2013, and (iii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of gasohol is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2013 but applies to 100% of the proceeds of sales made thereafter.

With respect to biodiesel blends with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2013 and (ii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel and biodiesel blends with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2013 but applies to 100% of the proceeds of sales made thereafter.

With respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, the tax is imposed at the rate of 1%. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including but not limited to soda water, cola,

fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "soft drinks"

means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.

Until August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks~~,~~ and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine. Beginning August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks, candy, and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "food for human consumption that is to be consumed off the premises where it is sold" does not include candy. For purposes of this Section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "nonprescription medicines and drugs" does not include grooming and hygiene products. For purposes of this Section, "grooming and hygiene products" includes, but is not limited to, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, unless those products are available by prescription only, regardless of whether the products meet the definition of "over-the-counter-drugs". For the purposes of this paragraph, "over-the-counter-drug" means a drug for human use that contains a label that identifies the product as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter-drug" label includes:

(A) A "Drug Facts" panel; or

(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

If the property that is purchased at retail from a retailer is acquired outside Illinois and used outside Illinois before being brought to Illinois for use here and is taxable under this Act, the "selling price" on which the tax is computed shall be reduced by an amount that represents a reasonable allowance for depreciation for the period of prior out-of-state use.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38, eff. 7-13-09; revised 8-20-09.)

Section 10. The Retailers' Occupation Tax Act is amended by changing Section 2-10 and by adding Section 2-8 as follows:

(35 ILCS 120/2-8 new)

Sec. 2-8. Sales tax holiday items.

(a) The tangible personal property described in this subsection qualifies for the 1.25% reduced rate of tax for the period set forth in Section 2-10 of this Act (hereinafter referred to as the Sales Tax Holiday Period). The reduced rate on these items shall be administered under the provisions of subsection (b) of this Section. The following items are subject to the reduced rate:

(1) Clothing items that each have a retail selling price of less than $100.

"Clothing" means, unless otherwise specified in this Section, all human wearing apparel suitable for general use. "Clothing" does not include clothing accessories, protective equipment, or sport or recreational equipment. "Clothing" includes, but is not limited to: household and shop aprons; athletic supporters; bathing suits and caps; belts and suspenders; boots; coats and jackets; ear muffs; footlets; gloves and mittens for general use; hats and caps; hosiery; insoles for shoes; lab coats; neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and shoelaces; slippers; sneakers; socks and stockings; steel-toed shoes; underwear; and school uniforms.

"Clothing accessories" means, but is not limited to: briefcases; cosmetics; hair notions, including, but not limited to barrettes, hair bows, and hair nets; handbags; handkerchiefs; jewelry; non-prescription sunglasses; umbrellas; wallets; watches; and wigs and hair pieces.

"Protective equipment" means, but is not limited to: breathing masks; clean room apparel and

equipment; ear and hearing protectors; face shields; hard hats; helmets; paint or dust respirators; protective gloves; safety glasses and goggles; safety belts; tool belts; and welder's gloves and masks.

"Sport or recreational equipment" means, but is not limited to: ballet and tap shoes; cleated or spiked athletic shoes; gloves, including, but not limited to, baseball, bowling, boxing, hockey, and golf gloves; goggles; hand and elbow guards; life preservers and vests; mouth guards; roller and ice skates; shin guards; shoulder pads; ski boots; waders; and wetsuits and fins.

(2) School supplies. "School supplies" means, unless otherwise specified in this Section, items used by a student in a course of study. The purchase of school supplies for use by persons other than students for use in a course of study are not eligible for the reduced rate of tax. "School supplies" do not include school art supplies; school instructional materials; cameras; film and memory cards; videocameras, tapes, and videotapes; computers; cell phones; Personal Digital Assistants (PDAs); handheld electronic schedulers; and school computer supplies.

"School supplies" includes, but is not limited to: binders; book bags; calculators; cellophane tape; blackboard chalk; compasses; composition books; crayons; erasers; expandable, pocket, plastic, and manila folders; glue, paste, and paste sticks; highlighters; index cards; index card boxes; legal pads; lunch boxes; markers; notebooks; paper, including loose leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board, and construction paper; pencils; pencil leads; pens; ink and ink refills for pens; pencil boxes and other school supply boxes; pencil sharpeners; protractors; rulers; scissors; and writing-tablets.

"School art supply" means an item commonly used by a student in a course of study for artwork and includes only the following items: clay and glazes; acrylic, tempera, and oil paint; paintbrushes for artwork; sketch and drawing pads; and watercolors.

"School instructional material" means written material commonly used by a student in a course of study as a reference and to learn the subject being taught and includes only the following items: reference books; reference maps and globes; textbooks; and workbooks.

"School computer supply" means an item commonly used by a student in a course of study in which a computer is used and applies only to the following items: flashdrives and other computer data storage devices; data storage media, such as diskettes and compact disks; boxes and cases for disk storage; external ports or drives; computer cases; computer cables; computer printers; and printer cartridges, toner, and ink.

(b) Administration. Notwithstanding any other provision of this Act, the reduced rate of tax under Section 3-10 of this Act for clothing and school supplies shall be administered by the Department under the provisions of this subsection (b).

(1) Bundled sales. Items that qualify for the reduced rate of tax that are bundled together with items that do not qualify for the reduced rate of tax and that are sold for one itemized price will be subject to the reduced rate of tax only if the value of the items that qualify for the reduced rate of tax exceeds the value of the items that do not qualify for the reduced rate of tax.

(2) Coupons and discounts. An unreimbursed discount by the seller reduces the sales price of the property so that the discounted sales price determines whether the sales price is within a sales tax holiday price threshold. A coupon or other reduction in the sales price is treated as a discount if the seller is not reimbursed for the coupon or reduction amount by a third-party.

(3) Splitting of items normally sold together. Articles that are normally sold as a single unit must continue to be sold in that manner. Such articles cannot be priced separately and sold as individual items in order to obtain the reduced rate of tax. For example, a pair of shoes cannot have each shoe sold separately so that the sales price of each shoe is within a sales tax holiday price threshold.

(4) Rain checks. A rain check is a procedure that allows a customer to purchase an item at a certain price at a later time because the particular item was out of stock. Eligible property that customers purchase during the Sales Tax Holiday Period with the use of a rain check will qualify for the reduced rate of tax regardless of when the rain check was issued. Issuance of a rain check during the Sales Tax Holiday Period will not qualify eligible property for the reduced rate of tax if the property is actually purchased after the Sales Tax Holiday Period.

(5) Exchanges. The procedure for an exchange in regards to a sales tax holiday is as follows:

(A) If a customer purchases an item of eligible property during the Sales Tax Holiday Period, but later exchanges the item for a similar eligible item, even if a different size, different color, or other feature, no additional tax is due even if the exchange is made after the Sales Tax Holiday Period.

(B) If a customer purchases an item of eligible property during the Sales Tax Holiday Period, but after the Sales Tax Holiday Period has ended, the customer returns the item and receives credit on the purchase of a different item, the 6.25% general merchandise sales tax rate is due on the sale of the newly

purchased item.

(C) If a customer purchases an item of eligible property before the Sales Tax Holiday Period, but during the Sales Tax Holiday Period the customer returns the item and receives credit on the purchase of a different item of eligible property, the reduced rate of tax is due on the sale of the new item if the new item is purchased during the Sales Tax Holiday Period.

(6) Delivery charges. Delivery charges, including shipping, handling and service charges, are part of the sales price of eligible property.

(7) Order date and back orders. For the purpose of a sales tax holiday, eligible property qualifies for the reduced rate of tax if: (i) the item is both delivered to and paid for by the customer during the Sales Tax Holiday Period or (ii) the customer orders and pays for the item and the seller accepts the order during the Sales Tax Holiday Period for immediate shipment, even if delivery is made after the Sales Tax Holiday Period. The seller accepts an order when the seller has taken action to fill the order for immediate shipment. Actions to fill an order include placement of an "in date" stamp on an order or assignment of an "order number" to an order within the Sales Tax Holiday Period. An order is for immediate shipment when the customer does not request delayed shipment. An order is for immediate shipment notwithstanding that the shipment may be delayed because of a backlog of orders or because stock is currently unavailable to, or on back order by, the seller.

(8) Returns. For a 60-day period immediately after the Sales Tax Holiday Period, if a customer returns an item that would qualify for the reduced rate of tax, credit for or refund of sales tax shall be given only at the reduced rate unless the customer provides a receipt or invoice that shows tax was paid at the 6.25% general merchandise rate, or the seller has sufficient documentation to show that tax was paid at the 6.25% general merchandise rate on the specific item. This 60-day period is set solely for the purpose of designating a time period during which the customer must provide documentation that shows that the appropriate sales tax rate was paid on returned merchandise. The 60-day period is not intended to change a seller's policy on the time period during which the seller will accept returns.

(c) The Department may implement the provisions of this Section through the use of emergency rules, along with permanent rules filed concurrently with such emergency rules, in accordance with the provisions of Section 5-45 of the Illinois Administrative Procedure Act. For purposes of the Illinois Administrative Procedure Act, the adoption of rules to implement the provisions of this Section shall be deemed an emergency and necessary for the public interest, safety, and welfare.

(35 ILCS 120/2-10)

Sec. 2-10. Rate of tax. Unless otherwise provided in this Section, the tax imposed by this Act is at the rate of 6.25% of gross receipts from sales of tangible personal property made in the course of business.

Beginning on July 1, 2000 and through December 31, 2000, with respect to motor fuel, as defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

Beginning on August 6, 2010 through August 15, 2010, and each year thereafter beginning on the first Friday in August and ending on the Sunday occurring 9 days thereafter, with respect to sales tax holiday items as defined in Section 2-8 of this Act, the tax is imposed at the rate of 1.25%. The reduced rate of tax for sales tax holiday items as defined in Section 2-8 of this Act shall not be authorized for periods after August 16, 2013.

Within 14 days after the effective date of this amendatory Act of the 91st General Assembly, each retailer of motor fuel and gasohol shall cause the following notice to be posted in a prominently visible place on each retail dispensing device that is used to dispense motor fuel or gasohol in the State of Illinois: "As of July 1, 2000, the State of Illinois has eliminated the State's share of sales tax on motor fuel and gasohol through December 31, 2000. The price on this pump should reflect the elimination of the tax." The notice shall be printed in bold print on a sign that is no smaller than 4 inches by 8 inches. The sign shall be clearly visible to customers. Any retailer who fails to post or maintain a required sign through December 31, 2000 is guilty of a petty offense for which the fine shall be $500 per day per each retail premises where a violation occurs.

With respect to gasohol, as defined in the Use Tax Act, the tax imposed by this Act applies to (i) 70% of the proceeds of sales made on or after January 1, 1990, and before July 1, 2003, (ii) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2013, and (iii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of gasohol, as defined in the Use Tax Act, is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of gasohol made during that time.

With respect to majority blended ethanol fuel, as defined in the Use Tax Act, the tax imposed by this Act

does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2013 but applies to 100% of the proceeds of sales made thereafter.

With respect to biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel, the tax imposed by this Act applies to (i) 80% of the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2013 and (ii) 100% of the proceeds of sales made thereafter. If, at any time, however, the tax under this Act on sales of biodiesel blends, as defined in the Use Tax Act, with no less than 1% and no more than 10% biodiesel is imposed at the rate of 1.25%, then the tax imposed by this Act applies to 100% of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel made during that time.

With respect to 100% biodiesel, as defined in the Use Tax Act, and biodiesel blends, as defined in the Use Tax Act, with more than 10% but no more than 99% biodiesel, the tax imposed by this Act does not apply to the proceeds of sales made on or after July 1, 2003 and on or before December 31, 2013 but applies to 100% of the proceeds of sales made thereafter.

With respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, the tax is imposed at the rate of 1%. For the purposes of this Section, until September 1, 2009: the term "soft drinks" means any complete, finished, ready-to-use, non-alcoholic drink, whether carbonated or not, including but not limited to soda water, cola, fruit juice, vegetable juice, carbonated water, and all other preparations commonly known as soft drinks of whatever kind or description that are contained in any closed or sealed bottle, can, carton, or container, regardless of size; but "soft drinks" does not include coffee, tea, non-carbonated water, infant formula, milk or milk products as defined in the Grade A Pasteurized Milk and Milk Products Act, or drinks containing 50% or more natural fruit or vegetable juice.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.

Until August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks~~,~~ and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine. Beginning August 1, 2009, and notwithstanding any other provisions of this Act, "food for human consumption that is to be consumed off the premises where it is sold" includes all food sold through a vending machine, except soft drinks, candy, and food products that are dispensed hot from a vending machine, regardless of the location of the vending machine.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "food for human consumption that is to be consumed off the premises where it is sold" does not include candy. For purposes of this Section, "candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.

Notwithstanding any other provisions of this Act, beginning September 1, 2009, "nonprescription medicines and drugs" does not include grooming and hygiene products. For purposes of this Section, "grooming and hygiene products" includes, but is not limited to, soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, unless those products are available by prescription only, regardless of whether the products meet the definition of "over-the-counter-drugs". For the purposes of this paragraph, "over-the-counter-drug" means a drug for human use that contains a label that identifies the product as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter-drug" label includes:

(A) A "Drug Facts" panel; or

(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance or preparation.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38, eff. 7-13-09; revised 8-20-09.)

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

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 Coladipietro, SENATE BILL 1332 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:

117, 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 William Davis, SENATE BILL 2538 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:

117, 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 Tryon, SENATE BILL 2795 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:

88, Yeas; 25, Nays; 3, Answering Present.

(ROLL CALL 5)

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 Moffitt, SENATE BILL 459 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:

117, Yeas; 0, Nays; 0, 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 Ford, SENATE BILL 3531 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:

76, Yeas; 37, Nays; 1, 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 Ford, SENATE BILL 3547 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:

116, Yeas; 0, Nays; 1, 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 Winters, SENATE BILL 3619 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:

117, 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.

SENATE BILLS ON SECOND READING

Having been reproduced, the following bill was taken up, read by title a second time and advanced to the order of Third Reading: SENATE BILL 3136.

SENATE BILL 3176. Having been recalled on April 29, 2010, and held on the order of Second Reading.

Pursuant to motion submitted previously, Representative Ramey moved to table Amendment No. 1.

The motion prevailed.

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

SENATE BILL 3401. Having been recalled on May 4, 2010, and held on the order of Second Reading, the same was again taken up and advanced to the order of Third Reading.

SENATE BILL 3464. Having been read by title a second time on April 28, 2010, and held on the order of Second Reading, the same was again taken up.

Floor Amendment No. 1 remained in the Committee on Public Utilities.

Floor Amendment No. 2 remained in the Committee on Rules.

Representative Rita offered the following amendment and moved its adoption.

AMENDMENT NO. 3. Amend Senate Bill 3464 by replacing everything after the enacting clause with the following:

"Section 5. The Counties Code is amended by changing Section 5-12001.1 as follows:

(55 ILCS 5/5-12001.1)

Sec. 5-12001.1. Authority to regulate certain specified facilities of a telecommunications carrier and to regulate, pursuant to subsections (a) through (g), AM broadcast towers and facilities.

(a) Notwithstanding any other Section in this Division, the county board or board of county commissioners of any county shall have the power to regulate the location of the facilities, as defined in subsection (c), of a telecommunications carrier or AM broadcast station established outside the corporate limits of cities, villages, and incorporated towns that have municipal zoning ordinances in effect. The power shall only be exercised to the extent and in the manner set forth in this Section.

(b) The provisions of this Section shall not abridge any rights created by or authority confirmed in the

federal Telecommunications Act of 1996, P.L. 104-104.

(c) As used in this Section, unless the context otherwise requires:

(1) "county jurisdiction area" means those portions of a county that lie outside the corporate limits of cities, villages, and incorporated towns that have municipal zoning ordinances in effect;

(2) "county board" means the county board or board of county commissioners of any county;

(3) "residential zoning district" means a zoning district that is designated under a county zoning ordinance and is zoned predominantly for residential uses;

(4) "non-residential zoning district" means the county jurisdiction area of a county, except for those portions within a residential zoning district;

(5) "residentially zoned lot" means a zoning lot in a residential zoning district;

(6) "non-residentially zoned lot" means a zoning lot in a non-residential zoning district;

(7) "telecommunications carrier" means a telecommunications carrier as defined in the Public Utilities Act as of January 1, 1997;

(8) "facility" means that part of the signal distribution system used or operated by a telecommunications carrier or AM broadcast station under a license from the FCC consisting of a combination of improvements and equipment including (i) one or more antennas, (ii) a supporting structure and the hardware by which antennas are attached; (iii) equipment housing; and (iv) ancillary equipment such as signal transmission cables and miscellaneous hardware;

(9) "FAA" means the Federal Aviation Administration of the United States Department of Transportation;

(10) "FCC" means the Federal Communications Commission;

(11) "antenna" means an antenna device by which radio signals are transmitted, received, or both;

(12) "supporting structure" means a structure, whether an antenna tower or another type of structure, that supports one or more antennas as part of a facility;

(13) "qualifying structure" means a supporting structure that is (i) an existing structure, if the height of the facility, including the structure, is not more than 15 feet higher than the structure just before the facility is installed, or (ii) a substantially similar, substantially same-location replacement of an existing structure, if the height of the facility, including the replacement structure, is not more than 15 feet higher than the height of the existing structure just before the facility is installed;

(14) "equipment housing" means a combination of one or more equipment buildings or enclosures housing equipment that operates in conjunction with the antennas of a facility, and the equipment itself;

(15) "height" of a facility means the total height of the facility's supporting structure and any antennas that will extend above the top of the supporting structure; however, if the supporting structure's foundation extends more than 3 feet above the uppermost ground level along the perimeter of the foundation, then each full foot in excess of 3 feet shall be counted as an additional foot of facility height. The height of a facility's supporting structure is to be measured from the highest point of the supporting structure's foundation;

(16) "facility lot" means the zoning lot on which a facility is or will be located;

(17) "principal residential building" has its common meaning but shall not include any building under the same ownership as the land of the facility lot. "Principal residential building" shall not include any structure that is not designed for human habitation;

(18) "horizontal separation distance" means the distance measured from the center of the base of the facility's supporting structure to the point where the ground meets a vertical wall of a principal residential building;

(19) "lot line set back distance" means the distance measured from the center of the base of the facility's supporting structure to the nearest point on the common lot line between the facility lot and the nearest residentially zoned lot. If there is no common lot line, the measurement shall be made to the nearest point on the lot line of the nearest residentially zoned lot without deducting the width of any intervening right of way; and

(20) "AM broadcast station" means a facility and one or more towers for the purpose of transmitting communication in the 540 kHz to 1700 kHz band for public reception authorized by the FCC.

(d) In choosing a location for a facility, a telecommunications carrier or AM broadcast station shall

consider the following:

(1) A non-residentially zoned lot is the most desirable location.

(2) A residentially zoned lot that is not used for residential purposes is the second most desirable location.

(3) A residentially zoned lot that is 2 acres or more in size and is used for residential purposes is the third most desirable location.

(4) A residentially zoned lot that is less than 2 acres in size and is used for residential purposes is the least desirable location.

The size of a lot shall be the lot's gross area in square feet without deduction of any unbuildable or unusable land, any roadway, or any other easement.

(e) In designing a facility, a telecommunications carrier or AM broadcast station shall consider the following guidelines:

(1) No building or tower that is part of a facility should encroach onto any recorded easement prohibiting the encroachment unless the grantees of the easement have given their approval.

(2) Lighting should be installed for security and safety purposes only. Except with respect to lighting required by the FCC or FAA, all lighting should be shielded so that no glare extends substantially beyond the boundaries of a facility.

(3) No facility should encroach onto an existing septic field.

(4) Any facility located in a special flood hazard area or wetland should meet the legal requirements for those lands.

(5) Existing trees more than 3 inches in diameter should be preserved if reasonably feasible during construction. If any tree more than 3 inches in diameter is removed during construction a tree 3 inches or more in diameter of the same or a similar species shall be planted as a replacement if reasonably feasible. Tree diameter shall be measured at a point 3 feet above ground level.

(6) If any elevation of a facility faces an existing, adjoining residential use within a residential zoning district, low maintenance landscaping should be provided on or near the facility lot to provide at least partial screening of the facility. The quantity and type of that landscaping should be in accordance with any county landscaping regulations of general applicability, except that paragraph (5) of this subsection (e) shall control over any tree-related regulations imposing a greater burden.

(7) Fencing should be installed around a facility. The height and materials of the fencing should be in accordance with any county fence regulations of general applicability.

(8) Any building that is part of a facility located adjacent to a residentially zoned lot should be designed with exterior materials and colors that are reasonably compatible with the residential character of the area.

(f) The following provisions shall apply to all facilities established in any county jurisdiction area (i) after the effective date of the amendatory Act of 1997 with respect to telecommunications carriers and (ii) after the effective date of this amendatory Act of the 94th General Assembly with respect to AM broadcast stations:

(1) Except as provided in this Section, no yard or set back regulations shall apply to or be required for a facility.

(2) A facility may be located on the same zoning lot as one or more other structures or uses without violating any ordinance or regulation that prohibits or limits multiple structures, buildings, or uses on a zoning lot.

(3) No minimum lot area, width, or depth shall be required for a facility, and unless the facility is to be manned on a regular, daily basis, no off-street parking spaces shall be required for a facility. If the facility is to be manned on a regular, daily basis, one off-street parking space shall be provided for each employee regularly at the facility. No loading facilities are required.

(4) No portion of a facility's supporting structure or equipment housing shall be less than 15 feet from the front lot line of the facility lot or less than 10 feet from any other lot line.

(5) No bulk regulations or lot coverage, building coverage, or floor area ratio limitations shall be applied to a facility or to any existing use or structure coincident with the establishment of a facility. Except as provided in this Section, no height limits or restrictions shall apply to a facility.

(6) A county's review of a building permit application for a facility shall be completed within 30 days. If a decision of the county board is required to permit the establishment of a facility, the county's review of the application shall be simultaneous with the process leading to the county board's decision.

(7) The improvements and equipment comprising the facility may be wholly or partly freestanding or wholly or partly attached to, enclosed in, or installed in or on a structure or structures.

(8) Any public hearing authorized under this Section shall be conducted in a manner determined by the county board. Notice of any such public hearing shall be published at least 15 days before the hearing in a newspaper of general circulation published in the county. Notice of any such public hearing shall also be sent by certified mail at least 15 days prior to the hearing to the owners of record of all residential property that is adjacent to the lot upon which the facility is proposed to be sited.

(9) Any decision regarding a facility by the county board or a county agency or official shall be supported by written findings of fact. The circuit court shall have jurisdiction to review the reasonableness of any adverse decision and the plaintiff shall bear the burden of proof, but there shall be no presumption of the validity of the decision.

(10) Thirty days prior to the issuance of a building permit for a facility necessitating the erection of a new tower, the permit applicant shall provide written notice of its intent to construct the facility to the State Representative and the State Senator of the district in which the subject facility is to be constructed and each member of the county board representing the area within the county in which the subject facility is to be constructed. This notice shall include, but not be limited to, the following information: (i) the name, address, and telephone number of the company responsible for the construction of the facility; (ii) the name, address, and telephone number of the governmental entity authorized to issue the building permit; and (iii) the location of the proposed facility. The applicant shall demonstrate compliance with the notice requirements set forth in this item (10) by submitting certified mail receipts or equivalent mail service receipts at the same time that the applicant submits the permit application.

(g) The following provisions shall apply to all facilities established (i) after the effective date of this amendatory Act of 1997 with respect to telecommunications carriers and (ii) after the effective date of this amendatory Act of the 94th General Assembly with respect to AM broadcast stations in the county jurisdiction area of any county with a population of less than 180,000:

(1) A facility is permitted if its supporting structure is a qualifying structure or if both of the following conditions are met:

(A) the height of the facility shall not exceed 200 feet, except that if a facility is located more than one and one-half miles from the corporate limits of any municipality with a population of 25,000 or more the height of the facility shall not exceed 350 feet; and

(B) the horizontal separation distance to the nearest principal residential building shall not be less than the height of the supporting structure; except that if the supporting structure exceeds 99 feet in height, the horizontal separation distance to the nearest principal residential building shall be at least 100 feet or 80% of the height of the supporting structure, whichever is greater. Compliance with this paragraph shall only be evaluated as of the time that a building permit application for the facility is submitted. If the supporting structure is not an antenna tower this paragraph is satisfied.

(2) Unless a facility is permitted under paragraph (1) of this subsection (g), a facility can be established only after the county board gives its approval following consideration of the provisions of paragraph (3) of this subsection (g). The county board may give its approval after one public hearing on the proposal, but only by the favorable vote of a majority of the members present at a meeting held no later than 75 days after submission of a complete application by the telecommunications carrier. If the county board fails to act on the application within 75 days after its submission, the application shall be deemed to have been approved. No more than one public hearing shall be required.

(3) For purposes of paragraph (2) of this subsection (g), the following siting considerations, but no other matter, shall be considered by the county board or any other body conducting the public hearing:

(A) the criteria in subsection (d) of this Section;

(B) whether a substantial adverse effect on public safety will result from some aspect of the facility's design or proposed construction, but only if that aspect of design or construction is modifiable by the applicant;

(C) the benefits to be derived by the users of the services to be provided or enhanced by the facility and whether public safety and emergency response capabilities would benefit by the establishment of the facility;

(D) the existing uses on adjacent and nearby properties; and

(E) the extent to which the design of the proposed facility reflects compliance with subsection (e) of this Section.

(4) On judicial review of an adverse decision, the issue shall be the reasonableness of the county board's decision in light of the evidence presented on the siting considerations and the well-reasoned recommendations of any other body that conducts the public hearing.

(h) The following provisions shall apply to all facilities established after the effective date of this amendatory Act of 1997 in the county jurisdiction area of any county with a population of 180,000 or more. A facility is permitted in any zoning district subject to the following:

(1) A facility shall not be located on a lot under paragraph (4) of subsection (d) unless a variation is granted by the county board under paragraph (4) of this subsection (h).

(2) Unless a height variation is granted by the county board, the height of a facility shall not exceed 75 feet if the facility will be located in a residential zoning district or 200 feet if the facility will be located in a non-residential zoning district. However, the height of a facility may exceed the height limit in this paragraph, and no height variation shall be required, if the supporting structure is a qualifying structure.

(3) The improvements and equipment of the facility shall be placed to comply with the requirements of this paragraph at the time a building permit application for the facility is submitted. If the supporting structure is an antenna tower other than a qualifying structure then (i) if the facility will be located in a residential zoning district the lot line set back distance to the nearest residentially zoned lot shall be at least 50% of the height of the facility's supporting structure or (ii) if the facility will be located in a non-residential zoning district the horizontal separation distance to the nearest principal residential building shall be at least equal to the height of the facility's supporting structure.

(4) The county board may grant variations for any of the regulations, conditions, and restrictions of this subsection (h), after one public hearing on the proposed variations held at a zoning or other appropriate committee meeting with proper notice given as provided in this Section, by a favorable vote of a majority of the members present at a meeting held no later than 75 days after submission of an application by the telecommunications carrier. If the county board fails to act on the application within 75 days after submission, the application shall be deemed to have been approved. In its consideration of an application for variations, the county board, and any other body conducting the public hearing, shall consider the following, and no other matters:

(A) whether, but for the granting of a variation, the service that the telecommunications carrier seeks to enhance or provide with the proposed facility will be less available, impaired, or diminished in quality, quantity, or scope of coverage;

(B) whether the conditions upon which the application for variations is based are unique in some respect or, if not, whether the strict application of the regulations would result in a hardship on the telecommunications carrier;

(C) whether a substantial adverse effect on public safety will result from some aspect of the facility's design or proposed construction, but only if that aspect of design or construction is modifiable by the applicant;

(D) whether there are benefits to be derived by the users of the services to be provided or enhanced by the facility and whether public safety and emergency response capabilities would benefit by the establishment of the facility; and

(E) the extent to which the design of the proposed facility reflects compliance with subsection (e) of this Section.

No more than one public hearing shall be required.

(5) On judicial review of an adverse decision, the issue shall be the reasonableness of the county board's decision in light of the evidence presented and the well-reasoned recommendations of any other body that conducted the public hearing.

(Source: P.A. 95-815, eff. 8-13-08; 96-696, eff. 1-1-10.)

Section 10. The Public Utilities Act is amended by changing Sections 13-301 as follows:

(220 ILCS 5/13-301) (from Ch. 111 2/3, par. 13-301)

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

Sec. 13-301. Consistent with the findings and policy established in paragraph (a) of Section 13-102 and paragraph (a) of Section 13-103, and in order to ensure the attainment of such policies, the Commission shall:

(a) participate in all federal programs intended to preserve or extend universal telecommunications service, unless such programs would place cost burdens on Illinois customers of telecommunications services in excess of the benefits they would receive through participation, provided, however, the Commission shall not approve or permit the imposition of any surcharge or other fee designed to subsidize

or provide a waiver for subscriber line charges; and shall report on such programs together with an assessment of their adequacy and the advisability of participating therein in its annual report to the General Assembly, or more often as necessary;

(b) establish a program to monitor the level of telecommunications subscriber connection within each exchange in Illinois, and shall report the results of such monitoring and any actions it has taken or recommends be taken to maintain and increase such levels in its annual report to the General Assembly, or more often if necessary;

(c) order all telecommunications carriers offering or providing local exchange telecommunications service to propose low-cost or budget service tariffs and any other rate design or pricing mechanisms designed to facilitate customer access to such telecommunications service, and shall after notice and hearing, implement any such proposals which it finds likely to achieve such purpose;

(d) investigate the necessity of and, if appropriate, establish a universal service support fund from which local exchange telecommunications carriers who pursuant to the Twenty-Seventh Interim Order of the Commission in Docket No. 83-0142 or the orders of the Commission in Docket No. 97-0621 and Docket No. 98-0679 received funding and whose economic costs of providing services for which universal service support may be made available exceed the affordable rate established by the Commission for such services may be eligible to receive support, less any federal universal service support received for the same or similar costs of providing the supported services; provided, however, that if a universal service support fund is established, the Commission shall require that all costs of the fund be recovered from all local exchange and interexchange telecommunications carriers certificated in Illinois on a competitively neutral and nondiscriminatory basis. In establishing any such universal service support fund, the Commission shall, in addition to the determination of costs for supported services, consider and make findings pursuant to paragraphs (1), (2), and (4) of item (e) of this Section. Proxy cost, as determined by the Commission, may be used for this purpose. In determining cost recovery for any universal service support fund, the Commission shall not permit recovery of such costs from another certificated carrier for any service purchased and used solely as an input to a service provided to such certificated carrier's retail customers; ~~and~~

(e) investigate the necessity of and, if appropriate, establish a universal service support fund in addition to any fund that may be established pursuant to item (d) of this Section; provided, however, that if a telecommunications carrier receives universal service support pursuant to item (d) of this Section, that telecommunications carrier shall not receive universal service support pursuant to this item. Recipients of any universal service support funding created by this item shall be "eligible" telecommunications carriers, as designated by the Commission in accordance with 47 U.S.C. 214(e)(2). Eligible telecommunications carriers providing local exchange telecommunications service may be eligible to receive support for such services, less any federal universal service support received for the same or similar costs of providing the supported services. If a fund is established, the Commission shall require that the costs of such fund be recovered from all telecommunications carriers, with the exception of wireless carriers who are providers of two-way cellular telecommunications service and who have not been designated as eligible telecommunications carriers, on a competitively neutral and non-discriminatory basis. In any order creating a fund pursuant to this item, the Commission, after notice and hearing, shall:

(1) Define the group of services to be declared "supported telecommunications services" that constitute "universal service". This group of services shall, at a minimum, include those services as defined by the Federal Communications Commission and as from time to time amended. In addition, the Commission shall consider the range of services currently offered by telecommunications carriers offering local exchange telecommunications service, the existing rate structures for the supported telecommunications services, and the telecommunications needs of Illinois consumers in determining the supported telecommunications services. The Commission shall, from time to time or upon request, review and, if appropriate, revise the group of Illinois supported telecommunications services and the terms of the fund to reflect changes or enhancements in telecommunications needs, technologies, and available services.

(2) Identify all implicit subsidies contained in rates or charges of incumbent local exchange carriers, including all subsidies in interexchange access charges, and determine how such subsidies can be made explicit by the creation of the fund.

(3) Identify the incumbent local exchange carriers' economic costs of providing the supported telecommunications services.

(4) Establish an affordable price for the supported telecommunications services for the respective incumbent local exchange carrier. The affordable price shall be no less than the rates in effect

at the time the Commission creates a fund pursuant to this item. The Commission may establish and utilize indices or models for updating the affordable price for supported telecommunications services.

(5) Identify the telecommunications carriers from whom the costs of the fund shall be recovered and the mechanism to be used to determine and establish a competitively neutral and non-discriminatory funding basis. From time to time, or upon request, the Commission shall consider whether, based upon changes in technology or other factors, additional telecommunications providers should contribute to the fund. The Commission shall establish the basis upon which telecommunications carriers contributing to the fund shall recover contributions on a competitively neutral and non-discriminatory basis. In determining cost recovery for any universal support fund, the Commission shall not permit recovery of such costs from another certificated carrier for any service purchased and used solely as an input to a service provided to such certificated carriers' retail customers.

(6) Approve a plan for the administration and operation of the fund by a neutral third party consistent with the requirements of this item.

No fund shall be created pursuant to this item until existing implicit subsidies, including, but not limited to, those subsidies contained in interexchange access charges, have been identified and eliminated through revisions to rates or charges. Prior to May 1, 2000, such revisions to rates or charges to eliminate implicit subsidies shall occur contemporaneously with any funding established pursuant to this item. However, if the Commission does not establish a universal service support fund by May 1, 2000, the Commission shall not be prevented from entering an order or taking other actions to reduce or eliminate existing subsidies as well as considering the effect of such reduction or elimination on local exchange carriers; and .

(f) provide for a universal and emergency services support program under which all payphone service providers operating under certificates of service authority issued by the Commission shall receive financial support for all local exchange services identified in this subsection (f) that are used in the provisioning of payphone services, other than for payphones located at inmate institutions or airports, provided that such payphone service provider submits itself to the universal and emergency services support program (participating provider). The General Assembly finds that the continued provision of payphones is fundamental to the public policy goals of providing universal access and emergency links to the communications network in the public interest of providing for the health, welfare, prosperity, and security of Illinois citizens. Developments in the telecommunications industry make it necessary to take steps to ensure the continued availability of payphones as part of the overall communications network. Therefore, no later than December 1, 2010, the Commission, after notice and hearing, shall have in effect a universal and emergency services support program that shall provide that all payphone lines of a participating provider, other than those payphones located at inmate institutions or airports, shall receive universal and emergency services support in an amount equal to the charges for the telephone line, the subscriber line charge, all usage of up to 15 miles, and the features (collectively "local charges") for each payphone each month, to be paid directly by the fund for the universal and emergency services support program to the local exchange carrier providing the telephone subscriber line to the payphone. The participating provider shall remain responsible for the remainder of any other charges. The Commission shall require that all costs of the fund for the universal and emergency services support program be recovered from the same entities as those required for the recovery of costs under subsection (d) of this Section on a competitively neutral and nondiscriminatory basis. The funding for the universal and emergency services support program for this subsection may be through a separate fund or through another fund established pursuant to this Article, as the Commission deems to be the most efficient and effective, provided that any inclusion in another fund established pursuant to this Article is neither detrimental to, nor diminishes the benefits of that fund to, the other participants.

Any telecommunications carrier providing local exchange telecommunications service which offers to its local exchange customers a choice of two or more local exchange telecommunications service offerings shall provide, to any such customer requesting it, once a year without charge, a report describing which local exchange telecommunications service offering would result in the lowest bill for such customer's local exchange service, based on such customer's calling pattern and usage for the previous 6 months. At least once a year, each such carrier shall provide a notice to each of its local exchange telecommunications service customers describing the availability of this report and the specific procedures by which customers may receive it. Such report shall only be available to current and future customers who have received at least 6 months of continuous local exchange service from such carrier.

(Source: P.A. 91-636, eff. 8-20-99.)

(220 ILCS 5/9-216 rep.)

Section 15. The Public Utilities Act is amended by repealing Section 9-216.

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.

SENATE BILL 3010. Having been read by title a second time on May 4, 2010, and held on the order of Second Reading, the same was again taken up and advanced to the order of Third Reading.

Having been reproduced, the following bill was taken up, read by title a second time and advanced to the order of Third Reading: SENATE BILL 2525.

CONCURRENCES AND NON-CONCURRENCES IN SENATE AMENDMENTS TO HOUSE BILLS

Senate Amendment No. 1 to HOUSE BILL 5633, having been reproduced, was taken up for consideration.

Representative Jerry Mitchell moved that the House concur with the Senate in the adoption of Senate Amendment No. 1.

And on that motion, a vote was taken resulting as follows:

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

(ROLL CALL 10)

The motion prevailed and the House concurred with the Senate in the adoption of Senate Amendment No. 1 to HOUSE BILL 5633.

Ordered that the Clerk inform the Senate.

Senate Amendment No. 1 to HOUSE BILL 6099, having been reproduced, was taken up for consideration.

Representative Phelps moved that the House concur with the Senate in the adoption of Senate Amendment No. 1.

And on that motion, a vote was taken resulting as follows:

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

(ROLL CALL 11)

The motion prevailed and the House concurred with the Senate in the adoption of Senate Amendment No. 1 to HOUSE BILL 6099.

Ordered that the Clerk inform the Senate.

SENATE BILL ON THIRD READING

The following bill 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 Fritchey, SENATE BILL 3584 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:

118, 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.

SENATE RESOLUTIONS

Having been reported out of the Committee on Higher Education on May 4, 2010, SENATE JOINT RESOLUTION 88 was taken up for consideration.

Representative Crespo moved the adoption of the resolution.

And on that motion, a vote was taken resulting as follows:

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

(ROLL CALL 13)

The motion prevailed and the Resolution was adopted.

Ordered that the Clerk inform the Senate.

Having been reported out of the Committee on Agriculture & Conservation on May 4, 2010, SENATE JOINT RESOLUTION 105 was taken up for consideration.

Representative Moffitt moved the adoption of the resolution.

And on that motion, a vote was taken resulting as follows:

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

(ROLL CALL 14)

The motion prevailed and the Resolution was adopted.

Ordered that the Clerk inform the Senate.

SENATE BILL ON THIRD READING

The following bill 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 Mautino, SENATE BILL 3762 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:

118, 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.

SENATE BILLS ON SECOND READING

SENATE BILL 49. Having been reproduced, was taken up and read by title a second time.

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

AMENDMENT NO. 1. Amend Senate Bill 49 by replacing everything after the enacting clause with the following:

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

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

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

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

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

Of the total amount of Bonds authorized in this Act, up to $300,000,000 in aggregate original principal

amount may be issued and sold in accordance with the Retirement Savings Act in the form of General Obligation Retirement Savings Bonds.

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

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

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

(30 ILCS 330/2.5)

Sec. 2.5. Limitation on issuance of Bonds.

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

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

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

(30 ILCS 330/7.2)

Sec. 7.2. State pension funding.

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

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

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

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

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

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

The proceeds of the additional $4,096,348,300 of Bonds authorized by this amendatory Act of the 96th General Assembly, less the amounts directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund, and the Comptroller and the Treasurer shall, as soon as practical, (i) first, transfer from the Pension Contribution Fund to the General Revenue Fund or Common School Fund an amount equal to the amount of payments, if any, made to the designated retirement systems

from the General Revenue Fund or Common School Fund in State fiscal year 2011 and (ii) second, make transfers from the Pension Contribution Fund to the designated retirement systems pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension Code.

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

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

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

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

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

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

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

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

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

(a) Except as otherwise provided in this subsection, Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; provided however, that interest payable at fixed or variable rates shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Bonds,

other than Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology, (i) except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011, must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring within the fiscal year in which the Bonds are issued or within the next succeeding fiscal year and (ii) must mature or be subject to mandatory redemption each fiscal year thereafter up to 25 years, except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 which must mature or be subject to mandatory redemption each fiscal year thereafter up to 16 years. Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring with the fiscal year in which the respective bonds are issued or with the next succeeding fiscal year, with the respective bonds issued maturing or subject to mandatory redemption each fiscal year thereafter up to 10 years. Notwithstanding any provision of this Act to the contrary, the Bonds authorized by Public Act 96-43 shall be payable within 5 years from their date and must be issued with principal or mandatory redemption amounts in equal amounts, with payment of principal or mandatory redemption beginning in the first fiscal year following the fiscal year in which the Bonds are issued.

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

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

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

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

The State may, with respect to Bonds issued or anticipated to be issued, participate in and enter into arrangements with respect to interest rate protection or exchange agreements, guarantees, or financial futures contracts for the purpose of limiting, reducing, or managing interest rate exposure. The authority

granted under this paragraph, however, shall not increase the principal amount of Bonds authorized to be issued by law. The arrangements may be executed and delivered by the Director of the Governor's Office of Management and Budget on behalf of the State. Net payments for such arrangements shall constitute interest on the Bonds and shall be paid from the General Obligation Bond Retirement and Interest Fund. The Director of the Governor's Office of Management and Budget shall at least annually certify to the Governor and the State Comptroller his or her estimate of the amounts of such net payments to be included in the calculation of interest required to be paid by the State.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 2-124. Contributions by State.

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

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

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

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

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

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

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

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

<u>Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is $12,058,000 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(40 ILCS 5/14-131)

Sec. 14-131. Contributions by State.

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

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

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

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

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

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

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

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

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

(e) For State fiscal years 2012 ~~2011~~ through 2045, the minimum contribution to the System to be made

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

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

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

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

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

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

Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2011 is $786,706,300 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

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

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

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

the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 15-155. Employer contributions.

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

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

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

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

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

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

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is $848,142,000 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

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

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not

reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

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

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

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

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

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

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

(g) If the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 6%, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in

benefits resulting from the portion of the increase in earnings that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) So long as the payments received are the full amount lawfully vouchered under this Section, payments received by the System under this Section shall be applied first toward the employer contribution to the self-managed plan established under Section 15-158.2. Payments shall be applied second toward the

employer's portion of the normal costs of the System, as defined in subsection (f) of Section 15-155. The balance shall be applied toward the unfunded actuarial liabilities of the System.

(e) In the event that the System does not receive, as a result of legislative enactment or otherwise, payments sufficient to fully fund the employer contribution to the self-managed plan established under Section 15-158.2 and to fully fund that portion of the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1), then any payments received shall be applied proportionately to the optional retirement program established under Section 15-158.2 and to the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1). (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

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

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

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

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

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

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

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

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

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

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

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

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

(b-3) For State fiscal years 2012 ~~2011~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be

determined under the projected unit credit actuarial cost method.

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

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

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

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is $2,358,441,000 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include employer contributions required by the State as an employer under paragraph (e) of this Section and may be used by the System for contributions required by paragraph (a) of Section 16-127.

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

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

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

(c) Payment of the required State contributions and of all pensions, retirement annuities, death benefits,

refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State.

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

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

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

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

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

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

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

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

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

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

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

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

teacher was in service on or after its effective date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 18-131. Financing; employer contributions.

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

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

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

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

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

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

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is $90,251,000 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

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

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

payable to the System under Section 25 of the Budget Stabilization Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 15. The State Pension Funds Continuing Appropriation Act is amended by changing Sections 1.1

and 1.2 as follows:

(40 ILCS 15/1.1)

Sec. 1.1. Appropriations to certain retirement systems.

(a) There is hereby appropriated from the General Revenue Fund to the General Assembly Retirement System, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 2-134 of the Illinois Pension Code.

(b) There is hereby appropriated from the General Revenue Fund to the State Universities Retirement System, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions, including any deficiency in the required contributions of the optional retirement program established under Section 15-158.2 of the Illinois Pension Code, is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 15-165 of the Illinois Pension Code.

(c) There is hereby appropriated from the Common School Fund to the Teachers' Retirement System of the State of Illinois, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 16-158 of the Illinois Pension Code.

(d) There is hereby appropriated from the General Revenue Fund to the Judges Retirement System of Illinois, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 18-140 of the Illinois Pension Code.

(e) The continuing appropriations provided by this Section shall first be available in State fiscal year 1996.

(f) For State fiscal year 2010 only, the continuing appropriations provided by this Section are equal to the amount certified by each System on or before December 31, 2008, less (i) the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act and (ii) any amounts received from the State Pensions Fund.

(g) For State fiscal year 2011 only, the continuing appropriations provided by this Section are equal to the amount certified by each System on or before December 31, 2009, less (i) the gross proceeds of the bonds sold in fiscal year 2011 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act and (ii) any amounts received from the State Pensions Fund.

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

(40 ILCS 15/1.2)

Sec. 1.2. Appropriations for the State Employees' Retirement System.

(a) From each fund from which an amount is appropriated for personal services to a department or other employer under Article 14 of the Illinois Pension Code, there is hereby appropriated to that department or other employer, on a continuing annual basis for each State fiscal year, an additional amount equal to the amount, if any, by which (1) an amount equal to the percentage of the personal services line item for that department or employer from that fund for that fiscal year that the Board of Trustees of the State Employees' Retirement System of Illinois has certified under Section 14-135.08 of the Illinois Pension Code to be necessary to meet the State's obligation under Section 14-131 of the Illinois Pension Code for that fiscal year, exceeds (2) the amounts otherwise appropriated to that department or employer from that fund for State contributions to the State Employees' Retirement System for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the final payment from a department or employer's personal services line item for fiscal year 2004, payments to the State Employees' Retirement System that otherwise would have been made under this subsection (a) shall be governed by the provisions in subsection (a-1).

(a-1) If a Fiscal Year 2004 Shortfall is certified under subsection (f) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2004 Shortfall.

(a-2) If a Fiscal Year 2010 Shortfall is certified under subsection (g) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year

2010 Shortfall.

(b) The continuing appropriations provided for by this Section shall first be available in State fiscal year 1996.

(c) Beginning in Fiscal Year 2005, any continuing appropriation under this Section arising out of an appropriation for personal services from the Road Fund to the Department of State Police or the Secretary of State shall be payable from the General Revenue Fund rather than the Road Fund.

(d) For State fiscal year 2010 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before December 31, 2008, less the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.

(e) For State fiscal year 2011 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before December 31, 2009, less the gross proceeds of the bonds sold in fiscal year 2011 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.

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

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

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

RECESS

At the hour of 1:25 o'clock p.m., Representative Lyons moved that the House do now take a recess until the hour of 2:30 o'clock p.m.

The motion prevailed.

At the hour of 3:35 o'clock p.m., the House resumed its session.

Representative Lyons in the Chair.

CONCURRENCES AND NON-CONCURRENCES IN SENATE AMENDMENTS TO HOUSE BILLS

Senate Amendment No. 1 to HOUSE BILL 4846, having been reproduced, was taken up for consideration.

Representative Bradley moved that the House concur with the Senate in the adoption of Senate Amendment No. 1.

And on that motion, a vote was taken resulting as follows:

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

(ROLL CALL 16)

The motion prevailed and the House concurred with the Senate in the adoption of Senate Amendment No. 1 to HOUSE BILL 4846.

Ordered that the Clerk inform the Senate.

SENATE BILL ON THIRD READING

The following bill 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 Joyce, SENATE BILL 2494 was taken up and read by title a third time.

And the question being, "Shall this bill pass?".

Pending the vote on said bill, on motion of Representative Joyce, further consideration of SENATE BILL 2494 was postponed.

SENATE BILL ON SECOND READING

SENATE BILL 3514. Having been reproduced, was taken up and read by title a second time.

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

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

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

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

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

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

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

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

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

(b) Except during the period beginning on the effective date of this amendatory Act of the 93rd General Assembly and ending at the time of the payment of the final payroll from fiscal year 2004 appropriations, the State Comptroller shall not approve for payment any payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the

payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System, the Comptroller shall promptly so notify the Retirement System.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(30 ILCS 330/2.5)

Sec. 2.5. Limitation on issuance of Bonds.

(a) Except as provided in subsection (b), no Bonds may be issued if, after the issuance, in the next State fiscal year after the issuance of the Bonds, the amount of debt service (including principal, whether payable at maturity or pursuant to mandatory sinking fund installments, and interest) on all then-outstanding Bonds, other than Bonds authorized by Public Act 96-43 or by this amendatory Act of the 96th General Assembly

~~this amendatory Act of the 96th General Assembly~~, would exceed 7% of the aggregate appropriations from the general funds (which consist of the General Revenue Fund, the Common School Fund, the General Revenue Common School Special Account Fund, and the Education Assistance Fund) and the Road Fund for the fiscal year immediately prior to the fiscal year of the issuance.

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

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

(30 ILCS 330/7.2)

Sec. 7.2. State pension funding.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fiscal Year After Issuance	Amount
1-2	$0
3	$100,000,000
4	$300,000,000
5	$600,000,000
6-8	$900,000,000

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

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

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

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

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

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

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

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

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

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

If Bonds are to be sold pursuant to notice of sale and public bid, the Director of the Governor's Office of Management and Budget shall, from time to time, as Bonds are to be sold, advertise the sale of the Bonds in at least 2 daily newspapers, one of which is published in the City of Springfield and one in the City of Chicago. The sale of the Bonds shall also be advertised in the volume of the Illinois Procurement Bulletin

that is published by the Department of Central Management Services. Each of the advertisements for proposals shall be published once at least 10 days prior to the date fixed for the opening of the bids. The Director of the Governor's Office of Management and Budget may reschedule the date of sale upon the giving of such additional notice as the Director deems adequate to inform prospective bidders of such change; provided, however, that all other conditions of the sale shall continue as originally advertised.

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

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

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

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

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

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

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

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

(c) The unused portion of federal funds received for a capital facilities project, as authorized by Section 3

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

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

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

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

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

(2) Obligations of the Inter-American Development Bank, the International Bank for Reconstruction and Development, the African Development Bank, the International Finance Corporation, and the Asian Development Bank.

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

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

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

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

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

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

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

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

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

(e) The investment in these obligations has been approved in writing by investment counsel employed by the board, which counsel shall be a national or state bank or trust company authorized to do a trust business in the State of Illinois, or an investment advisor qualified under the

Federal Investment Advisors Act of 1940 and registered under the Illinois Securities Act of 1953;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 2-124. Contributions by State.

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

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

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

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

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

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

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

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

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

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 2-134, shall not exceed an amount equal to (i) the amount of the required State contribution

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(40 ILCS 5/14-131)

Sec. 14-131. Contributions by State.

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

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

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

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

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

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

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

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

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

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

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

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the

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

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

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

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

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

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

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 14-135.08, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 15-155. Employer contributions.

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

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

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

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

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

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

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

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

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System pursuant to this amendatory Act of the 96th General Assembly. Subject to the requirements of Section 7.2 of the General Obligation Bond Act, the State contribution for fiscal year 2011 may be made through any combination of (i) the transfer of bonds to the System in fiscal year 2011 and (ii) the proceeds of bonds sold by negotiated sale in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (A) the pro rata share of bond sale

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

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

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

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

(c) Through State fiscal year 1995: The total employer contribution shall be apportioned among the various funds of the State and other employers, whether trust, federal, or other funds, in accordance with actuarial procedures approved by the Board. State of Illinois contributions for employers receiving State appropriations for personal services shall be payable from appropriations made to the employers or to the

System. The contributions for Class I community colleges covering earnings other than those paid from trust and federal funds, shall be payable solely from appropriations to the Illinois Community College Board or the System for employer contributions.

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

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

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

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

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

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

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

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

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

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

When assessing payment for any amount due under subsection (g), the System shall exclude any earnings increase resulting from (i) a promotion for which the employee moves from one classification to a higher classification under the State Universities Civil Service System, (ii) a promotion in academic rank for a tenured or tenure-track faculty position, or (iii) a promotion that the Illinois Community College

Board has recommended in accordance with subsection (k) of this Section. These earnings increases shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

funds.

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

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

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

(e) In the event that the System does not receive, as a result of legislative enactment or otherwise, payments sufficient to fully fund the employer contribution to the self-managed plan established under Section 15-158.2 and to fully fund that portion of the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1), then any payments received shall be applied proportionately to the optional retirement program established under Section 15-158.2 and to the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1). (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

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

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

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

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

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

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

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

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

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

(b-1) Beginning in State fiscal year 1996, on the 15th day of each month, or as soon thereafter as may be practicable, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a-1). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the

Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (a) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

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

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

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

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

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

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

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

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

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

the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund, the Common School Fund, or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school

district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 18-131. Financing; employer contributions.

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

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

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

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

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

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

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

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

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

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

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

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

(d) For purposes of determining the required State contribution to the System, the value of the System's

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(40 ILCS 15/1.8 new)

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

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

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 Zalewski, SENATE BILL 3514 was recalled from the order of Third Reading to the order of Second Reading.

SENATE BILL ON SECOND READING

SENATE BILL 3514. Having been recalled on May 5, 2010, the same was again taken up.
Representative Currie offered the following amendment and moved its adoption.

AMENDMENT NO. 2. Amend Senate Bill 3514, AS AMENDED, by replacing everything after the enacting clause with the following:

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

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

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

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

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

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

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

(b) Except during the period beginning on the effective date of this amendatory Act of the 93rd General Assembly and ending at the time of the payment of the final payroll from fiscal year 2004 appropriations, the State Comptroller shall not approve for payment any payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under

Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System, the Comptroller shall promptly so notify the Retirement System.

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

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

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

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

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

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

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

Sec. 2. Authorization for Bonds. The State of Illinois is authorized to issue, sell and provide for the retirement of General Obligation Bonds of the State of Illinois for the categories and specific purposes expressed in Sections 2 through 8 of this Act, in the total amount of $41,017,777,443 ~~$37,217,777,443~~.

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

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

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

Of the total amount of Bonds authorized in this Act, the additional $10,000,000,000 authorized by Public Act 93-2, ~~and~~ the $3,466,000,000 authorized by Public Act 96-43 , and the $3,800,000,000 authorized by this amendatory Act of the 96th General Assembly shall be used solely as provided in Section 7.2.

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

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

(30 ILCS 330/2.5)

Sec. 2.5. Limitation on issuance of Bonds.

(a) Except as provided in subsection (b), no Bonds may be issued if, after the issuance, in the next State fiscal year after the issuance of the Bonds, the amount of debt service (including principal, whether payable at maturity or pursuant to mandatory sinking fund installments, and interest) on all then-outstanding Bonds,

other than Bonds authorized by Public Act 96-43 or by this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~, would exceed 7% of the aggregate appropriations from the general funds (which consist of the General Revenue Fund, the Common School Fund, the General Revenue Common School Special Account Fund, and the Education Assistance Fund) and the Road Fund for the fiscal year immediately prior to the fiscal year of the issuance.

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

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

(30 ILCS 330/7.2)

Sec. 7.2. State pension funding.

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

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

The amount of $3,800,000,000 of Bonds authorized by this amendatory Act of the 96th General Assembly is authorized to be used for the purpose of making the State's Fiscal Year 2011 required contributions to the designated retirement systems.

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

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

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

The additional $3,800,000,000 of Bonds authorized by this amendatory Act of the 96th General Assembly may be issued only for the purpose of fulfilling the State's Fiscal Year 2011 required contributions to the designated retirement systems.

All or a portion of the Bonds shall be issued directly to the designated retirement systems, with the remaining amount necessary to make the required contributions sold by negotiated sale, if the State first obtains, prior to April 15, 2011, a written determination from the Internal Revenue Service that an issuance directly to the retirement systems is not a prohibited transaction under Section 503(b) of the Internal Revenue Code. If the State is unable to obtain a written determination from the Internal Revenue Service as required in the preceding sentence, the State may elect to issue by negotiated sale any amount of the additional $3,800,000,000 of Bonds authorized by this amendatory Act of the 96th General Assembly that, in the sole determination of the Director of the Governor's Office of Management and Budget, is appropriate given market conditions at that time.

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

(c) Of the amount of Bond proceeds from the bond sale authorized by Public Act 93-2 first deposited into the Pension Contribution Fund, there shall be reserved for transfers under this subsection the sum of

$300,000,000, representing the required State contributions to the designated retirement systems for the last quarter of State fiscal year 2003, plus the sum of $1,860,000,000, representing the required State contributions to the designated retirement systems for State fiscal year 2004.

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

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

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

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

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

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

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

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

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

satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 which must mature or be subject to mandatory redemption each fiscal year thereafter up to 16 years. Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring with the fiscal year in which the respective bonds are issued or with the next succeeding fiscal year, with the respective bonds issued maturing or subject to mandatory redemption each fiscal year thereafter up to 10 years. Notwithstanding any provision of this Act to the contrary, the Bonds authorized by Public Act 96-43 shall be payable within 5 years from their date and must be issued with principal or mandatory redemption amounts in equal amounts, with payment of principal or mandatory redemption beginning in the first fiscal year following the fiscal year in which the Bonds are issued.

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

Fiscal Year After Issuance	Amount
1-2	$0
3	$100,000,000
4	$300,000,000
5	$600,000,000
6-7	$900,000,000
8	$1,000,000,000

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

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

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

Governor and the State Comptroller his or her estimate of the amounts of such net payments to be included in the calculation of interest required to be paid by the State.

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

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

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

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

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

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

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

If Bonds are to be sold pursuant to notice of sale and public bid, the Director of the Governor's Office of Management and Budget shall, from time to time, as Bonds are to be sold, advertise the sale of the Bonds

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

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

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

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

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

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

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

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

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

and payable from the Funds herein listed as well as on Bonds issued under this Act.

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

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

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

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

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

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

(2) Obligations of the Inter-American Development Bank, the International Bank for Reconstruction and Development, the African Development Bank, the International Finance Corporation, and the Asian Development Bank.

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

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

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

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

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

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

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

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

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

(e) The investment in these obligations has been approved in writing by investment

counsel employed by the board, which counsel shall be a national or state bank or trust company authorized to do a trust business in the State of Illinois, or an investment advisor qualified under the Federal Investment Advisors Act of 1940 and registered under the Illinois Securities Act of 1953;

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

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

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

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

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

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

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

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

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

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

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

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

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

Investment Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 2-124. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with the contributions of participants, interest earned on investments, and other income will meet the cost of

maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

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

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

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

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

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

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

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

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

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

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

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year

2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 2-134, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(d) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(e) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

Sec. 2-134. To certify required State contributions and submit vouchers.

(a) The Board shall certify to the Governor on or before December 15 of each year the amount of the required State contribution to the System for the next fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before May 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (d) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year. If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(c) The full amount of any annual appropriation for the System for State fiscal year 1995 shall be transferred and made available to the System at the beginning of that fiscal year at the request of the Board. Any excess funds remaining at the end of any fiscal year from appropriations shall be retained by the System as a general reserve to meet the System's accrued liabilities.

(Source: P.A. 94-4, eff. 6-1-05; 94-536, eff. 8-10-05; 95-331, eff. 8-21-07.)

(40 ILCS 5/14-131)

Sec. 14-131. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with other employer contributions from trust, federal, and other funds, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

For the purposes of this Section and Section 14-135.08, references to State contributions refer only to employer contributions and do not include employee contributions that are picked up or otherwise paid by the State or a department on behalf of the employee.

(b) The Board shall determine the total amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board, using the formula in subsection (e).

The Board shall also determine a State contribution rate for each fiscal year, expressed as a percentage of payroll, based on the total required State contribution for that fiscal year (less the amount received by the System from appropriations under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act, if any, for the fiscal year ending on the June 30 immediately preceding the applicable November 15 certification deadline), the estimated payroll (including all forms of compensation) for personal services rendered by eligible employees, and the recommendations of the actuary.

For the purposes of this Section and Section 14.1 of the State Finance Act, the term "eligible employees" includes employees who participate in the System, persons who may elect to participate in the System but have not so elected, persons who are serving a qualifying period that is required for participation, and annuitants employed by a department as described in subdivision (a)(1) or (a)(2) of Section 14-111.

(c) Contributions shall be made by the several departments for each pay period by warrants drawn by the State Comptroller against their respective funds or appropriations based upon vouchers stating the amount to be so contributed. These amounts shall be based on the full rate certified by the Board under Section 14-135.08 for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, the several departments shall not make contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The several departments shall resume those contributions at the commencement of fiscal year 2005.

(c-1) Notwithstanding subsection (c) of this Section, for fiscal year 2010 only, contributions by the several departments are not required to be made for General Revenue Funds payrolls processed by the Comptroller. Payrolls paid by the several departments from all other State funds must continue to be processed pursuant to subsection (c) of this Section.

(c-2) For State fiscal year 2010 only, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the fiscal year 2010 General Revenue Fund appropriation to the System.

(c-3) Notwithstanding subsection (c) of this Section, for fiscal year 2011 only, contributions by the several departments are not required to be made for General Revenue Fund payrolls processed by the Comptroller. Payrolls paid by the several departments from all other State funds must continue to be processed pursuant to subsection (c) of this Section.

(d) If an employee is paid from trust funds or federal funds, the department or other employer shall pay employer contributions from those funds to the System at the certified rate, unless the terms of the trust or the federal-State agreement preclude the use of the funds for that purpose, in which case the required employer contributions shall be paid by the State. From the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, the department or other employer shall not pay contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The department or other employer shall resume payment of contributions at the commencement of fiscal year 2005.

(e) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be

determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that (i) for State fiscal year 1998, for all purposes of this Code and any other law of this State, the certified percentage of the applicable employee payroll shall be 5.052% for employees earning eligible creditable service under Section 14-110 and 6.500% for all other employees, notwithstanding any contrary certification made under Section 14-135.08 before the effective date of this amendatory Act of 1997, and (ii) in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a): 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2006 is $203,783,900.

Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2007 is $344,164,400.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2010 is $723,703,100 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2011 is the amount recertified by the System pursuant to this amendatory Act of the 96th General Assembly. Subject to the requirements of Section 7.2 of the General Obligation Bond Act, the State contribution for fiscal year 2011 may be made through any combination of (i) the transfer of bonds to the System in fiscal year 2011 and (ii) the proceeds of bonds sold by negotiated sale in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. If no bonds are issued directly to the System in accordance with Section 7.2 of the General Obligation Bond Act and if in the sole determination of the Director of the Governor's Office of Management and Budget market conditions do not support the issuance of bonds by negotiated sale in order to make all or a portion of the required contribution, he or she shall so inform the System in writing and the State contribution for fiscal year 2011 shall be only the System's pro rata share, based on the amounts recertified by each System pursuant to this amendatory Act of the 96th General Assembly, of the proceeds of bonds issued, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 14-135.08, shall not exceed an amount equal to (i) the amount of the required State

contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(f) After the submission of all payments for eligible employees from personal services line items in fiscal year 2004 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2004 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 93rd General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2004 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2004 through payments under this Section and under Section 6z-61 of the State Finance Act. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2004 Shortfall" for purposes of this Section, and the Fiscal Year 2004 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2004 Overpayment" for purposes of this Section, and the Fiscal Year 2004 Overpayment shall be repaid by the System to the Pension Contribution Fund as soon as practicable after the certification.

(g) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(h) For purposes of determining the required State contribution to the System for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the System's actuarially assumed rate of return.

(i) ~~(g)~~ After the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in fiscal year 2010 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2010 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 96th General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2010 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2010 through payments under this Section. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2010 Shortfall" for purposes of this Section, and the Fiscal Year 2010 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2010 Overpayment" for purposes of this Section, and the Fiscal Year 2010 Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised 11-3-09.)

(40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

Sec. 14-135.08. To certify required State contributions.

(a) To certify to the Governor and to each department, on or before November 15 of each year, the required rate for State contributions to the System for the next State fiscal year, as determined under subsection (b) of Section 14-131. The certification to the Governor shall include a copy of the actuarial recommendations upon which the rate is based.

(b) The certification shall include an additional amount necessary to pay all principal of and interest on those general obligation bonds due the next fiscal year authorized by Section 7.2(a) of the General

Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act. For State fiscal year 2005, the Board shall make a supplemental certification of the additional amount necessary to pay all principal of and interest on those general obligation bonds due in State fiscal years 2004 and 2005 authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act, as soon as practical after the effective date of this amendatory Act of the 93rd General Assembly.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required rates for State contributions to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required rates for State contributions to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before May 15, 2010, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(Source: P.A. 93-2, eff. 4-7-03; 93-839, eff. 7-30-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

Sec. 15-155. Employer contributions.

(a) The State of Illinois shall make contributions by appropriations of amounts which, together with the other employer contributions from trust, federal, and other funds, employee contributions, income from investments, and other income of this System, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (a-1).

(a-1) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is $166,641,900.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is $252,064,100.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is $702,514,000 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System pursuant to this amendatory Act of the 96th General Assembly. Subject to the requirements of Section 7.2 of the General Obligation Bond Act, the State contribution for fiscal year 2011 may be made through any combination of (i) the transfer of bonds to the

System in fiscal year 2011 and (ii) the proceeds of bonds sold by negotiated sale in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. If no bonds are issued directly to the System in accordance with Section 7.2 of the General Obligation Bond Act and if in the sole determination of the Director of the Governor's Office of Management and Budget market conditions do not support the issuance of bonds by negotiated sale in order to make all or a portion of the required contribution, he or she shall so inform the System in writing and the State contribution for fiscal year 2011 shall be only the System's pro rata share, based on the amounts recertified by each System pursuant to this amendatory Act of the 96th General Assembly, of the proceeds of bonds issued, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(b) If an employee is paid from trust or federal funds, the employer shall pay to the Board contributions from those funds which are sufficient to cover the accruing normal costs on behalf of the employee. However, universities having employees who are compensated out of local auxiliary funds, income funds, or service enterprise funds are not required to pay such contributions on behalf of those employees. The local auxiliary funds, income funds, and service enterprise funds of universities shall not be considered trust funds for the purpose of this Article, but funds of alumni associations, foundations, and athletic associations which are affiliated with the universities included as employers under this Article and other employers which do not receive State appropriations are considered to be trust funds for the purpose of this Article.

(b-1) The City of Urbana and the City of Champaign shall each make employer contributions to this System for their respective firefighter employees who participate in this System pursuant to subsection (h) of Section 15-107. The rate of contributions to be made by those municipalities shall be determined annually by the Board on the basis of the actuarial assumptions adopted by the Board and the recommendations of the actuary, and shall be expressed as a percentage of salary for each such employee. The Board shall certify the rate to the affected municipalities as soon as may be practical. The employer contributions required under this subsection shall be remitted by the municipality to the System at the same time and in the same manner as employee contributions.

(c) Through State fiscal year 1995: The total employer contribution shall be apportioned among the various funds of the State and other employers, whether trust, federal, or other funds, in accordance with

actuarial procedures approved by the Board. State of Illinois contributions for employers receiving State appropriations for personal services shall be payable from appropriations made to the employers or to the System. The contributions for Class I community colleges covering earnings other than those paid from trust and federal funds, shall be payable solely from appropriations to the Illinois Community College Board or the System for employer contributions.

(d) Beginning in State fiscal year 1996, the required State contributions to the System shall be appropriated directly to the System and shall be payable through vouchers issued in accordance with subsection (c) of Section 15-165, except as provided in subsection (g).

(e) The State Comptroller shall draw warrants payable to the System upon proper certification by the System or by the employer in accordance with the appropriation laws and this Code.

(f) Normal costs under this Section means liability for pensions and other benefits which accrues to the System because of the credits earned for service rendered by the participants during the fiscal year and expenses of administering the System, but shall not include the principal of or any redemption premium or interest on any bonds issued by the Board or any expenses incurred or deposits required in connection therewith.

(g) If the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 6%, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in earnings that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection (g), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (h) or (i) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of subsection (h) or (i). Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(h) This subsection (h) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to participants under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to a participant at a time when the participant is 10 or more years from retirement eligibility under Section 15-135.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases resulting from overload work, including a contract for summer teaching, or overtime when the employer has certified to the System, and the System has approved the certification, that: (i) in the case of overloads (A) the overload work is for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid and (B) the earnings increases are equal to or less than the rate of pay for academic instruction computed using the participant's current salary rate and work schedule; and (ii) in the case of overtime, the overtime was necessary for the educational mission.

When assessing payment for any amount due under subsection (g), the System shall exclude any earnings increase resulting from (i) a promotion for which the employee moves from one classification to a

higher classification under the State Universities Civil Service System, (ii) a promotion in academic rank for a tenured or tenure-track faculty position, or (iii) a promotion that the Illinois Community College Board has recommended in accordance with subsection (k) of this Section. These earnings increases shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions.

(i) When assessing payment for any amount due under subsection (g), the System shall exclude any salary increase described in subsection (h) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (g) of this Section.

(j) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

(1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(k) The Illinois Community College Board shall adopt rules for recommending lists of promotional positions submitted to the Board by community colleges and for reviewing the promotional lists on an annual basis. When recommending promotional lists, the Board shall consider the similarity of the positions submitted to those positions recognized for State universities by the State Universities Civil Service System. The Illinois Community College Board shall file a copy of its findings with the System. The System shall consider the findings of the Illinois Community College Board when making determinations under this Section. The System shall not exclude any earnings increases resulting from a promotion when the promotion was not submitted by a community college. Nothing in this subsection (k) shall require any community college to submit any information to the Community College Board.

(l) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(m) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

Sec. 15-165. To certify amounts and submit vouchers.

(a) The Board shall certify to the Governor on or before November 15 of each year the appropriation required from State funds for the purposes of this System for the following fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

<u>On or before May 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.</u>

(b) The Board shall certify to the State Comptroller or employer, as the case may be, from time to time, by its president and secretary, with its seal attached, the amounts payable to the System from the various funds.

(c) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (b) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(d) So long as the payments received are the full amount lawfully vouchered under this Section, payments received by the System under this Section shall be applied first toward the employer contribution to the self-managed plan established under Section 15-158.2. Payments shall be applied second toward the employer's portion of the normal costs of the System, as defined in subsection (f) of Section 15-155. The balance shall be applied toward the unfunded actuarial liabilities of the System.

(e) In the event that the System does not receive, as a result of legislative enactment or otherwise, payments sufficient to fully fund the employer contribution to the self-managed plan established under Section 15-158.2 and to fully fund that portion of the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1), then any payments received shall be applied proportionately to the optional retirement program established under Section 15-158.2 and to the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1). (Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

Sec. 16-158. Contributions by State and other employing units.

(a) The State shall make contributions to the System by means of appropriations from the Common School Fund and other State funds of amounts which, together with other employer contributions, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (b-3).

(a-1) Annually, on or before November 15, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before May 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Through State fiscal year 1995, the State contributions shall be paid to the System in accordance with Section 18-7 of the School Code.

(b-1) Beginning in State fiscal year 1996, on the 15th day of each month, or as soon thereafter as may be practicable, the Board shall submit vouchers for payment of State contributions to the System, in a total

monthly amount of one-twelfth of the required annual State contribution certified under subsection (a-1). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (a) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this subsection, the difference shall be paid from the Common School Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(b-2) Allocations from the Common School Fund apportioned to school districts not coming under this System shall not be diminished or affected by the provisions of this Article.

(b-3) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a), and notwithstanding any contrary certification made under subsection (a-1) before the effective date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is $534,627,700.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is $738,014,500.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is $2,089,268,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System pursuant to this amendatory Act of the 96th General Assembly. Subject to the requirements of Section 7.2 of the General Obligation Bond Act, the State contribution for fiscal year 2011 may be made through any combination of (i) the transfer of bonds to the System in fiscal year 2011 and (ii) the proceeds of bonds sold by negotiated sale in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund, the Common School Fund, or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. If no bonds are issued directly to the System in accordance with Section 7.2 of the General Obligation Bond Act and if in the sole determination of the Director of the Governor's Office of Management and Budget market conditions do not support the issuance of bonds by negotiated sale in order to make all or a portion of the required contribution, he or she shall so inform the System in writing and the State contribution for fiscal

year 2011 shall be only the System's pro rata share, based on the amounts recertified by each System pursuant to this amendatory Act of the 96th General Assembly, of the proceeds of bonds issued, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund, the Common School Fund, or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(c) Payment of the required State contributions and of all pensions, retirement annuities, death benefits, refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State.

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System.

(d) Effective July 1, 1986, any employer of a teacher as defined in paragraph (8) of Section 16-106 shall pay the employer's normal cost of benefits based upon the teacher's service, in addition to employee contributions, as determined by the System. Such employer contributions shall be forwarded monthly in accordance with guidelines established by the System.

However, with respect to benefits granted under Section 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8) of Section 16-106, the employer's contribution shall be 12% (rather than 20%) of the member's highest annual salary rate for each year of creditable service granted, and the employer shall also pay the required employee contribution on behalf of the teacher. For the purposes of Sections 16-133.4 and 16-133.5, a teacher as defined in paragraph (8) of Section 16-106 who is serving in that capacity while on leave of absence from another employer under this Article shall not be considered an employee of the employer from which the teacher is on leave.

(e) Beginning July 1, 1998, every employer of a teacher shall pay to the System an employer contribution computed as follows:

(1) Beginning July 1, 1998 through June 30, 1999, the employer contribution shall be equal to 0.3% of each teacher's salary.

(2) Beginning July 1, 1999 and thereafter, the employer contribution shall be equal to 0.58% of each teacher's salary.

The school district or other employing unit may pay these employer contributions out of any source of

funding available for that purpose and shall forward the contributions to the System on the schedule established for the payment of member contributions.

These employer contributions are intended to offset a portion of the cost to the System of the increases in retirement benefits resulting from this amendatory Act of 1998.

Each employer of teachers is entitled to a credit against the contributions required under this subsection (e) with respect to salaries paid to teachers for the period January 1, 2002 through June 30, 2003, equal to the amount paid by that employer under subsection (a-5) of Section 6.6 of the State Employees Group Insurance Act of 1971 with respect to salaries paid to teachers for that period.

The additional 1% employee contribution required under Section 16-152 by this amendatory Act of 1998 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

If an employer is required by a contract in effect on May 1, 1998 between the employer and an employee organization to pay, on behalf of all its full-time employees covered by this Article, all mandatory employee contributions required under this Article, then the employer shall be excused from paying the employer contribution required under this subsection (e) for the balance of the term of that contract. The employer and the employee organization shall jointly certify to the System the existence of the contractual requirement, in such form as the System may prescribe. This exclusion shall cease upon the termination, extension, or renewal of the contract at any time after May 1, 1998.

(f) If the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation. The changes made to this subsection (f) by this amendatory Act of the 94th General Assembly apply without regard to whether the teacher was in service on or after its effective date.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (g) or (h) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(g) This subsection (g) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to a teacher at a time when the teacher is 10 or more years from retirement eligibility under Section 16-132 or 16-133.2.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to

the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

When assessing payment for any amount due under subsection (f), the System shall exclude a salary increase resulting from a promotion (i) for which the employee is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board that is a different certification or supervisory endorsement than is required for the teacher's previous position and (ii) to a position that has existed and been filled by a member for no less than one complete academic year and the salary increase from the promotion is an increase that results in an amount no greater than the lesser of the average salary paid for other similar positions in the district requiring the same certification or the amount stipulated in the collective bargaining agreement for a similar position requiring the same certification.

When assessing payment for any amount due under subsection (f), the System shall exclude any payment to the teacher from the State of Illinois or the State Board of Education over which the employer does not have discretion, notwithstanding that the payment is included in the computation of final average salary.

(h) When assessing payment for any amount due under subsection (f), the System shall exclude any salary increase described in subsection (g) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (f) of this Section.

(i) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

(1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(j) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(k) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

Sec. 18-131. Financing; employer contributions.

(a) The State of Illinois shall make contributions to this System by appropriations of the amounts which, together with the contributions of participants, net earnings on investments, and other income, will meet the costs of maintaining and administering this System on a 90% funded basis in accordance with actuarial recommendations.

(b) The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the prescribed rate of interest, using the formula in subsection (c).

(c) For State fiscal years 2011 through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the

applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is $29,189,400.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is $35,236,800.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is $78,832,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System pursuant to this amendatory Act of the 96th General Assembly. Subject to the requirements of Section 7.2 of the General Obligation Bond Act, the State contribution for fiscal year 2011 may be made through any combination of (i) the transfer of bonds to the System in fiscal year 2011 and (ii) the proceeds of bonds sold by negotiated sale in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. If no bonds are issued directly to the System in accordance with Section 7.2 of the General Obligation Bond Act and if in the sole determination of the Director of the Governor's Office of Management and Budget market conditions do not support the issuance of bonds by negotiated sale in order to make all or a portion of the required contribution, he or she shall so inform the System in writing and the State contribution for fiscal year 2011 shall be only the System's pro rata share, based on the amounts recertified by each System pursuant to this amendatory Act of the 96th General Assembly, of the proceeds of bonds issued, less (A) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (B) any amounts received from the General Revenue Fund or the State Pensions Fund in fiscal year 2011, and (C) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 18-140, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is

contributing at the rate otherwise required under this Section.

(d) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(e) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

Sec. 18-140. To certify required State contributions and submit vouchers.

(a) The Board shall certify to the Governor, on or before November 15 of each year, the amount of the required State contribution to the System for the following fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before May 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (c) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

Section 20. The State Pension Funds Continuing Appropriation Act is amended by adding Section 1.8 as follows:

(40 ILCS 15/1.8 new)

Sec. 1.8. Suspension of appropriations for FY11. Notwithstanding any other provision of this Act, no appropriation otherwise required from the General Revenue Fund or the Common School Fund under this Act is required or shall be made for State fiscal year 2011.

Section 99. Effective date. This Act takes effect upon becoming law.".

Representative Franks requested a roll call vote on Amendment No. 2.

And on that motion, a vote was taken resulting as follows:

43, Yeas; 73, Nays; 0, Answering Present.

(ROLL CALL 17)

The foregoing amendment was lost.

Representative Currie offered the following amendment and moved its adoption:

AMENDMENT NO. 3. Amend Senate Bill 3514, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 3. The State Finance Act is amended by changing Section 14.1 as follows:

(30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

Sec. 14.1. Appropriations for State contributions to the State Employees' Retirement System; payroll requirements.

(a) Appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this Section. Except as otherwise provided in subsections (a-1) and (a-2), at the time of each payment of salary to an employee under the personal services line item, payment shall be made to the State Employees' Retirement System, from the amount appropriated for State contributions to the State Employees' Retirement System, of an amount calculated at the rate certified for the applicable fiscal year by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. If a line item appropriation to an employer for this purpose is exhausted or is unavailable due to any limitation on appropriations that may apply, (including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act), the amounts shall be paid under the continuing appropriation for this purpose contained in the State Pension Funds Continuing Appropriation Act.

(a-1) Beginning on the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this subsection (a-1). At the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the General Revenue Fund from the amount appropriated for State contributions to the State Employees' Retirement System of an amount calculated at the rate certified for fiscal year 2004 by the Board of Trustees of the State Employees' Retirement System under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. No payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(a-2) For fiscal year 2010 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2010 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2010 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(a-3) For fiscal year 2011 only, at the time of each payment of salary to an employee under the personal services line item from a fund other than the General Revenue Fund, payment shall be made for deposit into the State Employees' Retirement System of Illinois from the amount appropriated for State contributions to the State Employees' Retirement System of Illinois of an amount calculated at the rate certified for fiscal year 2011 by the Board of Trustees of the State Employees' Retirement System of Illinois under Section 14-135.08 of the Illinois Pension Code. This payment shall be made to the extent that a line item appropriation to an employer for this purpose is available or unexhausted. For fiscal year 2011 only, no payment from appropriations for State contributions shall be made in conjunction with payment of salary to an employee under the personal services line item from the General Revenue Fund.

(b) Except during the period beginning on the effective date of this amendatory Act of the 93rd General Assembly and ending at the time of the payment of the final payroll from fiscal year 2004 appropriations, the State Comptroller shall not approve for payment any payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll

voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System, the Comptroller shall promptly so notify the Retirement System.

(b-1) For fiscal year 2010 only, the State Comptroller shall not approve for payment any non-General Revenue Fund payroll voucher that (1) includes payments of salary to eligible employees in the State Employees' Retirement System of Illinois and (2) does not include the corresponding payment of State contributions to that retirement system at the full rate certified under Section 14-135.08 for that fiscal year for eligible employees, unless the balance in the fund on which the payroll voucher is drawn is insufficient to pay the total payroll voucher, or unavailable due to any limitation on appropriations that may apply, including, but not limited to, limitations on appropriations from the Road Fund under Section 8.3 of the State Finance Act. If the State Comptroller approves a payroll voucher under this Section for which the fund balance is insufficient to pay the full amount of the required State contribution to the State Employees' Retirement System of Illinois, the Comptroller shall promptly so notify the retirement system.

(c) Notwithstanding any other provisions of law, beginning July 1, 2007, required State and employee contributions to the State Employees' Retirement System of Illinois relating to affected legislative staff employees shall be paid out of moneys appropriated for that purpose to the Commission on Government Forecasting and Accountability, rather than out of the lump-sum appropriations otherwise made for the payroll and other costs of those employees.

These payments must be made pursuant to payroll vouchers submitted by the employing entity as part of the regular payroll voucher process.

For the purpose of this subsection, "affected legislative staff employees" means legislative staff employees paid out of lump-sum appropriations made to the General Assembly, an Officer of the General Assembly, or the Senate Operations Commission, but does not include district-office staff or employees of legislative support services agencies.

(Source: P.A. 95-707, eff. 1-11-08; 96-45, eff. 7-15-09.)

Section 5. The General Obligation Bond Act is amended by changing Sections 2, 2.5, 7.2, 9, 11, and 15 as follows:

(30 ILCS 330/2) (from Ch. 127, par. 652)

Sec. 2. Authorization for Bonds. The State of Illinois is authorized to issue, sell and provide for the retirement of General Obligation Bonds of the State of Illinois for the categories and specific purposes expressed in Sections 2 through 8 of this Act, in the total amount of $41,314,125,743 ~~$37,217,777,443~~.

The bonds authorized in this Section 2 and in Section 16 of this Act are herein called "Bonds".

Of the total amount of Bonds authorized in this Act, up to $2,200,000,000 in aggregate original principal amount may be issued and sold in accordance with the Baccalaureate Savings Act in the form of General Obligation College Savings Bonds.

Of the total amount of Bonds authorized in this Act, up to $300,000,000 in aggregate original principal amount may be issued and sold in accordance with the Retirement Savings Act in the form of General Obligation Retirement Savings Bonds.

Of the total amount of Bonds authorized in this Act, the additional $10,000,000,000 authorized by Public Act 93-2, ~~and~~ the $3,466,000,000 authorized by Public Act 96-43 , and the $4,096,348,300 authorized by this amendatory Act of the 96th General Assembly shall be used solely as provided in Section 7.2.

The issuance and sale of Bonds pursuant to the General Obligation Bond Act is an economical and efficient method of financing the long-term capital needs of the State. This Act will permit the issuance of a multi-purpose General Obligation Bond with uniform terms and features. This will not only lower the cost of registration but also reduce the overall cost of issuing debt by improving the marketability of Illinois General Obligation Bonds.

(Source: P.A. 95-1026, eff. 1-12-09; 96-5, eff. 4-3-09; 96-36, eff. 7-13-09; 96-43, eff. 7-15-09; 96-885, eff. 3-11-10.)

(30 ILCS 330/2.5)

Sec. 2.5. Limitation on issuance of Bonds.

(a) Except as provided in subsection (b), no Bonds may be issued if, after the issuance, in the next State fiscal year after the issuance of the Bonds, the amount of debt service (including principal, whether payable at maturity or pursuant to mandatory sinking fund installments, and interest) on all then-outstanding Bonds, other than Bonds authorized by Public Act 96-43 and other than Bonds authorized by this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~, would exceed 7% of the aggregate appropriations from the general funds (which consist of the General Revenue Fund, the Common School Fund, the General Revenue Common School Special Account Fund, and the Education Assistance

Fund) and the Road Fund for the fiscal year immediately prior to the fiscal year of the issuance.

(b) If the Comptroller and Treasurer each consent in writing, Bonds may be issued even if the issuance does not comply with subsection (a).

(Source: P.A. 96-43, eff. 7-15-09.)

(30 ILCS 330/7.2)

Sec. 7.2. State pension funding.

(a) The amount of $10,000,000,000 is authorized to be used for the purpose of making contributions to the designated retirement systems. For the purposes of this Section, "designated retirement systems" means the State Employees' Retirement System of Illinois; the Teachers' Retirement System of the State of Illinois; the State Universities Retirement System; the Judges Retirement System of Illinois; and the General Assembly Retirement System.

The amount of $3,466,000,000 of Bonds authorized by Public Act 96-43 ~~this amendatory Act of the 96th General Assembly~~ is authorized to be used for the purpose of making a portion of the State's Fiscal Year 2010 required contributions to the designated retirement systems.

The amount of $4,096,348,300 of Bonds authorized by this amendatory Act of the 96th General Assembly is authorized to be used for the purpose of making a portion of the State's Fiscal Year 2011 required contributions to the designated retirement systems.

(b) The Pension Contribution Fund is created as a special fund in the State Treasury.

The proceeds of the additional $10,000,000,000 of Bonds authorized by Public Act 93-2, less the amounts authorized in the Bond Sale Order to be deposited directly into the capitalized interest account of the General Obligation Bond Retirement and Interest Fund or otherwise directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund and used as provided in this Section.

The proceeds of the additional $3,466,000,000 of Bonds authorized by Public Act 96-43 ~~this amendatory Act of the 96th General Assembly~~, less the amounts directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund, and the Comptroller and the Treasurer shall, as soon as practical, (i) first, transfer from the Pension Contribution Fund to the General Revenue Fund or Common School Fund an amount equal to the amount of payments, if any, made to the designated retirement systems from the General Revenue Fund or Common School Fund in State fiscal year 2010 and (ii) second, make transfers from the Pension Contribution Fund to the designated retirement systems pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension Code.

The proceeds of the additional $4,096,348,300 of Bonds authorized by this amendatory Act of the 96th General Assembly, less the amounts directly paid out for bond sale expenses under Section 8, shall be deposited into the Pension Contribution Fund, and the Comptroller and the Treasurer shall, as soon as practical, (i) first, transfer from the Pension Contribution Fund to the General Revenue Fund or Common School Fund an amount equal to the amount of payments, if any, made to the designated retirement systems from the General Revenue Fund or Common School Fund in State fiscal year 2011 and (ii) second, make transfers from the Pension Contribution Fund to the designated retirement systems pursuant to Sections 2-124, 14-131, 15-155, 16-158, and 18-131 of the Illinois Pension Code.

(c) Of the amount of Bond proceeds from the bond sale authorized by Public Act 93-2 first deposited into the Pension Contribution Fund, there shall be reserved for transfers under this subsection the sum of $300,000,000, representing the required State contributions to the designated retirement systems for the last quarter of State fiscal year 2003, plus the sum of $1,860,000,000, representing the required State contributions to the designated retirement systems for State fiscal year 2004.

Upon the deposit of sufficient moneys from the bond sale authorized by Public Act 93-2 into the Pension Contribution Fund, the Comptroller and Treasurer shall immediately transfer the sum of $300,000,000 from the Pension Contribution Fund to the General Revenue Fund.

Whenever any payment of required State contributions for State fiscal year 2004 is made to one of the designated retirement systems, the Comptroller and Treasurer shall, as soon as practicable, transfer from the Pension Contribution Fund to the General Revenue Fund an amount equal to the amount of that payment to the designated retirement system. Beginning on the effective date of this amendatory Act of the 93rd General Assembly, the transfers from the Pension Contribution Fund to the General Revenue Fund shall be suspended until June 30, 2004, and the remaining balance in the Pension Contribution Fund shall be transferred directly to the designated retirement systems as provided in Section 6z-61 of the State Finance Act. On and after July 1, 2004, in the event that any amount is on deposit in the Pension Contribution Fund from time to time, the Comptroller and Treasurer shall continue to make such transfers based on fiscal year 2005 payments until the entire amount on deposit has been transferred.

(d) All amounts deposited into the Pension Contribution Fund, other than the amounts reserved for the transfers under subsection (c) from the bond sale authorized by Public Act 93-2, ~~and~~ other than amounts deposited into the Pension Contribution Fund from the bond sale authorized by Public Act 96-43 and other than amounts deposited into the Pension Contribution Fund from the bond sale authorized by this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~, shall be appropriated to the designated retirement systems to reduce their actuarial reserve deficiencies. The amount of the appropriation to each designated retirement system shall constitute a portion of the total appropriation under this subsection that is the same as that retirement system's portion of the total actuarial reserve deficiency of the systems, as most recently determined by the Governor's Office of Management and Budget under Section 8.12 of the State Finance Act.

With respect to proceeds from the bond sale authorized by Public Act 93-2 only, within 15 days after any Bond proceeds in excess of the amounts initially reserved under subsection (c) are deposited into the Pension Contribution Fund, the Governor's Office of Management and Budget shall (i) allocate those proceeds among the designated retirement systems in proportion to their respective actuarial reserve deficiencies, as most recently determined under Section 8.12 of the State Finance Act, and (ii) certify those allocations to the designated retirement systems and the Comptroller.

Upon receiving certification of an allocation under this subsection, a designated retirement system shall submit to the Comptroller a voucher for the amount of its allocation. The voucher shall be paid out of the amount appropriated to that designated retirement system from the Pension Contribution Fund pursuant to this subsection.

(Source: P.A. 96-43, eff. 7-15-09.)

(30 ILCS 330/9) (from Ch. 127, par. 659)

Sec. 9. Conditions for Issuance and Sale of Bonds - Requirements for Bonds.

(a) Except as otherwise provided in this subsection, Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Bonds shall be in such form (either coupon, registered or book entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; provided however, that interest payable at fixed or variable rates shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Bonds, other than Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology, (i) except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011, must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring within the fiscal year in which the Bonds are issued or within the next succeeding fiscal year and (ii) must mature or be subject to mandatory redemption each fiscal year thereafter up to 25 years, except for refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 which must mature or be subject to mandatory redemption each fiscal year thereafter up to 16 years. Bonds issued under Section 3 of this Act for the costs associated with the purchase and implementation of information technology must be issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring with the fiscal year in which the respective bonds are issued or with the next succeeding fiscal year, with the respective bonds issued maturing or subject to mandatory redemption each fiscal year thereafter up to 10 years. Notwithstanding any provision of this Act to the contrary, the Bonds authorized by Public Act 96-43 shall be payable within 5 years from their date and must be issued with principal or mandatory redemption amounts in equal amounts, with payment of principal or mandatory redemption beginning in the first fiscal year following the fiscal year in which the Bonds are issued.

Notwithstanding any provision of this Act to the contrary, the Bonds authorized by this amendatory Act of the 96th General Assembly shall be payable within 8 years from their date and shall be issued with payment of maturing principal or scheduled mandatory redemptions in accordance with the following schedule, except the following amounts shall be prorated if less than the total additional amount of Bonds authorized by this amendatory Act of the 96th General Assembly are issued:

Fiscal Year After Issuance	Amount
1-2	$0
3	$110,712,120
4	$332,136,360
5	$664,272,720
6-8	$996,409,080

In the case of any series of Bonds bearing interest at a variable interest rate ("Variable Rate Bonds"), in lieu of determining the rate or rates at which such series of Variable Rate Bonds shall bear interest and the price or prices at which such Variable Rate Bonds shall be initially sold or remarketed (in the event of purchase and subsequent resale), the Bond Sale Order may provide that such interest rates and prices may vary from time to time depending on criteria established in such Bond Sale Order, which criteria may include, without limitation, references to indices or variations in interest rates as may, in the judgment of a remarketing agent, be necessary to cause Variable Rate Bonds of such series to be remarketable from time to time at a price equal to their principal amount, and may provide for appointment of a bank, trust company, investment bank, or other financial institution to serve as remarketing agent in that connection. The Bond Sale Order may provide that alternative interest rates or provisions for establishing alternative interest rates, different security or claim priorities, or different call or amortization provisions will apply during such times as Variable Rate Bonds of any series are held by a person providing credit or liquidity enhancement arrangements for such Bonds as authorized in subsection (b) of this Section. The Bond Sale Order may also provide for such variable interest rates to be established pursuant to a process generally known as an auction rate process and may provide for appointment of one or more financial institutions to serve as auction agents and broker-dealers in connection with the establishment of such interest rates and the sale and remarketing of such Bonds.

(b) In connection with the issuance of any series of Bonds, the State may enter into arrangements to provide additional security and liquidity for such Bonds, including, without limitation, bond or interest rate insurance or letters of credit, lines of credit, bond purchase contracts, or other arrangements whereby funds are made available to retire or purchase Bonds, thereby assuring the ability of owners of the Bonds to sell or redeem their Bonds. The State may enter into contracts and may agree to pay fees to persons providing such arrangements, but only under circumstances where the Director of the Governor's Office of Management and Budget certifies that he or she reasonably expects the total interest paid or to be paid on the Bonds, together with the fees for the arrangements (being treated as if interest), would not, taken together, cause the Bonds to bear interest, calculated to their stated maturity, at a rate in excess of the rate that the Bonds would bear in the absence of such arrangements.

The State may, with respect to Bonds issued or anticipated to be issued, participate in and enter into arrangements with respect to interest rate protection or exchange agreements, guarantees, or financial futures contracts for the purpose of limiting, reducing, or managing interest rate exposure. The authority granted under this paragraph, however, shall not increase the principal amount of Bonds authorized to be issued by law. The arrangements may be executed and delivered by the Director of the Governor's Office of Management and Budget on behalf of the State. Net payments for such arrangements shall constitute interest on the Bonds and shall be paid from the General Obligation Bond Retirement and Interest Fund. The Director of the Governor's Office of Management and Budget shall at least annually certify to the Governor and the State Comptroller his or her estimate of the amounts of such net payments to be included in the calculation of interest required to be paid by the State.

(c) Prior to the issuance of any Variable Rate Bonds pursuant to subsection (a), the Director of the Governor's Office of Management and Budget shall adopt an interest rate risk management policy providing that the amount of the State's variable rate exposure with respect to Bonds shall not exceed 20%. This policy shall remain in effect while any Bonds are outstanding and the issuance of Bonds shall be subject to the terms of such policy. The terms of this policy may be amended from time to time by the Director of the Governor's Office of Management and Budget but in no event shall any amendment cause the permitted level of the State's variable rate exposure with respect to Bonds to exceed 20%.

(d) "Build America Bonds" in this Section means Bonds authorized by Section 54AA of the Internal Revenue Code of 1986, as amended ("Internal Revenue Code"), and bonds issued from time to time to refund or continue to refund "Build America Bonds".

(e) Notwithstanding any other provision of this Section, Qualified School Construction Bonds shall be issued and sold from time to time, in one or more series, in such amounts and at such prices as may be directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. Qualified School Construction Bonds shall be in such form (either coupon, registered or book

entry), in such denominations, payable within 25 years from their date, subject to such terms of redemption with or without premium, and if the Qualified School Construction Bonds are issued with a supplemental coupon, bear interest payable at such times and at such fixed or variable rate or rates, and be dated as shall be fixed and determined by the Director of the Governor's Office of Management and Budget in the order authorizing the issuance and sale of any series of Qualified School Construction Bonds, which order shall be approved by the Governor and is herein called a "Bond Sale Order"; except that interest payable at fixed or variable rates, if any, shall not exceed that permitted in the Bond Authorization Act, as now or hereafter amended. Qualified School Construction Bonds shall be payable at such place or places, within or without the State of Illinois, and may be made registrable as to either principal or as to both principal and interest, as shall be specified in the Bond Sale Order. Qualified School Construction Bonds may be callable or subject to purchase and retirement or tender and remarketing as fixed and determined in the Bond Sale Order. Qualified School Construction Bonds must be issued with principal or mandatory redemption amounts or sinking fund payments into the General Obligation Bond Retirement and Interest Fund (or subaccount therefor) in equal amounts, with the first maturity issued, mandatory redemption payment or sinking fund payment occurring within the fiscal year in which the Qualified School Construction Bonds are issued or within the next succeeding fiscal year, with Qualified School Construction Bonds issued maturing or subject to mandatory redemption or with sinking fund payments thereof deposited each fiscal year thereafter up to 25 years. Sinking fund payments set forth in this subsection shall be permitted only to the extent authorized in Section 54F of the Internal Revenue Code or as otherwise determined by the Director of the Governor's Office of Management and Budget. "Qualified School Construction Bonds" in this subsection means Bonds authorized by Section 54F of the Internal Revenue Code and for bonds issued from time to time to refund or continue to refund such "Qualified School Construction Bonds".
(Source: P.A. 96-18, eff. 6-26-09; 96-37, eff. 7-13-09; 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

(30 ILCS 330/11) (from Ch. 127, par. 661)

Sec. 11. Sale of Bonds. Except as otherwise provided in this Section, Bonds shall be sold from time to time pursuant to notice of sale and public bid or by negotiated sale in such amounts and at such times as is directed by the Governor, upon recommendation by the Director of the Governor's Office of Management and Budget. At least 25%, based on total principal amount, of all Bonds issued each fiscal year shall be sold pursuant to notice of sale and public bid. At all times during each fiscal year, no more than 75%, based on total principal amount, of the Bonds issued each fiscal year, shall have been sold by negotiated sale. Failure to satisfy the requirements in the preceding 2 sentences shall not affect the validity of any previously issued Bonds; provided that all Bonds authorized by Public Act 96-43 and this amendatory Act of the 96th General Assembly ~~this amendatory Act of the 96th General Assembly~~ shall not be included in determining compliance for any fiscal year with the requirements of the preceding 2 sentences; and further provided that refunding Bonds satisfying the requirements of Section 16 of this Act and sold during fiscal year 2009, 2010, or 2011 shall not be subject to the requirements in the preceding 2 sentences.

If any Bonds, including refunding Bonds, are to be sold by negotiated sale, the Director of the Governor's Office of Management and Budget shall comply with the competitive request for proposal process set forth in the Illinois Procurement Code and all other applicable requirements of that Code.

If Bonds are to be sold pursuant to notice of sale and public bid, the Director of the Governor's Office of Management and Budget shall, from time to time, as Bonds are to be sold, advertise the sale of the Bonds in at least 2 daily newspapers, one of which is published in the City of Springfield and one in the City of Chicago. The sale of the Bonds shall also be advertised in the volume of the Illinois Procurement Bulletin that is published by the Department of Central Management Services. Each of the advertisements for proposals shall be published once at least 10 days prior to the date fixed for the opening of the bids. The Director of the Governor's Office of Management and Budget may reschedule the date of sale upon the giving of such additional notice as the Director deems adequate to inform prospective bidders of such change; provided, however, that all other conditions of the sale shall continue as originally advertised.

Executed Bonds shall, upon payment therefor, be delivered to the purchaser, and the proceeds of Bonds shall be paid into the State Treasury as directed by Section 12 of this Act.
(Source: P.A. 96-18, eff. 6-26-09; 96-43, eff. 7-15-09.)

(30 ILCS 330/15) (from Ch. 127, par. 665)

Sec. 15. Computation of Principal and Interest; transfers.

(a) Upon each delivery of Bonds authorized to be issued under this Act, the Comptroller shall compute and certify to the Treasurer the total amount of principal of, interest on, and premium, if any, on Bonds issued that will be payable in order to retire such Bonds, the amount of principal of, interest on and premium, if any, on such Bonds that will be payable on each payment date according to the tenor of such

Bonds during the then current and each succeeding fiscal year, and the amount of sinking fund payments needed to be deposited in connection with Qualified School Construction Bonds authorized by subsection (e) of Section 9. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of Section 14 of this Act. With respect to the interest payable, such certifications shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act.

On or before the last day of each month the State Treasurer and Comptroller shall transfer from (1) the Road Fund with respect to Bonds issued under paragraph (a) of Section 4 of this Act or Bonds issued for the purpose of refunding such bonds, and from (2) the General Revenue Fund, with respect to all other Bonds issued under this Act, to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on Bonds payable, by their terms on the next payment date divided by the number of full calendar months between the date of such Bonds and the first such payment date, and thereafter, divided by the number of months between each succeeding payment date after the first. Such computations and transfers shall be made for each series of Bonds issued and delivered. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for such period pursuant to subsection (c) of Section 14 of this Act. Computations of interest shall include the amounts certified by the Director of the Governor's Office of Management and Budget under subsection (b) of Section 9 of this Act. Interest for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection. Notwithstanding any other provision in this Section, the transfer provisions provided in this paragraph shall not apply to transfers made in fiscal year 2010 or fiscal year 2011 with respect to Bonds issued in fiscal year 2010 for fiscal year 2011 pursuant to Section 7.2 of this Act. In the case of transfers made in fiscal year 2010 or fiscal year 2011 with respect to the Bonds issued in fiscal year 2010 or fiscal year 2011 pursuant to Section 7.2 of this Act, on or before the 15th day of the month prior to the required debt service payment, the State Treasurer and Comptroller shall transfer from the General Revenue Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the Bonds payable in that next month.

The transfer of monies herein and above directed is not required if monies in the General Obligation Bond Retirement and Interest Fund are more than the amount otherwise to be transferred as herein above provided, and if the Governor or his authorized representative notifies the State Treasurer and Comptroller of such fact in writing.

(b) After the effective date of this Act, the balance of, and monies directed to be included in the Capital Development Bond Retirement and Interest Fund, Anti-Pollution Bond Retirement and Interest Fund, Transportation Bond, Series A Retirement and Interest Fund, Transportation Bond, Series B Retirement and Interest Fund, and Coal Development Bond Retirement and Interest Fund shall be transferred to and deposited in the General Obligation Bond Retirement and Interest Fund. This Fund shall be used to make debt service payments on the State's general obligation Bonds heretofore issued which are now outstanding and payable from the Funds herein listed as well as on Bonds issued under this Act.

(c) The unused portion of federal funds received for a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall be deposited upon completion of the project in the General Obligation Bond Retirement and Interest Fund. Any federal funds received as reimbursement for the completed construction of a capital facilities project, as authorized by Section 3 of this Act, for which monies from the Capital Development Fund have been expended shall be deposited in the General Obligation Bond Retirement and Interest Fund.

(Source: P.A. 96-43, eff. 7-15-09; 96-828, eff. 12-2-09.)

Section 10. The Illinois Pension Code is amended by changing Sections 2-124, 2-134, 14-131, 14-135.08, 15-155, 15-165, 16-158, 18-131, and 18-140 as follows:

(40 ILCS 5/2-124) (from Ch. 108 1/2, par. 2-124)

Sec. 2-124. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with the contributions of participants, interest earned on investments, and other income will meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial

recommendations.

(b) The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the prescribed rate of interest, using the formula in subsection (c).

(c) For State fiscal years 2012 ~~2011~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is $4,157,000.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is $5,220,300.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is $10,454,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before June 15, 2010 pursuant to Section 2-134 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 2-134, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(d) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(e) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/2-134) (from Ch. 108 1/2, par. 2-134)

Sec. 2-134. To certify required State contributions and submit vouchers.

(a) The Board shall certify to the Governor on or before December 15 of each year the amount of the required State contribution to the System for the next fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (d) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year. If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(c) The full amount of any annual appropriation for the System for State fiscal year 1995 shall be transferred and made available to the System at the beginning of that fiscal year at the request of the Board. Any excess funds remaining at the end of any fiscal year from appropriations shall be retained by the System as a general reserve to meet the System's accrued liabilities.

(Source: P.A. 94-4, eff. 6-1-05; 94-536, eff. 8-10-05; 95-331, eff. 8-21-07.)

(40 ILCS 5/14-131)

Sec. 14-131. Contributions by State.

(a) The State shall make contributions to the System by appropriations of amounts which, together with other employer contributions from trust, federal, and other funds, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

For the purposes of this Section and Section 14-135.08, references to State contributions refer only to employer contributions and do not include employee contributions that are picked up or otherwise paid by the State or a department on behalf of the employee.

(b) The Board shall determine the total amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board, using the formula in subsection (e).

The Board shall also determine a State contribution rate for each fiscal year, expressed as a percentage of payroll, based on the total required State contribution for that fiscal year (less the amount received by the System from appropriations under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act, if any, for the fiscal year ending on the June 30 immediately preceding the applicable November 15 certification deadline), the estimated payroll (including all forms of compensation) for personal services rendered by eligible employees, and the recommendations of the actuary.

For the purposes of this Section and Section 14.1 of the State Finance Act, the term "eligible employees" includes employees who participate in the System, persons who may elect to participate in the System but have not so elected, persons who are serving a qualifying period that is required for participation, and annuitants employed by a department as described in subdivision (a)(1) or (a)(2) of Section 14-111.

(c) Contributions shall be made by the several departments for each pay period by warrants drawn by the State Comptroller against their respective funds or appropriations based upon vouchers stating the amount to be so contributed. These amounts shall be based on the full rate certified by the Board under Section 14-135.08 for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, the several departments shall not make contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The several departments shall resume those contributions at the commencement of fiscal year 2005.

(c-1) Notwithstanding subsection (c) of this Section, for fiscal year 2010 only, contributions by the several departments are not required to be made for General Revenue Funds payrolls processed by the Comptroller. Payrolls paid by the several departments from all other State funds must continue to be processed pursuant to subsection (c) of this Section.

(c-2) For State fiscal year 2010 only, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the fiscal year 2010 General Revenue Fund appropriation to the System.

(d) If an employee is paid from trust funds or federal funds, the department or other employer shall pay employer contributions from those funds to the System at the certified rate, unless the terms of the trust or the federal-State agreement preclude the use of the funds for that purpose, in which case the required employer contributions shall be paid by the State. From the effective date of this amendatory Act of the 93rd General Assembly through the payment of the final payroll from fiscal year 2004 appropriations, the department or other employer shall not pay contributions for the remainder of fiscal year 2004 but shall instead make payments as required under subsection (a-1) of Section 14.1 of the State Finance Act. The department or other employer shall resume payment of contributions at the commencement of fiscal year 2005.

(e) For State fiscal years 2012 ~~2011~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that (i) for State fiscal year 1998, for all purposes of this Code and any other law of this State, the certified percentage of the applicable employee payroll shall be 5.052% for employees earning eligible creditable service under Section 14-110 and 6.500% for all other employees, notwithstanding any contrary certification made under Section 14-135.08 before the effective date of this amendatory Act of 1997, and (ii) in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a): 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2006 is $203,783,900.

Notwithstanding any other provision of this Article, the total required State contribution to the System for State fiscal year 2007 is $344,164,400.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of

the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2010 is $723,703,100 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State General Revenue Fund contribution for State fiscal year 2011 is the amount recertified by the System on or before June 15, 2010 pursuant to Section 14-135.08 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 14-135.08, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(f) After the submission of all payments for eligible employees from personal services line items in fiscal year 2004 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2004 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 93rd General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2004 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2004 through payments under this Section and under Section 6z-61 of the State Finance Act. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2004 Shortfall" for purposes of this Section, and the Fiscal Year 2004 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2004 Overpayment" for purposes of this Section, and the Fiscal Year 2004 Overpayment shall be repaid by the System to the Pension Contribution Fund as soon as practicable after the certification.

(g) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the

assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(h) For purposes of determining the required State contribution to the System for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the System's actuarially assumed rate of return.

(i) ~~(g)~~ After the submission of all payments for eligible employees from personal services line items paid from the General Revenue Fund in fiscal year 2010 have been made, the Comptroller shall provide to the System a certification of the sum of all fiscal year 2010 expenditures for personal services that would have been covered by payments to the System under this Section if the provisions of this amendatory Act of the 96th General Assembly had not been enacted. Upon receipt of the certification, the System shall determine the amount due to the System based on the full rate certified by the Board under Section 14-135.08 for fiscal year 2010 in order to meet the State's obligation under this Section. The System shall compare this amount due to the amount received by the System in fiscal year 2010 through payments under this Section. If the amount due is more than the amount received, the difference shall be termed the "Fiscal Year 2010 Shortfall" for purposes of this Section, and the Fiscal Year 2010 Shortfall shall be satisfied under Section 1.2 of the State Pension Funds Continuing Appropriation Act. If the amount due is less than the amount received, the difference shall be termed the "Fiscal Year 2010 Overpayment" for purposes of this Section, and the Fiscal Year 2010 Overpayment shall be repaid by the System to the General Revenue Fund as soon as practicable after the certification.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised 11-3-09.)

(40 ILCS 5/14-135.08) (from Ch. 108 1/2, par. 14-135.08)

Sec. 14-135.08. To certify required State contributions.

(a) To certify to the Governor and to each department, on or before November 15 of each year, the required rate for State contributions to the System for the next State fiscal year, as determined under subsection (b) of Section 14-131. The certification to the Governor shall include a copy of the actuarial recommendations upon which the rate is based.

(b) The certification shall include an additional amount necessary to pay all principal of and interest on those general obligation bonds due the next fiscal year authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act. For State fiscal year 2005, the Board shall make a supplemental certification of the additional amount necessary to pay all principal of and interest on those general obligation bonds due in State fiscal years 2004 and 2005 authorized by Section 7.2(a) of the General Obligation Bond Act and issued to provide the proceeds deposited by the State with the System in July 2003, representing deposits other than amounts reserved under Section 7.2(c) of the General Obligation Bond Act, as soon as practical after the effective date of this amendatory Act of the 93rd General Assembly.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required rates for State contributions to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System and the required rates for State contributions to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor and to each department the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(Source: P.A. 93-2, eff. 4-7-03; 93-839, eff. 7-30-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/15-155) (from Ch. 108 1/2, par. 15-155)

Sec. 15-155. Employer contributions.

(a) The State of Illinois shall make contributions by appropriations of amounts which, together with the other employer contributions from trust, federal, and other funds, employee contributions, income from investments, and other income of this System, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of

the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (a-1).

(a-1) For State fiscal years 2012 ~~2011~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is $166,641,900.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is $252,064,100.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is $702,514,000 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before June 15, 2010 pursuant to Section 15-165 and shall be made from the State Pensions Fund and proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 15-165, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(b) If an employee is paid from trust or federal funds, the employer shall pay to the Board contributions

from those funds which are sufficient to cover the accruing normal costs on behalf of the employee. However, universities having employees who are compensated out of local auxiliary funds, income funds, or service enterprise funds are not required to pay such contributions on behalf of those employees. The local auxiliary funds, income funds, and service enterprise funds of universities shall not be considered trust funds for the purpose of this Article, but funds of alumni associations, foundations, and athletic associations which are affiliated with the universities included as employers under this Article and other employers which do not receive State appropriations are considered to be trust funds for the purpose of this Article.

(b-1) The City of Urbana and the City of Champaign shall each make employer contributions to this System for their respective firefighter employees who participate in this System pursuant to subsection (h) of Section 15-107. The rate of contributions to be made by those municipalities shall be determined annually by the Board on the basis of the actuarial assumptions adopted by the Board and the recommendations of the actuary, and shall be expressed as a percentage of salary for each such employee. The Board shall certify the rate to the affected municipalities as soon as may be practical. The employer contributions required under this subsection shall be remitted by the municipality to the System at the same time and in the same manner as employee contributions.

(c) Through State fiscal year 1995: The total employer contribution shall be apportioned among the various funds of the State and other employers, whether trust, federal, or other funds, in accordance with actuarial procedures approved by the Board. State of Illinois contributions for employers receiving State appropriations for personal services shall be payable from appropriations made to the employers or to the System. The contributions for Class I community colleges covering earnings other than those paid from trust and federal funds, shall be payable solely from appropriations to the Illinois Community College Board or the System for employer contributions.

(d) Beginning in State fiscal year 1996, the required State contributions to the System shall be appropriated directly to the System and shall be payable through vouchers issued in accordance with subsection (c) of Section 15-165, except as provided in subsection (g).

(e) The State Comptroller shall draw warrants payable to the System upon proper certification by the System or by the employer in accordance with the appropriation laws and this Code.

(f) Normal costs under this Section means liability for pensions and other benefits which accrues to the System because of the credits earned for service rendered by the participants during the fiscal year and expenses of administering the System, but shall not include the principal of or any redemption premium or interest on any bonds issued by the Board or any expenses incurred or deposits required in connection therewith.

(g) If the amount of a participant's earnings for any academic year used to determine the final rate of earnings, determined on a full-time equivalent basis, exceeds the amount of his or her earnings with the same employer for the previous academic year, determined on a full-time equivalent basis, by more than 6%, the participant's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in earnings that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. The System may require the employer to provide any pertinent information or documentation.

Whenever it determines that a payment is or may be required under this subsection (g), the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (h) or (i) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of subsection (h) or (i). Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(h) This subsection (h) applies only to payments made or salary increases given on or after June 1, 2005

but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to participants under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases paid to a participant at a time when the participant is 10 or more years from retirement eligibility under Section 15-135.

When assessing payment for any amount due under subsection (g), the System shall exclude earnings increases resulting from overload work, including a contract for summer teaching, or overtime when the employer has certified to the System, and the System has approved the certification, that: (i) in the case of overloads (A) the overload work is for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid and (B) the earnings increases are equal to or less than the rate of pay for academic instruction computed using the participant's current salary rate and work schedule; and (ii) in the case of overtime, the overtime was necessary for the educational mission.

When assessing payment for any amount due under subsection (g), the System shall exclude any earnings increase resulting from (i) a promotion for which the employee moves from one classification to a higher classification under the State Universities Civil Service System, (ii) a promotion in academic rank for a tenured or tenure-track faculty position, or (iii) a promotion that the Illinois Community College Board has recommended in accordance with subsection (k) of this Section. These earnings increases shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions.

(i) When assessing payment for any amount due under subsection (g), the System shall exclude any salary increase described in subsection (h) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (g) of this Section.

(j) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

(1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(k) The Illinois Community College Board shall adopt rules for recommending lists of promotional positions submitted to the Board by community colleges and for reviewing the promotional lists on an annual basis. When recommending promotional lists, the Board shall consider the similarity of the positions submitted to those positions recognized for State universities by the State Universities Civil Service System. The Illinois Community College Board shall file a copy of its findings with the System. The System shall consider the findings of the Illinois Community College Board when making determinations under this Section. The System shall not exclude any earnings increases resulting from a promotion when the promotion was not submitted by a community college. Nothing in this subsection (k) shall require any community college to submit any information to the Community College Board.

(l) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(m) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed

rate of return.
(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/15-165) (from Ch. 108 1/2, par. 15-165)

Sec. 15-165. To certify amounts and submit vouchers.

(a) The Board shall certify to the Governor on or before November 15 of each year the appropriation required from State funds for the purposes of this System for the following fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) The Board shall certify to the State Comptroller or employer, as the case may be, from time to time, by its president and secretary, with its seal attached, the amounts payable to the System from the various funds.

(c) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (b) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(d) So long as the payments received are the full amount lawfully vouchered under this Section, payments received by the System under this Section shall be applied first toward the employer contribution to the self-managed plan established under Section 15-158.2. Payments shall be applied second toward the employer's portion of the normal costs of the System, as defined in subsection (f) of Section 15-155. The balance shall be applied toward the unfunded actuarial liabilities of the System.

(e) In the event that the System does not receive, as a result of legislative enactment or otherwise, payments sufficient to fully fund the employer contribution to the self-managed plan established under Section 15-158.2 and to fully fund that portion of the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1), then any payments received shall be applied proportionately to the optional retirement program established under Section 15-158.2 and to the employer's portion of the normal costs of the System, as calculated in accordance with Section 15-155(a-1).
(Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

(40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

Sec. 16-158. Contributions by State and other employing units.

(a) The State shall make contributions to the System by means of appropriations from the Common School Fund and other State funds of amounts which, together with other employer contributions, employee contributions, investment income, and other income, will be sufficient to meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations.

The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the recommendations of the actuary, using the formula in subsection (b-3).

(a-1) Annually, on or before November 15, the Board shall certify to the Governor the amount of the required State contribution for the coming fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Through State fiscal year 1995, the State contributions shall be paid to the System in accordance with Section 18-7 of the School Code.

(b-1) Beginning in State fiscal year 1996, on the 15th day of each month, or as soon thereafter as may be practicable, the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a-1). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (a) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this subsection, the difference shall be paid from the Common School Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(b-2) Allocations from the Common School Fund apportioned to school districts not coming under this System shall not be diminished or affected by the provisions of this Article.

(b-3) For State fiscal years 2012 ~~2011~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section; except that in the following specified State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll, even if the indicated percentage will produce a State contribution in excess of the amount otherwise required under this subsection and subsection (a), and notwithstanding any contrary certification made under subsection (a-1) before the effective date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77% in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY 2003; and 13.56% in FY 2004.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is $534,627,700.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is $738,014,500.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal

year 2010 is $2,089,268,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before June 15, 2010 pursuant to subsection (a-1) of this Section and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the Common School Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable. This amount shall include, in addition to the amount certified by the System, an amount necessary to meet employer contributions required by the State as an employer under paragraph (e) of this Section, which may also be used by the System for contributions required by paragraph (a) of Section 16-127.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under subsection (a-1), shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(c) Payment of the required State contributions and of all pensions, retirement annuities, death benefits, refunds, and other benefits granted under or assumed by this System, and all expenses in connection with the administration and operation thereof, are obligations of the State.

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall pay to the System from such funds the full accruing retirement costs based upon that service, as determined by the System. Employer contributions, based on salary paid to members from federal funds, may be forwarded by the distributing agency of the State of Illinois to the System prior to allocation, in an amount determined in accordance with guidelines established by such agency and the System.

(d) Effective July 1, 1986, any employer of a teacher as defined in paragraph (8) of Section 16-106 shall pay the employer's normal cost of benefits based upon the teacher's service, in addition to employee contributions, as determined by the System. Such employer contributions shall be forwarded monthly in accordance with guidelines established by the System.

However, with respect to benefits granted under Section 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8) of Section 16-106, the employer's contribution shall be 12% (rather than 20%) of the member's highest annual salary rate for each year of creditable service granted, and the employer shall also pay the required employee contribution on behalf of the teacher. For the purposes of Sections 16-133.4 and 16-133.5, a teacher as defined in paragraph (8) of Section 16-106 who is serving in that capacity while on leave of absence from another employer under this Article shall not be considered an employee of the

employer from which the teacher is on leave.

(e) Beginning July 1, 1998, every employer of a teacher shall pay to the System an employer contribution computed as follows:

(1) Beginning July 1, 1998 through June 30, 1999, the employer contribution shall be equal to 0.3% of each teacher's salary.

(2) Beginning July 1, 1999 and thereafter, the employer contribution shall be equal to 0.58% of each teacher's salary.

The school district or other employing unit may pay these employer contributions out of any source of funding available for that purpose and shall forward the contributions to the System on the schedule established for the payment of member contributions.

These employer contributions are intended to offset a portion of the cost to the System of the increases in retirement benefits resulting from this amendatory Act of 1998.

Each employer of teachers is entitled to a credit against the contributions required under this subsection (e) with respect to salaries paid to teachers for the period January 1, 2002 through June 30, 2003, equal to the amount paid by that employer under subsection (a-5) of Section 6.6 of the State Employees Group Insurance Act of 1971 with respect to salaries paid to teachers for that period.

The additional 1% employee contribution required under Section 16-152 by this amendatory Act of 1998 is the responsibility of the teacher and not the teacher's employer, unless the employer agrees, through collective bargaining or otherwise, to make the contribution on behalf of the teacher.

If an employer is required by a contract in effect on May 1, 1998 between the employer and an employee organization to pay, on behalf of all its full-time employees covered by this Article, all mandatory employee contributions required under this Article, then the employer shall be excused from paying the employer contribution required under this subsection (e) for the balance of the term of that contract. The employer and the employee organization shall jointly certify to the System the existence of the contractual requirement, in such form as the System may prescribe. This exclusion shall cease upon the termination, extension, or renewal of the contract at any time after May 1, 1998.

(f) If the amount of a teacher's salary for any school year used to determine final average salary exceeds the member's annual full-time salary rate with the same employer for the previous school year by more than 6%, the teacher's employer shall pay to the System, in addition to all other payments required under this Section and in accordance with guidelines established by the System, the present value of the increase in benefits resulting from the portion of the increase in salary that is in excess of 6%. This present value shall be computed by the System on the basis of the actuarial assumptions and tables used in the most recent actuarial valuation of the System that is available at the time of the computation. If a teacher's salary for the 2005-2006 school year is used to determine final average salary under this subsection (f), then the changes made to this subsection (f) by Public Act 94-1057 shall apply in calculating whether the increase in his or her salary is in excess of 6%. For the purposes of this Section, change in employment under Section 10-21.12 of the School Code on or after June 1, 2005 shall constitute a change in employer. The System may require the employer to provide any pertinent information or documentation. The changes made to this subsection (f) by this amendatory Act of the 94th General Assembly apply without regard to whether the teacher was in service on or after its effective date.

Whenever it determines that a payment is or may be required under this subsection, the System shall calculate the amount of the payment and bill the employer for that amount. The bill shall specify the calculations used to determine the amount due. If the employer disputes the amount of the bill, it may, within 30 days after receipt of the bill, apply to the System in writing for a recalculation. The application must specify in detail the grounds of the dispute and, if the employer asserts that the calculation is subject to subsection (g) or (h) of this Section, must include an affidavit setting forth and attesting to all facts within the employer's knowledge that are pertinent to the applicability of that subsection. Upon receiving a timely application for recalculation, the System shall review the application and, if appropriate, recalculate the amount due.

The employer contributions required under this subsection (f) may be paid in the form of a lump sum within 90 days after receipt of the bill. If the employer contributions are not paid within 90 days after receipt of the bill, then interest will be charged at a rate equal to the System's annual actuarially assumed rate of return on investment compounded annually from the 91st day after receipt of the bill. Payments must be concluded within 3 years after the employer's receipt of the bill.

(g) This subsection (g) applies only to payments made or salary increases given on or after June 1, 2005 but before July 1, 2011. The changes made by Public Act 94-1057 shall not require the System to refund any payments received before July 31, 2006 (the effective date of Public Act 94-1057).

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to teachers under contracts or collective bargaining agreements entered into, amended, or renewed before June 1, 2005.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases paid to a teacher at a time when the teacher is 10 or more years from retirement eligibility under Section 16-132 or 16-133.2.

When assessing payment for any amount due under subsection (f), the System shall exclude salary increases resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

When assessing payment for any amount due under subsection (f), the System shall exclude a salary increase resulting from a promotion (i) for which the employee is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board that is a different certification or supervisory endorsement than is required for the teacher's previous position and (ii) to a position that has existed and been filled by a member for no less than one complete academic year and the salary increase from the promotion is an increase that results in an amount no greater than the lesser of the average salary paid for other similar positions in the district requiring the same certification or the amount stipulated in the collective bargaining agreement for a similar position requiring the same certification.

When assessing payment for any amount due under subsection (f), the System shall exclude any payment to the teacher from the State of Illinois or the State Board of Education over which the employer does not have discretion, notwithstanding that the payment is included in the computation of final average salary.

(h) When assessing payment for any amount due under subsection (f), the System shall exclude any salary increase described in subsection (g) of this Section given on or after July 1, 2011 but before July 1, 2014 under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005 but before July 1, 2011. Notwithstanding any other provision of this Section, any payments made or salary increases given after June 30, 2014 shall be used in assessing payment for any amount due under subsection (f) of this Section.

(i) The System shall prepare a report and file copies of the report with the Governor and the General Assembly by January 1, 2007 that contains all of the following information:

(1) The number of recalculations required by the changes made to this Section by Public Act 94-1057 for each employer.

(2) The dollar amount by which each employer's contribution to the System was changed due to recalculations required by Public Act 94-1057.

(3) The total amount the System received from each employer as a result of the changes made to this Section by Public Act 94-4.

(4) The increase in the required State contribution resulting from the changes made to this Section by Public Act 94-1057.

(j) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(k) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-331, eff. 8-21-07; 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/18-131) (from Ch. 108 1/2, par. 18-131)

Sec. 18-131. Financing; employer contributions.

(a) The State of Illinois shall make contributions to this System by appropriations of the amounts which, together with the contributions of participants, net earnings on investments, and other income, will meet the costs of maintaining and administering this System on a 90% funded basis in accordance with actuarial recommendations.

(b) The Board shall determine the amount of State contributions required for each fiscal year on the basis of the actuarial tables and other assumptions adopted by the Board and the prescribed rate of interest, using

the formula in subsection (c).

(c) For State fiscal years 2012 ~~2011~~ through 2045, the minimum contribution to the System to be made by the State for each fiscal year shall be an amount determined by the System to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of State fiscal year 2045. In making these determinations, the required State contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.

For State fiscal years 1996 through 2005, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments so that by State fiscal year 2011, the State is contributing at the rate required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2006 is $29,189,400.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2007 is $35,236,800.

For each of State fiscal years 2008 through 2009, the State contribution to the System, as a percentage of the applicable employee payroll, shall be increased in equal annual increments from the required State contribution for State fiscal year 2007, so that by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2010 is $78,832,000 and shall be made from the proceeds of bonds sold in fiscal year 2010 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2010, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Notwithstanding any other provision of this Article, the total required State contribution for State fiscal year 2011 is the amount recertified by the System on or before June 15, 2010 pursuant to Section 18-140 and shall be made from the proceeds of bonds sold in fiscal year 2011 pursuant to Section 7.2 of the General Obligation Bond Act, less (i) the pro rata share of bond sale expenses determined by the System's share of total bond proceeds, (ii) any amounts received from the General Revenue Fund in fiscal year 2011, and (iii) any reduction in bond proceeds due to the issuance of discounted bonds, if applicable.

Beginning in State fiscal year 2046, the minimum State contribution for each fiscal year shall be the amount needed to maintain the total assets of the System at 90% of the total actuarial liabilities of the System.

Amounts received by the System pursuant to Section 25 of the Budget Stabilization Act or Section 8.12 of the State Finance Act in any fiscal year do not reduce and do not constitute payment of any portion of the minimum State contribution required under this Article in that fiscal year. Such amounts shall not reduce, and shall not be included in the calculation of, the required State contributions under this Article in any future year until the System has reached a funding ratio of at least 90%. A reference in this Article to the "required State contribution" or any substantially similar term does not include or apply to any amounts payable to the System under Section 25 of the Budget Stabilization Act.

Notwithstanding any other provision of this Section, the required State contribution for State fiscal year 2005 and for fiscal year 2008 and each fiscal year thereafter, as calculated under this Section and certified under Section 18-140, shall not exceed an amount equal to (i) the amount of the required State contribution that would have been calculated under this Section for that fiscal year if the System had not received any payments under subsection (d) of Section 7.2 of the General Obligation Bond Act, minus (ii) the portion of the State's total debt service payments for that fiscal year on the bonds issued for the purposes of that Section 7.2, as determined and certified by the Comptroller, that is the same as the System's portion of the total moneys distributed under subsection (d) of Section 7.2 of the General Obligation Bond Act. In determining this maximum for State fiscal years 2008 through 2010, however, the amount referred to in item (i) shall be increased, as a percentage of the applicable employee payroll, in equal increments calculated from the sum of the required State contribution for State fiscal year 2007 plus the applicable portion of the State's total debt service payments for fiscal year 2007 on the bonds issued for the purposes of Section 7.2 of the General Obligation Bond Act, so that, by State fiscal year 2011, the State is contributing at the rate otherwise required under this Section.

(d) For purposes of determining the required State contribution to the System, the value of the System's assets shall be equal to the actuarial value of the System's assets, which shall be calculated as follows:

As of June 30, 2008, the actuarial value of the System's assets shall be equal to the market value of the

assets as of that date. In determining the actuarial value of the System's assets for fiscal years after June 30, 2008, any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following that fiscal year.

(e) For purposes of determining the required State contribution to the system for a particular year, the actuarial value of assets shall be assumed to earn a rate of return equal to the system's actuarially assumed rate of return.

(Source: P.A. 95-950, eff. 8-29-08; 96-43, eff. 7-15-09.)

(40 ILCS 5/18-140) (from Ch. 108 1/2, par. 18-140)

Sec. 18-140. To certify required State contributions and submit vouchers.

(a) The Board shall certify to the Governor, on or before November 15 of each year, the amount of the required State contribution to the System for the following fiscal year. The certification shall include a copy of the actuarial recommendations upon which it is based.

On or before May 1, 2004, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2005, taking into account the amounts appropriated to and received by the System under subsection (d) of Section 7.2 of the General Obligation Bond Act.

On or before July 1, 2005, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2006, taking into account the changes in required State contributions made by this amendatory Act of the 94th General Assembly.

On or before June 15, 2010, the Board shall recalculate and recertify to the Governor the amount of the required State contribution to the System for State fiscal year 2011, applying the changes made by Public Act 96-889 to the System's assets and liabilities as of June 30, 2009 as though Public Act 96-889 was approved on that date.

(b) Beginning in State fiscal year 1996, on or as soon as possible after the 15th day of each month the Board shall submit vouchers for payment of State contributions to the System, in a total monthly amount of one-twelfth of the required annual State contribution certified under subsection (a). From the effective date of this amendatory Act of the 93rd General Assembly through June 30, 2004, the Board shall not submit vouchers for the remainder of fiscal year 2004 in excess of the fiscal year 2004 certified contribution amount determined under this Section after taking into consideration the transfer to the System under subsection (c) of Section 6z-61 of the State Finance Act. These vouchers shall be paid by the State Comptroller and Treasurer by warrants drawn on the funds appropriated to the System for that fiscal year.

If in any month the amount remaining unexpended from all other appropriations to the System for the applicable fiscal year (including the appropriations to the System under Section 8.12 of the State Finance Act and Section 1 of the State Pension Funds Continuing Appropriation Act) is less than the amount lawfully vouchered under this Section, the difference shall be paid from the General Revenue Fund under the continuing appropriation authority provided in Section 1.1 of the State Pension Funds Continuing Appropriation Act.

(Source: P.A. 93-2, eff. 4-7-03; 93-665, eff. 3-5-04; 94-4, eff. 6-1-05.)

Section 15. The State Pension Funds Continuing Appropriation Act is amended by changing Sections 1.1 and 1.2 and by adding Section 1.8 as follows:

(40 ILCS 15/1.1)

Sec. 1.1. Appropriations to certain retirement systems.

(a) There is hereby appropriated from the General Revenue Fund to the General Assembly Retirement System, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 2-134 of the Illinois Pension Code.

(b) There is hereby appropriated from the General Revenue Fund to the State Universities Retirement System, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions, including any deficiency in the required contributions of the optional retirement program established under Section 15-158.2 of the Illinois Pension Code, is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 15-165 of the Illinois Pension Code.

(c) There is hereby appropriated from the Common School Fund to the Teachers' Retirement System of the State of Illinois, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system

for that month under Section 16-158 of the Illinois Pension Code.

(d) There is hereby appropriated from the General Revenue Fund to the Judges Retirement System of Illinois, on a continuing monthly basis, the amount, if any, by which the total available amount of all other appropriations to that retirement system for the payment of State contributions is less than the total amount of the vouchers for required State contributions lawfully submitted by the retirement system for that month under Section 18-140 of the Illinois Pension Code.

(e) The continuing appropriations provided by this Section shall first be available in State fiscal year 1996.

(f) For State fiscal year 2010 only, the continuing appropriations provided by this Section are equal to the amount certified by each System on or before December 31, 2008, less (i) the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act and (ii) any amounts received from the State Pensions Fund.

(g) For State fiscal year 2011 only, the continuing appropriations provided by this Section are equal to the amount certified by each System on or before June 15, 2010, less (i) the gross proceeds of the bonds sold in fiscal year 2011 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act and (ii) any amounts received from the State Pensions Fund.

(Source: P.A. 96-43, eff. 7-15-09.)

(40 ILCS 15/1.2)

Sec. 1.2. Appropriations for the State Employees' Retirement System.

(a) From each fund from which an amount is appropriated for personal services to a department or other employer under Article 14 of the Illinois Pension Code, there is hereby appropriated to that department or other employer, on a continuing annual basis for each State fiscal year, an additional amount equal to the amount, if any, by which (1) an amount equal to the percentage of the personal services line item for that department or employer from that fund for that fiscal year that the Board of Trustees of the State Employees' Retirement System of Illinois has certified under Section 14-135.08 of the Illinois Pension Code to be necessary to meet the State's obligation under Section 14-131 of the Illinois Pension Code for that fiscal year, exceeds (2) the amounts otherwise appropriated to that department or employer from that fund for State contributions to the State Employees' Retirement System for that fiscal year. From the effective date of this amendatory Act of the 93rd General Assembly through the final payment from a department or employer's personal services line item for fiscal year 2004, payments to the State Employees' Retirement System that otherwise would have been made under this subsection (a) shall be governed by the provisions in subsection (a-1).

(a-1) If a Fiscal Year 2004 Shortfall is certified under subsection (f) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2004 Shortfall.

(a-2) If a Fiscal Year 2010 Shortfall is certified under subsection (g) of Section 14-131 of the Illinois Pension Code, there is hereby appropriated to the State Employees' Retirement System of Illinois on a continuing basis from the General Revenue Fund an additional aggregate amount equal to the Fiscal Year 2010 Shortfall.

(b) The continuing appropriations provided for by this Section shall first be available in State fiscal year 1996.

(c) Beginning in Fiscal Year 2005, any continuing appropriation under this Section arising out of an appropriation for personal services from the Road Fund to the Department of State Police or the Secretary of State shall be payable from the General Revenue Fund rather than the Road Fund.

(d) For State fiscal year 2010 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before December 31, 2008, less the gross proceeds of the bonds sold in fiscal year 2010 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.

(e) For State fiscal year 2011 only, a continuing appropriation is provided to the State Employees' Retirement System equal to the amount certified by the System on or before June 15, 2010, less the gross proceeds of the bonds sold in fiscal year 2011 under the authorization contained in subsection (a) of Section 7.2 of the General Obligation Bond Act.

(Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised 11-3-09.)

(40 ILCS 15/1.8 new)

Sec. 1.8. Suspension of appropriations for fiscal year 2011. Notwithstanding any other provision of this Act, no appropriation otherwise required from the General Revenue Fund or the Common School Fund

under this Act is required to be made prior to October 31, 2010; however, after October 31st the system shall be immediately appropriated an amount that would have been otherwise available through this Act.

Section 99. Effective date. This Act takes effect upon becoming law.".

Representative Franks requested a roll call vote on Amendment No. 3.

And on that motion, a vote was taken resulting as follows:
61, Yeas; 56, Nays; 0, Answering Present.
(ROLL CALL 18)
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.

SUSPEND POSTING REQUIREMENTS

Pursuant to Rule 25, Representative Currie moved to suspend the posting requirements of Rule 21 in relation to HOUSE RESOLUTION 1166 to be heard in Environmental Health Committee, SENATE BILL 3721 to be heard in Environment & Energy Committee and SENATE JOINT RESOLUTION 72 to be heard in Human Services Committee.

The motion prevailed.

SENATE BILL ON SECOND READING

SENATE BILL 3514. Having been read by title a second time on May 5, 2010, and held on the order of Second Reading, the same was again taken up and advanced to the order of Third Reading.

RECALL

At the request of the principal sponsor, Representative McCarthy, SENATE BILL 107 was recalled from the order of Third Reading to the order of Second Reading.

SENATE BILLS ON SECOND READING

SENATE BILL 107. Having been recalled on May 5, 2010, the same was again taken up.

Representative McCarthy offered the following amendment and moved its adoption.

AMENDMENT NO. 5. Amend Senate Bill 107, AS AMENDED, with reference to page and line numbers of House Amendment No. 3, on page 62, line 8, by deleting "or"; and
on page 62, line 8, after "this Act,", by inserting "or this amendatory Act of the 96th General Assembly,".

The foregoing motion prevailed and the amendment was adopted.

There being no further amendment(s), the bill, as amended, was again advanced to the order of Third Reading.

SENATE BILL ON THIRD READING

The following bill 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 McCarthy, SENATE BILL 107 was taken up and read by title a third time.

The Chair placed this bill on standard debate.

And the question being, “Shall this bill pass?” it was decided in the affirmative by the following vote:

118, Yeas; 0, Nays; 0, Answering Present.

(ROLL CALL 19)

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.

AGREED RESOLUTIONS

HOUSE RESOLUTIONS 1209, 1210, 1211, 1212, 1213, 1214, 1215, 1216, 1217 and 1220 were taken up for consideration.

Representative Lang moved the adoption of the agreed resolutions.

The motion prevailed and the agreed resolutions were adopted.

At the hour of 6:56 o'clock p.m., Representative Currie moved that the House do now adjourn until Thursday, May 6, 2010, at 10:30 o'clock p.m., allowing perfunctory time for the Clerk.

The motion prevailed.

And the House stood adjourned.

NO. 1

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE

May 05, 2010

0 YEAS 0 NAYS 118 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	P Mathias	P Saviano
P Biggins	P Farnham	P Mautino	P Schmitz
P 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
P 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

NO. 2

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE JOINT RESOLUTION 110
NCSL-HOST COMMITTEE
ADOPTED

May 05, 2010

118 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 3

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 1332
FIN REG-AFFILIATES
THIRD READING
PASSED

May 05, 2010

117 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
NV 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
Y 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

NO. 4

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 2538
COMM COLLEGE-GRANT FUNDING
THIRD READING
PASSED

May 05, 2010

117 YEAS 0 NAYS 0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	A 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 5

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 2795
PROP TAX-SUBDIVISION ASSESS
THIRD READING
PASSED

May 05, 2010

88 YEAS 25 NAYS 3 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	N Reis
Y Arroyo	Y Davis, William	A 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	NV Rose
Y Bellock	Y Durkin	Y Lyons	Y Sacia
Y Berrios	N Eddy	Y Mathias	Y Saviano
Y Biggins	N Farnham	Y Mautino	Y Schmitz
N Black	Y Feigenholtz	Y May	N Senger
Y Boland	N Flider	N McAsey	N 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	N Franks	Y Mell	Y Stephens
Y Burke	Y Fritchey	Y Mendoza	Y Sullivan
Y Burns	Y Froehlich	Y Miller	N Thapedi
Y Carberry	Y Gabel	N Mitchell, Bill	Y Tracy
N Cavaletto	Y Golar	Y Mitchell, Jerry	Y Tryon
N Chapa LaVia	Y Gordon, Careen	Y Moffitt	Y Turner
P Coladipietro	N Gordon, Jehan	N Mulligan	Y Verschoore
N Cole	Y Hannig	N Myers	Y Wait
Y Collins	Y Harris	Y Nekritz	N Walker
Y Colvin	Y Hatcher	Y Osmond	Y Washington
Y Connelly	Y Hernandez	Y Osterman	N Watson
N Coulson	Y Hoffman	Y Phelps	Y Winters
N Crespo	N Holbrook	N Pihos	Y Yarbrough
Y Cross	Y Howard	Y Poe	Y Zalewski
Y Cultra	Y Jackson	Y Pritchard	P Mr. Speaker
Y Currie	Y Jakobsson	N Ramey	
Y D'Amico	Y Jefferson	P Reboletti	

E - Denotes Excused Absence

NO. 6

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 459
INC TX/USE TX-FORM-TAX AMNESTY
THIRD READING
PASSED

May 05, 2010

117 YEAS 0 NAYS 0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	A 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 7

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3531
IHDA-TAX CREDITS-DONATIONS
THIRD READING
PASSED

May 05, 2010

76 YEAS 37 NAYS 1 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	N Reis
Y Arroyo	Y Davis, William	A Kosel	Y Reitz
N Bassi	Y DeLuca	Y Lang	Y Riley
Y Beaubien	Y Dugan	N Leitch	Y Rita
Y Beiser	Y Dunkin	Y Lilly	N Rose
N Bellock	Y Durkin	Y Lyons	N Sacia
Y Berrios	N Eddy	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	N Schmitz
N Black	Y Feigenholtz	Y May	N Senger
Y Boland	NV Flider	Y McAsey	Y Sente
N Bost	Y Flowers	Y McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	N Sommer
NV Brady	N Fortner	Y McGuire	Y Soto
N Brauer	Y Franks	Y Mell	N Stephens
Y Burke	Y Fritchey	Y Mendoza	N Sullivan
NV Burns	Y Froehlich	Y Miller	Y 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	Y Moffitt	Y Turner
N Coladipietro	Y Gordon, Jehan	N Mulligan	Y Verschoore
N Cole	Y Hannig	N Myers	N Wait
Y Collins	Y Harris	Y Nekritz	Y Walker
Y Colvin	N Hatcher	N Osmond	Y Washington
N Connelly	Y Hernandez	Y Osterman	Y Watson
N Coulson	Y Hoffman	Y Phelps	N Winters
Y Crespo	Y Holbrook	N Pihos	Y Yarbrough
N Cross	Y Howard	N Poe	Y Zalewski
N Cultra	Y Jackson	Y Pritchard	P Mr. Speaker
Y Currie	Y Jakobsson	N Ramey	
Y D'Amico	Y Jefferson	N Reboletti	

E - Denotes Excused Absence

NO. 8

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3547
SCH CD-TEXTBOOKS-ELECTRONIC
THIRD READING
PASSED

May 05, 2010

116 YEAS 0 NAYS 1 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	A 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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	P Gordon, Careen	Y Moffitt	Y Turner
Y Coladipietro	Y Gordon, Jehan	Y Mulligan	Y Verschoore
Y Cole	Y Hannig	Y Myers	Y Wait
Y 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

NO. 9

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3619
INDUSTRIAL JOBS TIF-EXTEND
THIRD READING
PASSED

May 05, 2010

117 YEAS 0 NAYS 0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	Y Reis
Y Arroyo	Y Davis, William	A 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 10

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
HOUSE BILL 5633
EDUCATION-TECH
MOTION TO CONCUR IN SENATE AMENDMENT NO. 1
CONCURRED

May 05, 2010

118 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 11

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
HOUSE BILL 6099
AGRICULTURE-FERTILIZER ACT
MOTION TO CONCUR IN SENATE AMENDMENT NO. 1
CONCURRED

May 05, 2010

118 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 12

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3584
BUSINESS TRANSACTIONS-TOWERS
THIRD READING
PASSED

May 05, 2010

118 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 13

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE JOINT RESOLUTION 88
HIGHER ED FINANCE STUDY COMM
ADOPTED

May 05, 2010

118 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 14

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE JOINT RESOLUTION 105
URGES-DPT AG-ADOPT GIS
ADOPTED

May 05, 2010

118 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 15

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3762
PUB AID-VOUCHER-BILL-PROVIDERS
THIRD READING
PASSED

May 05, 2010

118 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 16

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
HOUSE BILL 4846
FIRE PROTECTION DIST-BOARD
MOTION TO CONCUR IN SENATE AMENDMENT NO. 1
CONCURRED

May 05, 2010

118 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

NO. 17

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3514
LOTTO PRIZE CONTINUING APPROP
FLOOR AMENDMENT NO. 2 - CURRIE
LOST

May 05, 2010

43 YEAS 73 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	Y Dunkin	Y Lilly	N Rose
N Bellock	N Durkin	Y Lyons	N Sacia
Y Berrios	N Eddy	N Mathias	N Saviano
N Biggins	Y Farnham	Y Mautino	N Schmitz
N Black	NV Feigenholtz	N May	N Senger
Y Boland	N Flider	Y 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	Y Mendoza	N Sullivan
Y Burns	Y Froehlich	N Miller	Y Thapedi
N Carberry	N Gabel	N Mitchell, Bill	N Tracy
N Cavaletto	Y Golar	N Mitchell, Jerry	N Tryon
N Chapa LaVia	NV Gordon, Careen	N Moffitt	Y Turner
N Coladipietro	N Gordon, Jehan	N Mulligan	N Verschoore
N Cole	N Hannig	N Myers	N Wait
Y Collins	N Harris	N Nekritz	Y Walker
N Colvin	N Hatcher	N Osmond	Y Washington
N Connelly	Y Hernandez	N Osterman	N Watson
N Coulson	N Hoffman	N Phelps	N Winters
Y Crespo	N 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

NO. 18

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 3514
LOTTO PRIZE CONTINUING APPROP
FLOOR AMENDMENT NO. 3 - CURRIE
ADOPTED

May 05, 2010

61 YEAS 56 NAYS 0 PRESENT

Y Acevedo	Y Davis, Monique	Y Joyce	N Reis
Y Arroyo	Y Davis, William	N Kosel	Y Reitz
N 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	Y Lyons	N Sacia
Y Berrios	N Eddy	N Mathias	N Saviano
N Biggins	Y Farnham	Y Mautino	N Schmitz
N Black	Y Feigenholtz	N May	N Senger
Y Boland	Y Flider	Y McAsey	N Sente
N Bost	Y Flowers	N McAuliffe	Y Smith
Y Bradley	Y Ford	Y McCarthy	N Sommer
N Brady	N Fortner	Y McGuire	Y Soto
N Brauer	N Franks	Y Mell	N Stephens
Y Burke	Y Fritchey	Y Mendoza	N Sullivan
Y Burns	Y Froehlich	N Miller	Y Thapedi
Y Carberry	Y Gabel	N Mitchell, Bill	N Tracy
N Cavaletto	Y Golar	N Mitchell, Jerry	N Tryon
N Chapa LaVia	NV Gordon, Careen	N Moffitt	Y Turner
N Coladipietro	Y Gordon, Jehan	N Mulligan	N Verschoore
N Cole	Y Hannig	N Myers	N Wait
Y Collins	Y Harris	N Nekritz	Y Walker
Y Colvin	N Hatcher	N Osmond	Y Washington
N Connelly	Y Hernandez	N Osterman	N Watson
N Coulson	Y Hoffman	Y 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

NO. 19

STATE OF ILLINOIS
NINETY-SIXTH
GENERAL ASSEMBLY
HOUSE ROLL CALL
SENATE BILL 107
PUB UTIL-CONTRACT-CABLE-TERM
THIRD READING
PASSED

May 05, 2010

118 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	Y Mathias	Y Saviano
Y Biggins	Y Farnham	Y Mautino	Y Schmitz
Y 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
Y 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

137TH LEGISLATIVE DAY

Perfunctory Session

WEDNESDAY, MAY 5, 2010

At the hour of 8:23 o'clock p.m., the House convened perfunctory session.

TEMPORARY COMMITTEE ASSIGNMENTS

Representative Soto replaced Representative Smith in the Committee on Environment & Energy on May 5, 2010.

Representative Connelly replaced Representative Sullivan in the Committee on Revenue & Finance on May 5, 2010.

REPORTS FROM STANDING COMMITTEES

Representative Burke, Chairperson, from the Committee on Executive to which the following were referred, action taken on May 5, 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 BILLS 28, 3268, 3660 and 3662.

That the Floor Amendment be reported "recommends be adopted":
Amendment No. 3 to SENATE BILL 1526.

The committee roll call vote on Senate Bills 28, 3268, 3660 and 3662 is as follows:

7, Yeas; 4, Nays; 0, Answering Present.

Y Burke(D), Chairperson
N Brady(R), Republican Spokesperson
Y Arroyo(D)
N Biggins(R)
N Sullivan(R)
Y Currie(D)(replacing Turner)
Y Lyons(D), Vice-Chairperson
Y Acevedo(D)
Y Berrios(D)
Y Rita(D)
N Tryon(R)

The committee roll call vote on Amendment No. 3 to Senate Bill 1526 is as follows:

11, Yeas; 0, Nays; 0, Answering Present.

Y Burke(D), Chairperson
Y Brady(R), Republican Spokesperson
Y Arroyo(D)
Y Biggins(R)
Y Sullivan(R)
Y Currie(D)(replacing Turner)
Y Lyons(D), Vice-Chairperson
Y Acevedo(D)
Y Berrios(D)
Y Rita(D)
Y Tryon(R)

Representative Holbrook, Chairperson, from the Committee on Environment & Energy to which the following were referred, action taken on May 5, 2010, reported the same back with the following recommendations:

That the Motion be reported "recommends be adopted" and placed on the House Calendar:
Motion to concur with Senate Amendment No. 1 to HOUSE BILL 156.

That the bill be reported "do pass as amended" and be placed on the order of Second Reading-- Short Debate: SENATE BILL 3721.

The committee roll call vote on Motion to concur with Senate Amendment No. 1 to House Bill 156 is as follows:

15, Yeas; 0, Nays; 0, Answering Present.

Y Holbrook(D), Chairperson
Y Tryon(R), Republican Spokesperson
Y Bradley(D)
Y Durkin(R)
Y Fortner(R)
A May(D)
Y Poe(R)
Y Reitz(D)
A Smith(D)
A Watson(R)
Y Nekritz(D), Vice-Chairperson
Y Beiser(D)
Y Cole(R)
Y Flider(D)
A Gabel(D)
Y Phelps(D)
Y Reboletti(R)
A Rose(R)
Y Verschoore(D)
Y Winters(R)

The committee roll call vote on Senate Bill 3721 is as follows:
12, Yeas; 6, Nays; 0, Answering Present.

N Holbrook(D), Chairperson
Y Tryon(R), Republican Spokesperson
Y Bradley(D)
Y Durkin(R)
Y Fortner(R)
N May(D)
Y Poe(R)
Y Reitz(D)
Y Soto(D)(replacing Smith)
A Watson(R)
N Nekritz(D), Vice-Chairperson
Y Beiser(D)
N Cole(R)
N Flider(D)
N Gabel(D)
Y Phelps(D)
Y Reboletti(R)
Y Rose(R)
Y Verschoore(D)
A Winters(R)

Representative Bradley, Chairperson, from the Committee on Revenue & Finance to which the following were referred, action taken on May 5, 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 3089.

That the bill be reported "do pass as amended" and be placed on the order of Second Reading-- Standard Debate: SENATE BILLS 240 and 2487.

The committee roll call vote on Senate Bills 240 and 2487 is as follows:
7, Yeas; 5, Nays; 0, Answering Present.

Y Bradley(D), Chairperson
N Biggins(R), Republican Spokesperson
N Beaubien(R)
Y Currie(D)
Y Ford(D)
N Connelly(R)(replacing Sullivan)
Y Zalewski(D)
Y Mautino(D), Vice-Chairperson
N Bassi(R)
Y Chapa LaVia(D)
N Eddy(R)
Y Gordon, Careen(D)
A Turner(D)

The committee roll call vote on Senate Bill 3089 is as follows:
12, Yeas; 0, Nays; 0, Answering Present.

Y Bradley(D), Chairperson
Y Biggins(R), Republican Spokesperson
Y Beaubien(R)
Y Currie(D)
Y Ford(D)
Y Connelly(R)(replacing Sullivan)
Y Zalewski(D)
Y Mautino(D), Vice-Chairperson
Y Bassi(R)
Y Chapa LaVia(D)
Y Eddy(R)
Y Gordon, Careen(D)
A Turner(D)

Representative May, Chairperson, from the Committee on Environmental Health to which the following were referred, action taken on May 5, 2010, reported the same back with the following recommendations:

That the resolution be reported "recommends be adopted" and be placed on the House Calendar: HOUSE RESOLUTION 1166.

The committee roll call vote on House Resolution 1166 is as follows:

8, Yeas; 0, Nays; 0, Answering Present.

Y May(D), Chairperson
Y Tracy(R), Republican Spokesperson
Y Jakobsson(D)
A Rita(D)
Y Schmitz(R)
A Tryon(R)
A Yarbrough(D)
Y McCarthy(D), Vice-Chairperson
Y Froehlich(D)
Y Nekritz(D)
A Rose(R)
A Stephens(R)
Y Winters(R)

Representative Monique Davis, Chairperson, from the Committee on Insurance to which the following were referred, action taken on May 5, 2010, reported the same back with the following recommendations:

That the resolution be reported "recommends be adopted" and be placed on the House Calendar: HOUSE RESOLUTION 1171.

The committee roll call vote on House Resolution 1171 is as follows:

13, Yeas; 0, Nays; 0, Answering Present.

Y Davis, Monique(D), Chairperson
Y Watson(R), Republican Spokesperson
A Berrios(D)
Y Colvin(D)
A Feigenholtz(D)
A Fritchey(D)
A Gordon, Careen(D)
Y Lang(D)
A Mautino(D)
A Mitchell, Bill(R)
A Pritchard(R)
Y Senger(R)
A Yarbrough(D), Vice-Chairperson
Y Beaubien(R)
A Brady(R)
Y Dunkin(D)
Y Ford(D)
Y Gabel(D)
Y Harris(D)
Y Leitch(R)
Y Mell(D)
A Osmond(R)
Y Rose(R)
A Stephens(R)

INTRODUCTION AND FIRST READING OF BILLS

The following bills were introduced, read by title a first time, ordered reproduced and placed in the Committee on Rules:

HOUSE BILL 6867. Introduced by Representative Ford, AN ACT concerning revenue.

HOUSE BILL 6868. Introduced by Representative Flowers, AN ACT concerning appropriations.

HOUSE BILL 6869. Introduced by Representative Ford, AN ACT concerning State government.

HOUSE BILLS ON SECOND READING

Having been reproduced, the following bills were taken up, read by title a second time and held on the order of Second Reading: HOUSE BILLS 6425 and 6836.

SENATE BILLS ON SECOND READING

Having been reproduced, the following bills were taken up, read by title a second time and held on the order of Second Reading: SENATE BILLS 28, 240, 2487, 2863, 2969, 3044, 3089, 3093, 3180, 3268, 3344, 3610, 3660, 3662 and 3721.

At the hour of 8:26 o'clock p.m., the House Perfunctory Session adjourned.