



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0388

Introduced 1/25/2005, by Rep. Jay C. Hoffman

SYNOPSIS AS INTRODUCED:

30 ILCS 740/2-2.02	from Ch. 111 2/3, par. 662.02
30 ILCS 740/2-2.04	from Ch. 111 2/3, par. 662.04
30 ILCS 740/2-3	from Ch. 111 2/3, par. 663
30 ILCS 740/2-6	from Ch. 111 2/3, par. 666
30 ILCS 740/2-7	from Ch. 111 2/3, par. 667

Amends the Downstate Public Transportation Act. Provides that a municipality or local mass transit district serving a nonurbanized area and receiving federal rural public transportation assistance on or before December 31, 2003 (instead of June 30, 2002) is a "participant" for public transportation assistance. Beginning July 1, 2005, increases the amount paid by the Department of Revenue into the Downstate Public Transportation Fund each month to 3/32 (now 2/32) of 80% of the net revenue realized under certain State tax Acts within any municipality or county located within the boundaries of each participant in the Fund. Requires the Department of Revenue to allocate the entire amount paid into the Metro-East Public Transportation Fund to the District serving primarily the County of Madison (now, 55% is allocated to the District serving primarily the counties of Monroe and St. Clair and 45% is allocated to the District serving primarily the County of Madison). Provides that, beginning July 1, 2005, with respect to the District serving primarily the counties of Monroe and St. Clair: (i) the District is no longer included for new appropriation funding purposes as part of the Metro-East Public Transportation Fund and is instead included for new appropriation funding purposes as part of the Downstate Public Transportation Fund, provided that the District remains eligible for previously appropriated funds to which it would otherwise be entitled; (ii) the amount transferred from the General Revenue Fund to the Downstate Public Transportation Fund shall be 3/32 (now, 2/32) of 80% of the net revenue realized from within the boundaries of Monroe and St. Clair counties under certain State tax Acts; (iii) certain provisions with respect to allocations to Metro-East Mass Transit Districts of the amount paid into the Metro-East Public Transportation Fund do not apply to the District serving primarily the counties of Monroe and St. Clair with respect to fiscal year 2006 and succeeding fiscal years; and (iv) authorizes the District to file a request each fiscal year for a monthly payment of 1/12 of the amount appropriated for that fiscal year, except that the total amount of payments in a fiscal year shall not exceed the lesser of (i) 55% of the District's eligible operating expenses for that fiscal year or (ii) the total amount appropriated to the District for that fiscal year. Effective immediately.

LRB094 05697 AJ0 35748 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning transportation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Downstate Public Transportation Act is
5 amended by changing Sections 2-2.02, 2-2.04, 2-3, 2-6, and 2-7
6 as follows:

7 (30 ILCS 740/2-2.02) (from Ch. 111 2/3, par. 662.02)

8 Sec. 2-2.02. "Participant" means:

9 (1) a city, village, or incorporated town, or a local mass
10 transit district organized under the Local Mass Transit
11 District Act (a) serving an urbanized area of over 50,000
12 population on December 28, 1989, (b) receiving State mass
13 transportation operating assistance pursuant to the Downstate
14 Public Transportation Act during Fiscal Year 1979, or (c)
15 serving a nonurbanized area and receiving federal rural public
16 transportation assistance on or before December 31, 2003 ~~June~~
17 ~~30, 2002~~; or

18 (2) any Metro-East Transit District established pursuant
19 to Section 3 of the Local Mass Transit District Act and serving
20 one or more of the Counties of Madison, Monroe, and St. Clair
21 during Fiscal Year 1989, all located outside the boundaries of
22 the Regional Transportation Authority as established pursuant
23 to the Regional Transportation Authority Act.

24 (Source: P.A. 91-357, eff. 7-29-99; 92-258, eff. 8-7-01;
25 92-464, eff. 8-22-01.)

26 (30 ILCS 740/2-2.04) (from Ch. 111 2/3, par. 662.04)

27 Sec. 2-2.04. "Eligible operating expenses" means all
28 expenses required for public transportation, including
29 employee wages and benefits, materials, fuels, supplies,
30 rental of facilities, taxes other than income taxes, payment
31 made for debt service (including principal and interest) on

1 publicly owned equipment or facilities, and any other
2 expenditure which is an operating expense according to standard
3 accounting practices for the providing of public
4 transportation. Eligible operating expenses shall not include
5 allowances: (a) for depreciation whether funded or unfunded;
6 (b) for amortization of any intangible costs; (c) for debt
7 service on capital acquired with the assistance of capital
8 grant funds provided by the State of Illinois; (d) for profits
9 or return on investment; (e) for excessive payment to
10 associated entities; (f) for Comprehensive Employment Training
11 Act expenses; (g) for costs reimbursed under Sections 6 and 8
12 of the "Urban Mass Transportation Act of 1964", as amended; (h)
13 for entertainment expenses; (i) for charter expenses; (j) for
14 fines and penalties; (k) for charitable donations; (l) for
15 interest expense on long term borrowing and debt retirement
16 other than on publicly owned equipment or facilities; (m) for
17 income taxes; or (n) for such other expenses as the Department
18 may determine consistent with federal Department of
19 Transportation regulations or requirements.

20 With respect to participants other than any Metro-East
21 Transit District participant and those receiving federal
22 research development and demonstration funds pursuant to
23 Section 6 of the "Urban Mass Transportation Act of 1964", as
24 amended, during the fiscal year ending June 30, 1979, the
25 maximum eligible operating expenses for any such participant in
26 any fiscal year after Fiscal Year 1980 shall be the amount
27 appropriated for such participant for the fiscal year ending
28 June 30, 1980, plus in each year a 10% increase over the
29 maximum established for the preceding fiscal year. For Fiscal
30 Year 1980 the maximum eligible operating expenses for any such
31 participant shall be the amount of projected operating expenses
32 upon which the appropriation for such participant for Fiscal
33 Year 1980 is based.

34 With respect to participants receiving federal research
35 development and demonstration operating assistance funds for
36 operating assistance pursuant to Section 6 of the "Urban Mass

1 Transportation Act of 1964", as amended, during the fiscal year
2 ending June 30, 1979, the maximum eligible operating expenses
3 for any such participant in any fiscal year after Fiscal Year
4 1980 shall not exceed such participant's eligible operating
5 expenses for the fiscal year ending June 30, 1980, plus in each
6 year a 10% increase over the maximum established for the
7 preceding fiscal year. For Fiscal Year 1980, the maximum
8 eligible operating expenses for any such participant shall be
9 the eligible operating expenses incurred during such fiscal
10 year, or projected operating expenses upon which the
11 appropriation for such participant for the Fiscal Year 1980 is
12 based; whichever is less.

13 With respect to all participants other than any Metro-East
14 Transit District participant, the maximum eligible operating
15 expenses for any such participant in any fiscal year after
16 Fiscal Year 1985 shall be the amount appropriated for such
17 participant for the fiscal year ending June 30, 1985, plus in
18 each year a 10% increase over the maximum established for the
19 preceding year. For Fiscal Year 1985, the maximum eligible
20 operating expenses for any such participant shall be the amount
21 of projected operating expenses upon which the appropriation
22 for such participant for Fiscal Year 1985 is based.

23 With respect to any mass transit district participant that
24 has increased its district boundaries by annexing counties
25 since 1998 and is maintaining a level of local financial
26 support, including all income and revenues, equal to or greater
27 than the level in the State fiscal year ending June 30, 2001,
28 the maximum eligible operating expenses for any State fiscal
29 year after 2002 shall be the amount appropriated for that
30 participant for the State fiscal year ending June 30, 2002,
31 plus, in each State fiscal year, a 10% increase over the
32 preceding State fiscal year. For State fiscal year 2002, the
33 maximum eligible operating expenses for any such participant
34 shall be the amount of projected operating expenses upon which
35 the appropriation for that participant for State fiscal year
36 2002 is based. For that participant, eligible operating

1 expenses for State fiscal year 2002 in excess of the eligible
2 operating expenses for the State fiscal year ending June 30,
3 2001, plus 10%, must be attributed to the provision of services
4 in the newly annexed counties.

5 With respect to a participant that receives an initial
6 appropriation in State fiscal year 2002, the maximum eligible
7 operating expenses for any State fiscal year after 2003 shall
8 be the amount appropriated for that participant for the State
9 fiscal year ending June 30, 2003, plus, in each year, a 10%
10 increase over the preceding year. For State fiscal year 2003,
11 the maximum eligible operating expenses for any such
12 participant shall be the amount of projected operating expenses
13 upon which the appropriation for that participant for State
14 fiscal year 2003 is based.

15 With respect to the District serving primarily the counties
16 of Monroe and St. Clair, beginning July 1, 2005, the St. Clair
17 County Transit District shall no longer be included for new
18 appropriation funding purposes as part of the Metro-East Public
19 Transportation Fund and instead shall be included for new
20 appropriation funding purposes as part of the Downstate Public
21 Transportation Fund; provided, however, that nothing herein
22 shall alter the eligibility of such District for previously
23 appropriated funds to which it would otherwise be entitled.

24 (Source: P.A. 92-258, eff. 8-7-01; 92-464, eff. 8-22-01;
25 92-651, eff. 7-11-02.)

26 (30 ILCS 740/2-3) (from Ch. 111 2/3, par. 663)

27 Sec. 2-3. (a) As soon as possible after the first day of
28 each month, beginning July 1, 1984, upon certification of the
29 Department of Revenue, the Comptroller shall order
30 transferred, and the Treasurer shall transfer, from the General
31 Revenue Fund to a special fund in the State Treasury which is
32 hereby created, to be known as the "Downstate Public
33 Transportation Fund", an amount equal to 2/32 (beginning July
34 1, 2005, 3/32) of the net revenue realized from the "Retailers'
35 Occupation Tax Act", as now or hereafter amended, the "Service

1 Occupation Tax Act", as now or hereafter amended, the "Use Tax
2 Act", as now or hereafter amended, and the "Service Use Tax
3 Act", as now or hereafter amended, from persons incurring
4 municipal or county retailers' or service occupation tax
5 liability for the benefit of any municipality or county located
6 wholly within the boundaries of each participant other than any
7 Metro-East Transit District participant certified pursuant to
8 subsection (c) of this Section during the preceding month,
9 except that the Department shall pay into the Downstate Public
10 Transportation Fund 2/32 (beginning July 1, 2005, 3/32) of 80%
11 of the net revenue realized under the State tax Acts named
12 above within any municipality or county located wholly within
13 the boundaries of each participant, other than any Metro-East
14 participant, for tax periods beginning on or after January 1,
15 1990; provided, however, that beginning with fiscal year 1985,
16 the transfers into the Downstate Public Transportation Fund
17 during any fiscal year shall not exceed the annual
18 appropriation from the Downstate Public Transportation Fund
19 for that year. The Department of Transportation shall notify
20 the Department of Revenue and the Comptroller at the beginning
21 of each fiscal year of the amount of the annual appropriation
22 from the Downstate Public Transportation Fund. Net revenue
23 realized for a month shall be the revenue collected by the
24 State pursuant to such Acts during the previous month from
25 persons incurring municipal or county retailers' or service
26 occupation tax liability for the benefit of any municipality or
27 county located wholly within the boundaries of a participant,
28 less the amount paid out during that same month as refunds or
29 credit memoranda to taxpayers for overpayment of liability
30 under such Acts for the benefit of any municipality or county
31 located wholly within the boundaries of a participant.

32 (b) As soon as possible after the first day of each month,
33 beginning July 1, 1989, upon certification of the Department of
34 Revenue, the Comptroller shall order transferred, and the
35 Treasurer shall transfer, from the General Revenue Fund to a
36 special fund in the State Treasury which is hereby created, to

1 be known as the "Metro-East Public Transportation Fund", an
2 amount equal to 2/32 of the net revenue realized, as above,
3 from within the boundaries of Madison , Monroe and St. Clair
4 Counties, except that the Department shall pay into the
5 Metro-East Public Transportation Fund 2/32 of 80% of the net
6 revenue realized under the State tax Acts specified in
7 subsection (a) of this Section within the boundaries of Madison
8 , Monroe and St. Clair Counties for tax periods beginning on or
9 after January 1, 1990. A local match equivalent to an amount
10 which could be raised by a tax levy at the rate of .05% on the
11 assessed value of property within the boundaries of Madison
12 County , ~~Monroe and St. Clair Counties~~ is required annually to
13 cause a total of 2/32 of the net revenue to be deposited in the
14 Metro-East Public Transportation Fund. Failure to raise the
15 required local match annually shall result in only 1/32 being
16 deposited into the Metro-East Public Transportation Fund after
17 July 1, 1989, or 1/32 of 80% of the net revenue realized for
18 tax periods beginning on or after January 1, 1990.

19 (b-5) As soon as possible after the first day of each
20 month, beginning July 1, 2005, upon certification of the
21 Department of Revenue, the Comptroller shall order
22 transferred, and the Treasurer shall transfer, from the General
23 Revenue Fund to the Downstate Public Transportation Fund, an
24 amount equal to 3/32 of 80% of the net revenue realized from
25 within the boundaries of Monroe and St. Clair Counties under
26 the State tax Acts specified in subsection (a) of this Section
27 and provided further that, beginning July 1, 2005, the
28 provisions of subsection (b) shall no longer apply with respect
29 to such tax receipts from Monroe and St. Clair Counties.

30 (c) The Department shall certify to the Department of
31 Revenue the eligible participants under this Article and the
32 territorial boundaries of such participants for the purposes of
33 the Department of Revenue in subsections (a) and (b) of this
34 Section.

35 (d) For the purposes of this Article the Department shall
36 include in its annual request for appropriation of ordinary and

1 contingent expenses an amount equal to the sum total funds
2 projected to be paid to the participants pursuant to Section
3 2-7.

4 (e) In addition to any other permitted use of moneys in the
5 Fund, and notwithstanding any restriction on the use of the
6 Fund, moneys in the Downstate Public Transportation Fund may be
7 transferred to the General Revenue Fund as authorized by Public
8 Act 87-14. The General Assembly finds that an excess of moneys
9 existed in the Fund on July 30, 1991, and the Governor's order
10 of July 30, 1991, and the Governor's order of July 30, 1991,
11 requesting the Comptroller and Treasurer to transfer an amount
12 from the Fund to the General Revenue Fund is hereby validated.
13 (Source: P.A. 86-590; 86-953; 87-838.)

14 (30 ILCS 740/2-6) (from Ch. 111 2/3, par. 666)

15 Sec. 2-6. Allocation of funds.

16 (a) With respect to all participants other than any
17 Metro-East Transit District participant, the Department shall
18 allocate the funds to be made available to each participant
19 under this Article for the following fiscal year and shall
20 notify the chief official of each participant not later than
21 the first day of the fiscal year of this amount. For Fiscal
22 Year 1975, notification shall be made not later than January 1,
23 1975, of the amount of such allocation. In determining the
24 allocation for each participant, the Department shall estimate
25 the funds available to the participant from the Downstate
26 Public Transportation Fund for the purposes of this Article
27 during the succeeding fiscal year, and shall allocate to each
28 participant the amount attributable to it which shall be the
29 amount paid into the Downstate Public Transportation Fund under
30 Section 2-3 from within its boundaries. Said allocations may be
31 exceeded for participants receiving assistance equal to
32 one-third of their eligible operating expenses, only if an
33 allocation is less than one-third of such participant's
34 eligible operating expenses, provided, however, that no other
35 participant is denied its one-third of eligible operating

1 expenses. Beginning in Fiscal Year 1997, said allocation may be
2 exceeded for participants receiving assistance equal to the
3 percentage of their eligible operating expenses provided for in
4 paragraph (b) of Section 2-7, only if allocation is less than
5 the percentage of such participant's eligible operating
6 expenses provided for in paragraph (b) of Section 2-7, provided
7 however, that no other participant is denied its percentage of
8 eligible operating expenses.

9 (b) With regard to any Metro-East Transit District
10 organized under the Local Mass Transit District Act and serving
11 one or more of the Counties of Madison, Monroe and St. Clair
12 during Fiscal Year 1989, the Department shall allocate the
13 funds to be made available to each participant for the
14 following and succeeding fiscal years and shall notify the
15 chief official of each participant not later than the first day
16 of the fiscal year of this amount. Beginning July 1, 2005, the
17 ~~The~~ Department shall allocate ~~55% of~~ the amount paid into the
18 Metro-East Public Transportation Fund to the District ~~serving~~
19 ~~primarily the Counties of Monroe and St. Clair and 45% of the~~
20 ~~amount to that District~~ serving primarily the County of
21 Madison.

22 (Source: P.A. 89-598, eff. 8-1-96.)

23 (30 ILCS 740/2-7) (from Ch. 111 2/3, par. 667)

24 Sec. 2-7. Quarterly reports; annual audit.

25 (a) Any Metro-East Transit District participant shall, no
26 later than 60 days following the end of each quarter of any
27 fiscal year, file with the Department on forms provided by the
28 Department for that purpose, a report of the actual operating
29 deficit experienced during that quarter. The Department shall,
30 upon receipt of the quarterly report, determine whether the
31 operating deficits were incurred in conformity with the program
32 of proposed expenditures approved by the Department pursuant to
33 Section 2-11. Any Metro-East District may either monthly or
34 quarterly for any fiscal year file a request for the
35 participant's eligible share, as allocated in accordance with

1 Section 2-6, of the amounts transferred into the Metro-East
2 Public Transportation Fund.

3 (b) Each participant other than any Metro-East Transit
4 District participant shall, 30 days before the end of each
5 quarter, file with the Department on forms provided by the
6 Department for such purposes a report of the projected eligible
7 operating expenses to be incurred in the next quarter and 30
8 days before the third and fourth quarters of any fiscal year a
9 statement of actual eligible operating expenses incurred in the
10 preceding quarters. Except as otherwise provided in subsection
11 (b-5), within ~~Within~~ 45 days of receipt by the Department of
12 such quarterly report, the Comptroller shall order paid and the
13 Treasurer shall pay from the Downstate Public Transportation
14 Fund to each participant an amount equal to one-third of such
15 participant's eligible operating expenses; provided, however,
16 that in Fiscal Year 1997, the amount paid to each participant
17 from the Downstate Public Transportation Fund shall be an
18 amount equal to 47% of such participant's eligible operating
19 expenses and shall be increased to 49% in Fiscal Year 1998, 51%
20 in Fiscal Year 1999, 53% in Fiscal Year 2000, and 55% in Fiscal
21 Year 2001 and thereafter; however, in any year that a
22 participant receives funding under subsection (i) of Section
23 2705-305 of the Department of Transportation Law (20 ILCS
24 2705/2705-305), that participant shall be eligible only for
25 assistance equal to the following percentage of its eligible
26 operating expenses: 42% in Fiscal Year 1997, 44% in Fiscal Year
27 1998, 46% in Fiscal Year 1999, 48% in Fiscal Year 2000, and 50%
28 in Fiscal Year 2001 and thereafter. Any such payment for the
29 third and fourth quarters of any fiscal year shall be adjusted
30 to reflect actual eligible operating expenses for preceding
31 quarters of such fiscal year. However, no participant shall
32 receive an amount less than that which was received in the
33 immediate prior year, provided in the event of a shortfall in
34 the fund those participants receiving less than their full
35 allocation pursuant to Section 2-6 of this Article shall be the
36 first participants to receive an amount not less than that

1 received in the immediate prior year.

2 (b-5) With respect to the District serving primarily the
3 counties of Monroe and St. Clair, beginning July 1, 2005 and
4 each fiscal year thereafter, the District may file a request
5 with the Department for a monthly payment of 1/12 of the amount
6 appropriated to the District for that fiscal year; except that,
7 for the final month of the fiscal year, the District's request
8 shall be in an amount such that the total payments made to the
9 District in that fiscal year do not exceed the lesser of (i)
10 55% of the District's eligible operating expenses for that
11 fiscal year or (ii) the total amount appropriated to the
12 District for that fiscal year.

13 (c) No later than 180 days following the last day of the
14 Fiscal Year each participant shall provide the Department with
15 an audit prepared by a Certified Public Accountant covering
16 that Fiscal Year. For those participants other than a
17 Metro-East Transit District, any discrepancy between the
18 grants paid and the percentage of the eligible operating
19 expenses provided for by paragraph (b) of this Section shall be
20 reconciled by appropriate payment or credit. In the case of any
21 Metro-East Transit District, any amount of payments from the
22 Metro-East Public Transportation Fund which exceed the
23 eligible deficit of the participant shall be reconciled by
24 appropriate payment or credit.

25 (Source: P.A. 91-239, eff. 1-1-00; 91-357, eff. 7-29-99; 92-16,
26 eff. 6-28-01; 92-258, eff. 8-7-01; 92-464, eff. 8-22-01.)

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