



Sen. John J. Cullerton

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LRB095 06986 HLH 39422 a

1 AMENDMENT TO HOUSE BILL 3667

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3667 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois State Auditing Act is amended by  
5 adding Section 3-2.3 as follows:

6 (30 ILCS 5/3-2.3 new)

7 Sec. 3-2.3. Report on Chicago Transit Authority.

8 (a) No less than 60 days prior to the issuance of bonds or  
9 notes by the Chicago Transit Authority (referred to as the  
10 "Authority" in this Section) pursuant to Section 12c of the  
11 Metropolitan Transit Authority Act, the following  
12 documentation shall be submitted to the Auditor General and the  
13 Regional Transportation Authority:

14 (1) Retirement Plan Documentation. The Authority shall  
15 submit a certification that:

16 (A) it is legally authorized to issue the bonds or

1           notes;

2           (B) scheduled annual payments of principal and  
3           interest on the bonds and notes to be issued meet the  
4           requirements of Section 12c(b)(5) of the Metropolitan  
5           Transit Authority Act;

6           (C) no bond or note shall mature later than  
7           December 31, 2039;

8           (D) after payment of costs of issuance and  
9           necessary deposits to funds and accounts established  
10          with respect to debt service on the bonds or notes, the  
11          net bond and note proceeds (exclusive of any proceeds  
12          to be used to refund outstanding bonds or notes) will  
13          be deposited in the Retirement Plan for Chicago Transit  
14          Authority Employees and used only for the purposes  
15          required by Section 22-101 of the Illinois Pension  
16          Code; and

17          (E) it has entered into an intergovernmental  
18          agreement with the City of Chicago under which the City  
19          of Chicago will provide financial assistance to the  
20          Authority in an amount equal to the net receipts, after  
21          fees for costs of collection, from a tax on the  
22          privilege of transferring title to real estate in the  
23          City of Chicago in an amount up to \$1.50 per \$500 of  
24          value or fraction thereof under the provisions of  
25          Section 8-3-19 of the Illinois Municipal Code, which  
26          agreement shall be for a term expiring no earlier than

1           the final maturity of bonds or notes that it proposes  
2           to issue under Section 12c of the Metropolitan Transit  
3           Authority Act.

4           (2) The Board of Trustees of the Retirement Plan for  
5           Chicago Transit Authority Employees shall submit a  
6           certification that the Retirement Plan for Chicago Transit  
7           Authority Employees is operating in accordance with all  
8           applicable legal and contractual requirements, including  
9           the following:

10           (A) the members of a new Board of Trustees have  
11           been appointed according to the requirements of  
12           Section 22-101(b) of the Illinois Pension Code; and

13           (B) contribution levels for employees and the  
14           Authority have been established according to the  
15           requirements of Section 22-101(d) of the Illinois  
16           Pension Code.

17           (3) Actuarial Report. The Board of Trustees of the  
18           Retirement Plan for Chicago Transit Authority Employees  
19           shall submit an actuarial report prepared by an enrolled  
20           actuary setting forth:

21           (A) the method of valuation and the underlying  
22           assumptions;

23           (B) a comparison of the debt service schedules of  
24           the bonds or notes proposed to be issued to the  
25           Retirement Plan's current unfunded actuarial accrued  
26           liability amortization schedule, as required by

1           Section 22-101(e) of the Illinois Pension Code, using  
2           the projected interest cost of the bond or note issue  
3           as the discount rate to calculate the estimated net  
4           present value savings;

5           (C) the amount of the estimated net present value  
6           savings comparing the true interest cost of the  
7           bonds or notes with the actuarial investment  
8           return assumption of the Retirement Plan; and

9           (D) a certification that the net proceeds of the  
10           bonds or notes, together with anticipated earnings  
11           on contributions and deposits, will be sufficient  
12           to reasonably conclude on an actuarial basis that  
13           the total retirement assets of the Retirement Plan  
14           will not be less than 90% of its liabilities by the  
15           end of fiscal year 2058.

16           (4) The Authority shall submit a financial analysis  
17           prepared by an independent advisor. The financial analysis  
18           must include a determination that the issuance of bonds is  
19           in the best interest of the Retirement Plan for Chicago  
20           Transit Authority Employees and the Chicago Transit  
21           Authority. The independent advisor shall not act as  
22           underwriter or receive a legal, consulting, or other fee  
23           related to the issuance of any bond or notes issued by the  
24           Authority pursuant to Section 12c of the Metropolitan  
25           Transit Authority Act except compensation due for the  
26           preparation of the financial analysis.

1           (5) Retiree Health Care Trust Documentation. The  
2           Authority shall submit a certification that:

3           (A) it is legally authorized to issue the bonds or  
4           notes;

5           (B) scheduled annual payments of principal and  
6           interest on the bonds and notes to be issued meets the  
7           requirements of Section 12c(b)(5) of the Metropolitan  
8           Transit Authority Act;

9           (C) no bond or note shall mature later than  
10           December 31, 2039;

11           (D) after payment of costs of issuance and  
12           necessary deposits to funds and accounts established  
13           with respect to debt service on the bonds or notes, the  
14           net bond and note proceeds (exclusive of any proceeds  
15           to be used to refund outstanding bonds or notes) will  
16           be deposited in the Retiree Health Care Trust and used  
17           only for the purposes required by Section 22-101B of  
18           the Illinois Pension Code; and

19           (E) it has entered into an intergovernmental  
20           agreement with the City of Chicago under which the City  
21           of Chicago will provide financial assistance to the  
22           Authority in an amount equal to the net receipts, after  
23           fees for costs of collection, from a tax on the  
24           privilege of transferring title to real estate in the  
25           City of Chicago in an amount up to \$1.50 per \$500 of  
26           value or fraction thereof under the provisions of

1           Section 8-3-19 of the Illinois Municipal Code, which  
2           agreement shall be for a term expiring no earlier than  
3           the final maturity of bonds or notes that it proposes  
4           to issue under Section 12c of the Metropolitan Transit  
5           Authority Act.

6           (6) The Board of Trustees of the Retiree Health Care  
7           Trust shall submit a certification that the Retiree Health  
8           Care Trust has been established in accordance with all  
9           applicable legal requirements, including the following:

10           (A) the Retiree Health Care Trust has been  
11           established and a Trust document is in effect to govern  
12           the Retiree Health Care Trust;

13           (B) the members of the Board of Trustees of the  
14           Retiree Health Care Trust have been appointed  
15           according to the requirements of Section 22-101B(b) (1)  
16           of the Illinois Pension Code;

17           (C) a health care benefit program for eligible  
18           retirees and their dependents and survivors has been  
19           established by the Board of Trustees according to the  
20           requirements of Section 22-101B(b) (2) of the Illinois  
21           Pension Code;

22           (D) contribution levels have been established for  
23           retirees, dependents and survivors according to the  
24           requirements of Section 22-101B(b) (5) of the Illinois  
25           Pension Code; and

26           (E) contribution levels have been established for

1           employees of the Authority according to the  
2           requirements of Section 22-101B(b) (6) of the Illinois  
3           Pension Code.

4           (7) Actuarial Report. The Board of Trustees of the  
5           Retiree Health Care Trust shall submit an actuarial report  
6           prepared by an enrolled actuary setting forth:

7                   (A) the method of valuation and the underlying  
8                   assumptions;

9                   (B) a comparison of the projected interest cost of  
10                  the bonds or notes proposed to be issued with the  
11                  actuarial investment return assumption of the Retiree  
12                  Health Care Trust; and

13                  (C) a certification that the net proceeds of the  
14                  bonds or notes, together with anticipated earnings on  
15                  contributions and deposits, will be sufficient to  
16                  adequately fund the actuarial present value of  
17                  projected benefits expected to be paid under the  
18                  Retiree Health Care Trust, or a certification of the  
19                  increases in contribution levels and decreases in  
20                  benefit levels that would be required in order to cure  
21                  any funding shortfall over a period of not more than 10  
22                  years.

23           (8) The Authority shall submit a financial analysis  
24           prepared by an independent advisor. The financial analysis  
25           must include a determination that the issuance of bonds is  
26           in the best interest of the Retiree Health Care Trust and

1       the Chicago Transit Authority. The independent advisor  
2       shall not act as underwriter or receive a legal,  
3       consulting, or other fee related to the issuance of any  
4       bond or notes issued by the Authority pursuant to Section  
5       12c of the Metropolitan Transit Authority Act except  
6       compensation due for the preparation of the financial  
7       analysis.

8       (b) The Auditor General shall examine the information  
9       submitted pursuant to Section 3-2.3(a)(1) through (4) and  
10       submit a report to the General Assembly, the Legislative Audit  
11       Commission, the Governor, the Regional Transportation  
12       Authority and the Authority indicating whether (i) the required  
13       certifications by the Authority and the Board of Trustees of  
14       the Retirement Plan have been made, and (ii) the actuarial  
15       reports have been provided, the reports include all required  
16       information, the assumptions underlying those reports are not  
17       unreasonable in the aggregate, and the reports appear to comply  
18       with all pertinent professional standards, including those  
19       issued by the Actuarial Standards Board. The Auditor General  
20       shall submit such report no later than 60 days after receiving  
21       the information required to be submitted by the Authority and  
22       the Board of Trustees of the Retirement Plan. Any bonds or  
23       notes issued by the Authority under item (1) of subsection (b)  
24       of Section 12c of the Metropolitan Transit Authority Act shall  
25       be issued within 120 days after receiving such report from the  
26       Auditor General. The Authority may not issue bonds or notes



1 until it receives the report from the Auditor General  
2 indicating the above requirements have been met.

3 (c) The Auditor General shall examine the information  
4 submitted pursuant to Section 3-2.3(a)(5) through (8) and  
5 submit a report to the General Assembly, the Legislative Audit  
6 Commission, the Governor, the Regional Transportation  
7 Authority and the Authority indicating whether (i) the required  
8 certifications by the Authority and the Board of Trustees of  
9 the Retiree Health Care Trust have been made, and (ii) the  
10 actuarial reports have been provided, the reports include all  
11 required information, the assumptions underlying those reports  
12 are not unreasonable in the aggregate, and the reports appear  
13 to comply with all pertinent professional standards, including  
14 those issued by the Actuarial Standards Board. The Auditor  
15 General shall submit such report no later than 60 days after  
16 receiving the information required to be submitted by the  
17 Authority and the Board of Trustees of the Retiree Health Care  
18 Trust. Any bonds or notes issued by the Authority under item  
19 (2) of subsection (b) of Section 12c of the Metropolitan  
20 Transit Authority Act shall be issued within 120 days after  
21 receiving such report from the Auditor General. The Authority  
22 may not issue bonds or notes until it receives a report from  
23 the Auditor General indicating the above requirements have been  
24 met.

25 (d) In fulfilling this duty, after receiving the  
26 information submitted pursuant to Section 3-2.3(a), the

1 Auditor General may request additional information and support  
2 pertaining to the data and conclusions contained in the  
3 submitted documents and the Authority, the Board of Trustees of  
4 the Retirement Plan and the Board of Trustees of the Retiree  
5 Health Care Trust shall cooperate with the Auditor General and  
6 provide additional information as requested in a timely manner.  
7 The Auditor General may also request from the Regional  
8 Transportation Authority an analysis of the information  
9 submitted by the Authority relating to the sources of funds to  
10 be utilized for payment of the proposed bonds or notes of the  
11 Authority. The Auditor General's report shall not be in the  
12 nature of a post-audit or examination and shall not lead to the  
13 issuance of an opinion as that term is defined in generally  
14 accepted government auditing standards.

15 (e) Annual Retirement Plan Submission to Auditor General.  
16 The Board of Trustees of the Retirement Plan for Chicago  
17 Transit Authority Employees established by Section 22-101 of  
18 the Illinois Pension Code shall provide the following documents  
19 to the Auditor General annually no later than September 30:

20 (1) the most recent audit or examination of the  
21 Retirement Plan;

22 (2) an annual statement containing the information  
23 specified in Section 1A-109 of the Illinois Pension Code;  
24 and

25 (3) a complete actuarial statement applicable to the  
26 prior plan year, which may be the annual report of an

1 enrolled actuary retained by the Retirement Plan specified  
2 in Section 22-101(e) of the Illinois Pension Code.

3 The Auditor General shall annually examine the information  
4 provided pursuant to this subsection and shall submit a report  
5 of the analysis thereof to the General Assembly, including the  
6 report specified in Section 22-101(e) of the Illinois Pension  
7 Code.

8 (f) The Auditor General shall annually examine the  
9 information submitted pursuant to Section 22-101B(b)(3)(iii)  
10 of the Illinois Pension Code and shall prepare the  
11 determination specified in Section 22-101B(b)(3)(iv) of the  
12 Illinois Pension Code.

13 (g) In fulfilling the duties under Sections 3-2.3(e) and  
14 (f) the Auditor General may request additional information and  
15 support pertaining to the data and conclusions contained in the  
16 submitted documents and the Authority, the Board of Trustees of  
17 the Retirement Plan and the Board of Trustees of the Retiree  
18 Health Care Trust shall cooperate with the Auditor General and  
19 provide additional information as requested in a timely manner.  
20 The Auditor General's review shall not be in the nature of a  
21 post-audit or examination and shall not lead to the issuance of  
22 an opinion as that term is defined in generally accepted  
23 government auditing standards. Upon request of the Auditor  
24 General, the Commission on Government Forecasting and  
25 Accountability and the Public Pension Division of the Illinois  
26 Department of Financial and Professional Regulation shall

1 cooperate with and assist the Auditor General in the conduct of  
2 his review.

3 (h) The Auditor General shall submit a bill to the  
4 Authority for costs associated with the examinations and  
5 reports specified in subsections (b) and (c) of this Section  
6 3-2.3, which the Authority shall reimburse in a timely manner.  
7 The costs associated with the examinations and reports which  
8 are reimbursed by the Authority shall constitute a cost of  
9 issuance of the bonds or notes under Section 12c(b) (1) and (2)  
10 of the Metropolitan Transit Authority Act. The amount received  
11 shall be deposited into the fund or funds from which such costs  
12 were paid by the Auditor General. The Auditor General shall  
13 submit a bill to the Retirement Plan for Chicago Transit  
14 Authority Employees for costs associated with the examinations  
15 and reports specified in subsection (e) of this Section, which  
16 the Retirement Plan for Chicago Transit Authority Employees  
17 shall reimburse in a timely manner. The amount received shall  
18 be deposited into the fund or funds from which such costs were  
19 paid by the Auditor General. The Auditor General shall submit a  
20 bill to the Retiree Health Care Trust for costs associated with  
21 the determination specified in subsection (f) of this Section,  
22 which the Retiree Health Care Trust shall reimburse in a timely  
23 manner. The amount received shall be deposited into the fund or  
24 funds from which such costs were paid by the Auditor General.

25 Section 6. The State Finance Act is amended by adding

1 Section 5.675 as follows:

2 (30 ILCS 105/5.675 new)

3 Sec. 5.675. The Downstate Transit Improvement Fund.

4 Section 7. The Downstate Public Transportation Act is  
5 amended by changing Sections 2-2.04, 2-3, 2-7, and 2-15 as  
6 follows:

7 (30 ILCS 740/2-2.04) (from Ch. 111 2/3, par. 662.04)

8 Sec. 2-2.04. "Eligible operating expenses" means all  
9 expenses required for public transportation, including  
10 employee wages and benefits, materials, fuels, supplies,  
11 rental of facilities, taxes other than income taxes, payment  
12 made for debt service (including principal and interest) on  
13 publicly owned equipment or facilities, and any other  
14 expenditure which is an operating expense according to standard  
15 accounting practices for the providing of public  
16 transportation. Eligible operating expenses shall not include  
17 allowances: (a) for depreciation whether funded or unfunded;  
18 (b) for amortization of any intangible costs; (c) for debt  
19 service on capital acquired with the assistance of capital  
20 grant funds provided by the State of Illinois; (d) for profits  
21 or return on investment; (e) for excessive payment to  
22 associated entities; (f) for Comprehensive Employment Training  
23 Act expenses; (g) for costs reimbursed under Sections 6 and 8

1 of the "Urban Mass Transportation Act of 1964", as amended; (h)  
2 for entertainment expenses; (i) for charter expenses; (j) for  
3 fines and penalties; (k) for charitable donations; (l) for  
4 interest expense on long term borrowing and debt retirement  
5 other than on publicly owned equipment or facilities; (m) for  
6 income taxes; or (n) for such other expenses as the Department  
7 may determine consistent with federal Department of  
8 Transportation regulations or requirements. In consultation  
9 with participants, the Department shall, by October 2008,  
10 promulgate or update rules, pursuant to the Illinois  
11 Administrative Procedure Act, concerning eligible expenses to  
12 ensure consistent application of the Act, and the Department  
13 shall provide written copies of those rules to all eligible  
14 recipients. The Department shall review this process in the  
15 same manner no less frequently than every 5 years.

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

1 participant shall be the amount of projected operating expenses  
2 upon which the appropriation for such participant for Fiscal  
3 Year 1980 is based.

4 With respect to participants receiving federal research  
5 development and demonstration operating assistance funds for  
6 operating assistance pursuant to Section 6 of the "Urban Mass  
7 Transportation Act of 1964", as amended, during the fiscal year  
8 ending June 30, 1979, the maximum eligible operating expenses  
9 for any such participant in any fiscal year after Fiscal Year  
10 1980 shall not exceed such participant's eligible operating  
11 expenses for the fiscal year ending June 30, 1980, plus in each  
12 year a 10% increase over the maximum established for the  
13 preceding fiscal year. For Fiscal Year 1980, the maximum  
14 eligible operating expenses for any such participant shall be  
15 the eligible operating expenses incurred during such fiscal  
16 year, or projected operating expenses upon which the  
17 appropriation for such participant for the Fiscal Year 1980 is  
18 based; whichever is less.

19 With respect to all participants other than any Metro-East  
20 Transit District participant, the maximum eligible operating  
21 expenses for any such participant in any fiscal year after  
22 Fiscal Year 1985 (except Fiscal Year 2008 and Fiscal Year 2009)  
23 shall be the amount appropriated for such participant for the  
24 fiscal year ending June 30, 1985, plus in each year a 10%  
25 increase over the maximum established for the preceding year.  
26 For Fiscal Year 1985, the maximum eligible operating expenses

1 for any such participant shall be the amount of projected  
2 operating expenses upon which the appropriation for such  
3 participant for Fiscal Year 1985 is based.

4 With respect to any mass transit district participant that  
5 has increased its district boundaries by annexing counties  
6 since 1998 and is maintaining a level of local financial  
7 support, including all income and revenues, equal to or greater  
8 than the level in the State fiscal year ending June 30, 2001,  
9 the maximum eligible operating expenses for any State fiscal  
10 year after 2002 (except State fiscal years ~~year~~ 2006 through  
11 2009) shall be the amount appropriated for that participant for  
12 the State fiscal year ending June 30, 2002, plus, in each State  
13 fiscal year, a 10% increase over the preceding State fiscal  
14 year. For State fiscal year 2002, the maximum eligible  
15 operating expenses for any such participant shall be the amount  
16 of projected operating expenses upon which the appropriation  
17 for that participant for State fiscal year 2002 is based. For  
18 that participant, eligible operating expenses for State fiscal  
19 year 2002 in excess of the eligible operating expenses for the  
20 State fiscal year ending June 30, 2001, plus 10%, must be  
21 attributed to the provision of services in the newly annexed  
22 counties.

23 With respect to a participant that receives an initial  
24 appropriation in State fiscal year 2002 or thereafter, the  
25 maximum eligible operating expenses for any State fiscal year  
26 after 2003 (except State fiscal years ~~year~~ 2006 through 2009)



1 shall be the amount appropriated for that participant for the  
2 State fiscal year in which it received its initial  
3 appropriation, plus, in each year, a 10% increase over the  
4 preceding year. For the initial State fiscal year in which a  
5 participant received an appropriation, the maximum eligible  
6 operating expenses for any such participant shall be the amount  
7 of projected operating expenses upon which the appropriation  
8 for that participant for that State fiscal year is based.

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

18 With respect to the fiscal year beginning July 1, 2007, and  
19 thereafter, the following shall be included for new  
20 appropriation funding purposes as part of the Downstate Public  
21 Transportation Fund: Bond County; Bureau County; Coles County;  
22 Edgar County; Stephenson County and the City of Freeport; Henry  
23 County; Jo Daviess County; Kankakee and McLean Counties; Peoria  
24 County; Piatt County; Shelby County; Tazewell and Woodford  
25 Counties; Vermillion County; Williamson County; and Kendall  
26 County.

1 (Source: P.A. 94-70, eff. 6-22-05.)

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

3 Sec. 2-3. (a) As soon as possible after the first day of  
4 each month, beginning July 1, 1984, upon certification of the  
5 Department of Revenue, the Comptroller shall order  
6 transferred, and the Treasurer shall transfer, from the General  
7 Revenue Fund to a special fund in the State Treasury which is  
8 hereby created, to be known as the "Downstate Public  
9 Transportation Fund", an amount equal to 2/32 (beginning July  
10 1, 2005, 3/32) of the net revenue realized from the "Retailers'  
11 Occupation Tax Act", as now or hereafter amended, the "Service  
12 Occupation Tax Act", as now or hereafter amended, the "Use Tax  
13 Act", as now or hereafter amended, and the "Service Use Tax  
14 Act", as now or hereafter amended, from persons incurring  
15 municipal or county retailers' or service occupation tax  
16 liability for the benefit of any municipality or county located  
17 wholly within the boundaries of each participant other than any  
18 Metro-East Transit District participant certified pursuant to  
19 subsection (c) of this Section during the preceding month,  
20 except that the Department shall pay into the Downstate Public  
21 Transportation Fund 2/32 (beginning July 1, 2005, 3/32) of 80%  
22 of the net revenue realized under the State tax Acts named  
23 above within any municipality or county located wholly within  
24 the boundaries of each participant, other than any Metro-East  
25 participant, for tax periods beginning on or after January 1,

1 ~~1990; provided, however, that beginning with fiscal year 1985,~~  
2 ~~the transfers into the Downstate Public Transportation Fund~~  
3 ~~during any fiscal year shall not exceed the annual~~  
4 ~~appropriation from the Downstate Public Transportation Fund~~  
5 ~~for that year. The Department of Transportation shall notify~~  
6 ~~the Department of Revenue and the Comptroller at the beginning~~  
7 ~~of each fiscal year of the amount of the annual appropriation~~  
8 ~~from the Downstate Public Transportation Fund.~~ Net revenue  
9 realized for a month shall be the revenue collected by the  
10 State pursuant to such Acts during the previous month from  
11 persons incurring municipal or county retailers' or service  
12 occupation tax liability for the benefit of any municipality or  
13 county located wholly within the boundaries of a participant,  
14 less the amount paid out during that same month as refunds or  
15 credit memoranda to taxpayers for overpayment of liability  
16 under such Acts for the benefit of any municipality or county  
17 located wholly within the boundaries of a participant.

18 (b) As soon as possible after the first day of each month,  
19 beginning July 1, 1989, upon certification of the Department of  
20 Revenue, the Comptroller shall order transferred, and the  
21 Treasurer shall transfer, from the General Revenue Fund to a  
22 special fund in the State Treasury which is hereby created, to  
23 be known as the "Metro-East Public Transportation Fund", an  
24 amount equal to  $2/32$  of the net revenue realized, as above,  
25 from within the boundaries of Madison, Monroe, and St. Clair  
26 Counties, except that the Department shall pay into the

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

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

26 (b-6) As soon as possible after the first day of each

1 month, beginning in fiscal year 2009, upon certification of the  
2 Department of Revenue, the Comptroller shall order  
3 transferred, and the Treasurer shall transfer, from the General  
4 Revenue Fund to the Metro-East Public Transportation Fund, an  
5 amount equal to 3/32 of 80% of the net revenue realized from  
6 within the boundaries of Madison County under the State Tax  
7 Acts specified in subsection (a) of this Section.

8 (c) The Department shall certify to the Department of  
9 Revenue the eligible participants under this Article and the  
10 territorial boundaries of such participants for the purposes of  
11 the Department of Revenue in subsections (a) and (b) of this  
12 Section.

13 (d) For the purposes of this Article the Department shall  
14 include in its annual request for appropriation of ordinary and  
15 contingent expenses an amount equal to the sum total funds  
16 projected to be paid to the participants pursuant to Section  
17 2-7.

18 ~~(e) In addition to any other permitted use of moneys in the~~  
19 ~~Fund, and notwithstanding any restriction on the use of the~~  
20 ~~Fund, moneys in the Downstate Public Transportation Fund may be~~  
21 ~~transferred to the General Revenue Fund as authorized by Public~~  
22 ~~Act 87-14. The General Assembly finds that an excess of moneys~~  
23 ~~existed in the Fund on July 30, 1991, and the Governor's order~~  
24 ~~of July 30, 1991, and the Governor's order of July 30, 1991,~~  
25 ~~requesting the Comptroller and Treasurer to transfer an amount~~  
26 ~~from the Fund to the General Revenue Fund is hereby validated.~~

1 (Source: P.A. 94-70, eff. 6-22-05.)

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

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

4 (a) Any Metro-East Transit District participant shall, no  
5 later than 60 days following the end of each quarter of any  
6 fiscal year, file with the Department on forms provided by the  
7 Department for that purpose, a report of the actual operating  
8 deficit experienced during that quarter. The Department shall,  
9 upon receipt of the quarterly report, determine whether the  
10 operating deficits were incurred in conformity with the program  
11 of proposed expenditures approved by the Department pursuant to  
12 Section 2-11. Any Metro-East District may either monthly or  
13 quarterly for any fiscal year file a request for the  
14 participant's eligible share, as allocated in accordance with  
15 Section 2-6, of the amounts transferred into the Metro-East  
16 Public Transportation Fund.

17 (b) Each participant other than any Metro-East Transit  
18 District participant shall, 30 days before the end of each  
19 quarter, file with the Department on forms provided by the  
20 Department for such purposes a report of the projected eligible  
21 operating expenses to be incurred in the next quarter and 30  
22 days before the third and fourth quarters of any fiscal year a  
23 statement of actual eligible operating expenses incurred in the  
24 preceding quarters. Except as otherwise provided in subsection  
25 (b-5), within 45 days of receipt by the Department of such

1 quarterly report, the Comptroller shall order paid and the  
2 Treasurer shall pay from the Downstate Public Transportation  
3 Fund to each participant an amount equal to one-third of such  
4 participant's eligible operating expenses; provided, however,  
5 that in Fiscal Year 1997, the amount paid to each participant  
6 from the Downstate Public Transportation Fund shall be an  
7 amount equal to 47% of such participant's eligible operating  
8 expenses and shall be increased to 49% in Fiscal Year 1998, 51%  
9 in Fiscal Year 1999, 53% in Fiscal Year 2000, ~~and~~ 55% in Fiscal  
10 Years Year 2001 through 2007, and 65% in Fiscal Year 2008 and  
11 thereafter; however, in any year that a participant receives  
12 funding under subsection (i) of Section 2705-305 of the  
13 Department of Transportation Law (20 ILCS 2705/2705-305), that  
14 participant shall be eligible only for assistance equal to the  
15 following percentage of its eligible operating expenses: 42% in  
16 Fiscal Year 1997, 44% in Fiscal Year 1998, 46% in Fiscal Year  
17 1999, 48% in Fiscal Year 2000, and 50% in Fiscal Year 2001 and  
18 thereafter. Any such payment for the third and fourth quarters  
19 of any fiscal year shall be adjusted to reflect actual eligible  
20 operating expenses for preceding quarters of such fiscal year.  
21 However, no participant shall receive an amount less than that  
22 which was received in the immediate prior year, provided in the  
23 event of a shortfall in the fund those participants receiving  
24 less than their full allocation pursuant to Section 2-6 of this  
25 Article shall be the first participants to receive an amount  
26 not less than that received in the immediate prior year.

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

13           (b-10) On July 1, 2008, each participant shall receive an  
14 appropriation in an amount equal to 65% of its fiscal year 2008  
15 eligible operating expenses adjusted by the annual 10% increase  
16 required by Section 2-2.04 of this Act. In no case shall any  
17 participant receive an appropriation that is less than its  
18 fiscal year 2008 appropriation. Every fiscal year thereafter,  
19 each participant's appropriation shall increase by 10% over the  
20 appropriation established for the preceding fiscal year as  
21 required by Section 2-2.04 of this Act.

22           (b-15) Beginning on July 1, 2007, and for each fiscal year  
23 thereafter, each participant shall maintain a minimum local  
24 share contribution (from farebox and all other local revenues)  
25 equal to the actual amount provided in Fiscal Year 2006 or, for  
26 new recipients, an amount equivalent to the local share



1 provided in the first year of participation.

2 (b-20) Any participant in the Downstate Public  
3 Transportation Fund may use State operating assistance  
4 pursuant to this Section to provide transportation services  
5 within any county that is contiguous to its territorial  
6 boundaries as defined by the Department and subject to  
7 Departmental approval. Any such contiguous-area service  
8 provided by a participant after July 1, 2007 must meet the  
9 requirements of subsection (a) of Section 2-5.1.

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

22 (Source: P.A. 94-70, eff. 6-22-05.)

23 (30 ILCS 740/2-15) (from Ch. 111 2/3, par. 675.1)

24 Sec. 2-15. Except as otherwise provided in this Section,  
25 all funds which remain in the Downstate Public Transportation

1 Fund or the Metro-East Public Transportation Fund after the  
2 payment of the fourth quarterly payment to participants other  
3 than Metro-East Transit District participants and the last  
4 monthly payment to Metro-East Transit participants in each  
5 fiscal year shall be transferred (i) to the General Revenue  
6 Fund through fiscal year 2008 and (ii) to the Downstate Transit  
7 Improvement Fund for fiscal year 2009 and each fiscal year  
8 thereafter. Transfers shall be made no later than 90 days  
9 following the end of such fiscal year. Beginning fiscal year  
10 2010, all moneys each year in the Downstate Transit Improvement  
11 Fund, held solely for the benefit of the participants in the  
12 Downstate Public Transportation Fund and the Metro-East  
13 Transit Fund, shall be appropriated to the Department to make  
14 competitive capital grants to the participants of the  
15 respective funds. However, such amount as the Department  
16 determines to be necessary for (1) allocation to participants  
17 for the purposes of Section 2-7 for the first quarter of the  
18 succeeding fiscal year and (2) an amount equal to 2% of the  
19 total allocations to participants in the fiscal year just ended  
20 to be used for the purpose of audit adjustments shall be  
21 retained in such Funds to be used by the Department for such  
22 purposes.

23 (Source: P.A. 86-590.)

24 Section 8. The Illinois Pension Code is amended by changing  
25 Section 22-101 and by adding Section 22-101B as follows:

1 (40 ILCS 5/22-101) (from Ch. 108 1/2, par. 22-101)

2 Sec. 22-101. Retirement Plan for Chicago Transit Authority  
3 Employees. Metropolitan Transit Authority (CTA) Pension Fund.

4 (a) There shall be established and maintained by the  
5 Authority created by the "Metropolitan Transit Authority Act",  
6 approved April 12, 1945, as amended, (referred to in this  
7 Section as the "Authority") a financially sound pension and  
8 retirement system adequate to provide for all payments when due  
9 under such established system or as modified from time to time  
10 by ordinance of the Chicago Transit Board or collective  
11 bargaining agreement. For this purpose, the Board must make  
12 contributions to the established system as required under this  
13 Section and may make any additional contributions provided for  
14 by Board ordinance or collective bargaining agreement. The  
15 participating employees shall make such periodic payments to  
16 the established system as required under this Section and may  
17 make any additional contributions provided for ~~may be~~  
18 ~~determined~~ by Board ordinance or collective bargaining  
19 agreement. ~~The Board, in lieu of social security payments~~  
20 ~~required to be paid by private corporations engaged in similar~~  
21 ~~activity, shall make payments into such established system at~~  
22 ~~least equal in amount to the amount so required to be paid by~~  
23 ~~such private corporations.~~

24 Provisions shall be made by the Board for all ~~Board~~  
25 ~~members,~~ officers and employees of the Authority appointed

1 pursuant to the "Metropolitan Transit Authority Act" to become,  
2 subject to reasonable rules and regulations, participants  
3 ~~members or beneficiaries~~ of the pension or retirement system  
4 with uniform rights, privileges, obligations and status as to  
5 the class in which such officers and employees belong. The  
6 terms, conditions and provisions of any pension or retirement  
7 system or of any amendment or modification thereof affecting  
8 employees who are members of any labor organization may be  
9 established, amended or modified by agreement with such labor  
10 organization, provided the terms, conditions and provisions  
11 must be consistent with this Act, the annual funding levels for  
12 the retirement system established by law must be met and the  
13 benefits paid to future participants in the system may not  
14 exceed the benefit ceilings set for future participants under  
15 this Act and the contribution levels required by the Authority  
16 and its employees may not be less than the contribution levels  
17 established under this Act ~~but must be consistent with the~~  
18 ~~requirements of this Section.~~

19 (b) The Board of Trustees shall consist of 11 members  
20 appointed as follows: (i) 5 trustees shall be appointed by the  
21 Chicago Transit Board; (ii) 3 trustees shall be appointed by an  
22 organization representing the highest number of Chicago  
23 Transit Authority participants; (iii) one trustee shall be  
24 appointed by an organization representing the second-highest  
25 number of Chicago Transit Authority participants; (iv) one  
26 trustee shall be appointed by the recognized coalition

1 representatives of participants who are not represented by an  
2 organization with the highest or second-highest number of  
3 Chicago Transit Authority participants; and (v) one trustee  
4 shall be selected by the Regional Transportation Authority  
5 Board of Directors, and the trustee shall be a professional  
6 fiduciary who has experience in the area of collectively  
7 bargained pension plans. Trustees shall serve until a successor  
8 has been appointed and qualified, or until resignation, death,  
9 incapacity, or disqualification.

10 Any person appointed as a trustee of the board shall  
11 qualify by taking an oath of office that he or she will  
12 diligently and honestly administer the affairs of the system  
13 and will not knowingly violate or willfully permit the  
14 violation of any of the provisions of law applicable to the  
15 Plan, including Sections 1-109, 1-109.1, 1-109.2, 1-110,  
16 1-111, 1-114, and 1-115 of the Illinois Pension Code.

17 Each trustee shall cast individual votes, and a majority  
18 vote shall be final and binding upon all interested parties.  
19 Each trustee shall have the rights, privileges, authority, and  
20 obligations as are usual and customary for such fiduciaries.

21 The Board of Trustees may cause amounts on deposit in the  
22 Retirement Plan to be invested in those investments that are  
23 permitted investments for the investment of moneys held under  
24 any one or more of the pension or retirement systems of the  
25 State, any unit of local government or school district, or any  
26 agency or instrumentality thereof. The Board, by a vote of at

1 least two-thirds of the trustees, may transfer investment  
2 management to the Illinois State Board of Investment, which is  
3 hereby authorized to manage these investments when so requested  
4 by the Board of Trustees.

5 (c) All individuals who were previously participants in the  
6 Retirement Plan for Chicago Transit Authority Employees shall  
7 remain participants, and shall receive the same benefits  
8 established by the Retirement Plan for Chicago Transit  
9 Authority Employees, except as provided in this amendatory Act  
10 or by subsequent legislative enactment or amendment to the  
11 Retirement Plan. For Authority employees hired on or after  
12 January 1, 2008, the Retirement Plan for Chicago Transit  
13 Authority Employees shall be the exclusive retirement plan and  
14 such employees shall not be eligible for any supplemental plan,  
15 except for a deferred compensation plan funded only by employee  
16 contributions.

17 For all Authority employees who are first hired on or after  
18 January 1, 2008 and are participants in the Retirement Plan for  
19 Chicago Transit Authority Employees, the following terms,  
20 conditions and provisions with respect to retirement shall be  
21 applicable:

22 (1) Such participant shall be eligible for an unreduced  
23 retirement allowance for life upon the attainment of age 64  
24 with 25 years of continuous service.

25 (2) Such participant shall be eligible for a reduced  
26 retirement allowance for life upon the attainment of age 55

1       with 10 years of continuous service.

2       (3) For the purpose of determining the retirement  
3       allowance to be paid to a retiring employee, the term  
4       "Continuous Service" as used in the Retirement Plan for  
5       Chicago Transit Authority Employees shall also be deemed to  
6       include all pension credit for service with any retirement  
7       system established under Article 8 or Article 11 of this  
8       Code, provided that the employee forfeits and relinquishes  
9       all pension credit under Article 8 or Article 11 of this  
10       Code, and the contribution required under this subsection  
11       is made by the employee. The Retirement Plan's actuary  
12       shall determine the contribution paid by the employee as an  
13       amount equal to the normal cost of the benefit accrued, had  
14       the service been rendered as an employee, plus interest per  
15       annum from the time such service was rendered until the  
16       date the payment is made.

17       (d) From the effective date of this amendatory Act through  
18       December 31, 2008, all participating employees shall  
19       contribute to the Retirement Plan in an amount not less than 6%  
20       of compensation, and the Authority shall contribute to the  
21       Retirement Plan in an amount not less than 12% of compensation.

22       (e) (1) Beginning January 1, 2009 the Authority shall make  
23       contributions to the Retirement Plan in an amount equal to  
24       twelve percent (12%) of compensation and participating  
25       employees shall make contributions to the Retirement Plan in an  
26       amount equal to six percent (6%) of compensation. These

1 contributions may be paid by the Authority and participating  
2 employees on a payroll or other periodic basis, but shall in  
3 any case be paid to the Retirement Plan at least monthly.

4 (2) For the period ending December 31, 2039, the amount  
5 paid by the Authority in any year with respect to debt service  
6 on bonds issued for the purposes of funding a contribution to  
7 the Retirement Plan under Section 12c of the Metropolitan  
8 Transit Authority Act, other than debt service paid with the  
9 proceeds of bonds or notes issued by the Authority for any year  
10 after calendar year 2008, shall be treated as a credit against  
11 the amount of required contribution to the Retirement Plan by  
12 the Authority under subsection (e)(1) for the following year up  
13 to an amount not to exceed 6% of compensation paid by the  
14 Authority in that following year.

15 (3) By September 15 of each year beginning in 2009 and  
16 ending on December 31, 2038, on the basis of a report prepared  
17 by an enrolled actuary retained by the Plan, the Board of  
18 Trustees of the Retirement Plan shall determine the estimated  
19 funded ratio of the total assets of the Retirement Plan to its  
20 total actuarially determined liabilities. A report containing  
21 that determination and the actuarial assumptions on which it is  
22 based shall be filed with the Authority, the representatives of  
23 its participating employees, the Auditor General of the State  
24 of Illinois, and the Regional Transportation Authority. If the  
25 funded ratio is projected to decline below 60% in any year  
26 before 2039, the Board of Trustees shall also determine the



1 increased contribution required each year as a level percentage  
2 of payroll over the years remaining until 2039 using the  
3 projected unit credit actuarial cost method so the funded ratio  
4 does not decline below 60% and include that determination in  
5 its report. If the actual funded ratio declines below 60% in  
6 any year prior to 2039, the Board of Trustees shall also  
7 determine the increased contribution required each year as a  
8 level percentage of payroll during the years after the then  
9 current year using the projected unit credit actuarial cost  
10 method so the funded ratio is projected to reach at least 60%  
11 no later than 10 years after the then current year and include  
12 that determination in its report. Within 60 days after  
13 receiving the report, the Auditor General shall review the  
14 determination and the assumptions on which it is based, and if  
15 he finds that the determination and the assumptions on which it  
16 is based are unreasonable in the aggregate, he shall issue a  
17 new determination of the funded ratio, the assumptions on which  
18 it is based and the increased contribution required each year  
19 as a level percentage of payroll over the years remaining until  
20 2039 using the projected unit credit actuarial cost method so  
21 the funded ratio does not decline below 60%, or, in the event  
22 of an actual decline below 60%, so the funded ratio is  
23 projected to reach 60% by no later than 10 years after the then  
24 current year. If the Board of Trustees or the Auditor General  
25 determine that an increased contribution is required to meet  
26 the funded ratio required by the subsection, effective January

1 1 following the determination or 30 days after such  
2 determination, whichever is later, one-third of the increased  
3 contribution shall be paid by participating employees and  
4 two-thirds by the Authority, in addition to the contributions  
5 required by this subsection (1).

6 (4) For the period beginning 2039, the minimum contribution  
7 to the Retirement Plan for each fiscal year shall be an amount  
8 determined by the Board of Trustees of the Retirement Plan to  
9 be sufficient to bring the total assets of the Retirement Plan  
10 up to 90% of its total actuarial liabilities by the end of  
11 2058. Participating employees shall be responsible for  
12 one-third of the required contribution and the Authority shall  
13 be responsible for two-thirds of the required contribution. In  
14 making these determinations, the Board of Trustees shall  
15 calculate the required contribution each year as a level  
16 percentage of payroll over the years remaining to and including  
17 fiscal year 2058 using the projected unit credit actuarial cost  
18 method. A report containing that determination and the  
19 actuarial assumptions on which it is based shall be filed by  
20 September 15 of each year with the Authority, the  
21 representatives of its participating employees, the Auditor  
22 General of the State of Illinois and the Regional  
23 Transportation Authority. If the funded ratio is projected to  
24 fail to reach 90% by December 31, 2058, the Board of Trustees  
25 shall also determine the increased contribution required each  
26 year as a level percentage of payroll over the years remaining

1 until December 31, 2058 using the projected unit credit  
2 actuarial cost method so the funded ratio will meet 90% by  
3 December 31, 2058 and include that determination in its report.  
4 Within 60 days after receiving the report, the Auditor General  
5 shall review the determination and the assumptions on which it  
6 is based and if he finds that the determination and the  
7 assumptions on which it is based are unreasonable in the  
8 aggregate, he shall issue a new determination of the funded  
9 ratio, the assumptions on which it is based and the increased  
10 contribution required each year as a level percentage of  
11 payroll over the years remaining until December 31, 2058 using  
12 the projected unit credit actuarial cost method so the funded  
13 ratio reaches no less than 90% by December 31, 2058. If the  
14 Board of Trustees or the Auditor General determine that an  
15 increased contribution is required to meet the funded ratio  
16 required by this subsection, effective January 1 following the  
17 determination or 30 days after such determination, whichever is  
18 later, one-third of the increased contribution shall be paid by  
19 participating employees and two-thirds by the Authority, in  
20 addition to the contributions required by subsection (e) (1).

21 (5) Beginning in 2059, the minimum contribution for each  
22 year shall be the amount needed to maintain the total assets of  
23 the Retirement Plan at 90% of the total actuarial liabilities  
24 of the Plan, and the contribution shall be funded two-thirds by  
25 the Authority and one-third by the participating employees in  
26 accordance with this subsection.

1       (f) The Authority shall take the steps necessary to comply  
2 with Section 414(h) (2) of the Internal Revenue Code of 1986, as  
3 amended, to permit the pick-up of employee contributions under  
4 subsections (d) and (e) on a tax-deferred basis.

5       (g) The Board of Trustees shall certify to the Governor,  
6 the General Assembly, the Auditor General, the Board of the  
7 Regional Transportation Authority, and the Authority at least  
8 90 days prior to the end of each fiscal year the amount of the  
9 required contributions to the retirement system for the next  
10 retirement system fiscal year under this Section. The  
11 certification shall include a copy of the actuarial  
12 recommendations upon which it is based. In addition, copies of  
13 the certification shall be sent to the Commission on Government  
14 Forecasting and Accountability and the Mayor of Chicago.

15       (h) (1) As to an employee who first becomes entitled to a  
16 retirement allowance commencing on or after November 30, 1989,  
17 the retirement allowance shall be the amount determined in  
18 accordance with the following formula:

19           (A) One percent (1%) of his "Average Annual  
20 Compensation in the highest four (4) completed Plan Years"  
21 for each full year of continuous service from the date of  
22 original employment to the effective date of the Plan; plus

23           (B) One and seventy-five hundredths percent (1.75%) of  
24 his "Average Annual Compensation in the highest four (4)  
25 completed Plan Years" for each year (including fractions  
26 thereof to completed calendar months) of continuous

1 service as provided for in the Retirement Plan for Chicago  
2 Transit Authority Employees.

3 Provided, however that:

4 (2) As to an employee who first becomes entitled to a  
5 retirement allowance commencing on or after January 1, 1993,  
6 the retirement allowance shall be the amount determined in  
7 accordance with the following formula:

8 (A) One percent (1%) of his "Average Annual  
9 Compensation in the highest four (4) completed Plan Years"  
10 for each full year of continuous service from the date of  
11 original employment to the effective date of the Plan; plus

12 (B) One and eighty hundredths percent (1.80%) of his  
13 "Average Annual Compensation in the highest four (4)  
14 completed Plan Years" for each year (including fractions  
15 thereof to completed calendar months) of continuous  
16 service as provided for in the Retirement Plan for Chicago  
17 Transit Authority Employees.

18 Provided, however that:

19 (3) As to an employee who first becomes entitled to a  
20 retirement allowance commencing on or after January 1, 1994,  
21 the retirement allowance shall be the amount determined in  
22 accordance with the following formula:

23 (A) One percent (1%) of his "Average Annual  
24 Compensation in the highest four (4) completed Plan Years"  
25 for each full year of continuous service from the date of  
26 original employment to the effective date of the Plan; plus

1           (B) One and eighty-five hundredths percent (1.85%) of  
2           his "Average Annual Compensation in the highest four (4)  
3           completed Plan Years" for each year (including fractions  
4           thereof to completed calendar months) of continuous  
5           service as provided for in the Retirement Plan for Chicago  
6           Transit Authority Employees.

7           Provided, however that:

8           (4) As to an employee who first becomes entitled to a  
9           retirement allowance commencing on or after January 1, 2000,  
10           the retirement allowance shall be the amount determined in  
11           accordance with the following formula:

12           (A) One percent (1%) of his "Average Annual  
13           Compensation in the highest four (4) completed Plan Years"  
14           for each full year of continuous service from the date of  
15           original employment to the effective date of the Plan; plus

16           (B) Two percent (2%) of his "Average Annual  
17           Compensation in the highest four (4) completed Plan Years"  
18           for each year (including fractions thereof to completed  
19           calendar months) of continuous service as provided for in  
20           the Retirement Plan for Chicago Transit Authority  
21           Employees.

22           Provided, however that:

23           (5) As to an employee who first becomes entitled to a  
24           retirement allowance commencing on or after January 1, 2001,  
25           the retirement allowance shall be the amount determined in  
26           accordance with the following formula:

1           (A) One percent (1%) of his "Average Annual  
2           Compensation in the highest four (4) completed Plan Years"  
3           for each full year of continuous service from the date of  
4           original employment to the effective date of the Plan; plus

5           (B) Two and fifteen hundredths percent (2.15%) of his  
6           "Average Annual Compensation in the highest four (4)  
7           completed Plan Years" for each year (including fractions  
8           thereof to completed calendar months) of continuous  
9           service as provided for in the Retirement Plan for Chicago  
10           Transit Authority Employees.

11           The changes made by this amendatory Act of the 95th General  
12           Assembly, to the extent that they affect the rights or  
13           privileges of Authority employees that are currently the  
14           subject of collective bargaining, have been agreed to between  
15           the authorized representatives of these employees and of the  
16           Authority prior to enactment of this amendatory Act, as  
17           evidenced by a Memorandum of Understanding between these  
18           representatives that will be filed with the Secretary of State  
19           Index Department and designated as "95-GA-C05". The General  
20           Assembly finds and declares that those changes are consistent  
21           with 49 U.S.C. 5333(b) (also known as Section 13(c) of the  
22           Federal Transit Act) because of this agreement between  
23           authorized representatives of these employees and of the  
24           Authority, and that any future amendments to the provisions of  
25           this amendatory Act of the 95th General Assembly, to the extent  
26           those amendments would affect the rights and privileges of

1 Authority employees that are currently the subject of  
2 collective bargaining, would be consistent with 49 U.S.C.  
3 5333(b) if and only if those amendments were agreed to between  
4 these authorized representatives prior to enactment.

5 (i) Early retirement incentive plan; funded ratio.

6 (1) Beginning on the effective date of this Section, no  
7 early retirement incentive shall be offered to  
8 participants of the Plan unless the Funded Ratio of the  
9 Plan is at least 80% or more.

10 (2) For the purposes of this Section, the Funded Ratio  
11 shall be the Adjusted Assets divided by the Actuarial  
12 Accrued Liability developed in accordance with Statement  
13 #25 promulgated by the Government Accounting Standards  
14 Board and the actuarial assumptions described in the Plan.  
15 The Adjusted Assets shall be calculated based on the  
16 methodology described in the Plan.

17 (j) Nothing in this amendatory Act of the 95th General  
18 Assembly shall impair the rights or privileges of Authority  
19 employees under any other law.

20 ~~(b) Beginning January 1, 2009, the Authority shall make~~  
21 ~~contributions to the retirement system in an amount which,~~  
22 ~~together with the contributions of participants, interest~~  
23 ~~earned on investments, and other income, will meet the cost of~~  
24 ~~maintaining and administering the retirement plan in~~  
25 ~~accordance with applicable actuarial recommendations and~~  
26 ~~assumptions and the requirements of this Section. These~~



1 ~~contributions may be paid on a payroll or other periodic basis,~~  
2 ~~but shall in any case be paid at least monthly.~~

3 ~~For retirement system fiscal years 2009 through 2058, the~~  
4 ~~minimum contribution to the retirement system to be made by the~~  
5 ~~Authority for each fiscal year shall be an amount determined~~  
6 ~~jointly by the Authority and the trustee of the retirement~~  
7 ~~system to be sufficient to bring the total assets of the~~  
8 ~~retirement system up to 90% of its total actuarial liabilities~~  
9 ~~by the end of fiscal year 2058. In making these determinations,~~  
10 ~~the required Authority contribution shall be calculated each~~  
11 ~~year as a level percentage of payroll over the years remaining~~  
12 ~~to and including fiscal year 2058 and shall be determined under~~  
13 ~~the projected unit credit actuarial cost method. Beginning in~~  
14 ~~retirement system fiscal year 2059, the minimum Authority~~  
15 ~~contribution for each fiscal year shall be the amount needed to~~  
16 ~~maintain the total assets of the retirement system at 90% of~~  
17 ~~the total actuarial liabilities of the system.~~

18 ~~For purposes of determining employer contributions and~~  
19 ~~actuarial liabilities under this subsection, contributions and~~  
20 ~~liabilities relating to health care benefits shall not be~~  
21 ~~included. As used in this Section, "retirement system fiscal~~  
22 ~~year" means the calendar year, or such other plan year as may~~  
23 ~~be defined from time to time in the agreement known as the~~  
24 ~~Retirement Plan for Chicago Transit Authority Employees, or its~~  
25 ~~successor agreement.~~

26 ~~(c) The Authority and the trustee shall jointly certify to~~

1 ~~the Governor, the General Assembly, and the Board of the~~  
2 ~~Regional Transportation Authority on or before November 15 of~~  
3 ~~2008 and of each year thereafter the amount of the required~~  
4 ~~Authority contributions to the retirement system for the next~~  
5 ~~retirement system fiscal year under subsection (b). The~~  
6 ~~certification shall include a copy of the actuarial~~  
7 ~~recommendations upon which it is based. In addition, copies of~~  
8 ~~the certification shall be sent to the Commission on Government~~  
9 ~~Forecasting and Accountability, the Mayor of Chicago, the~~  
10 ~~Chicago City Council, and the Cook County Board.~~

11 ~~(d) The Authority shall take all actions lawfully available~~  
12 ~~to it to separate the funding of health care benefits for~~  
13 ~~retirees and their dependents and survivors from the funding~~  
14 ~~for its retirement system. The Authority shall endeavor to~~  
15 ~~achieve this separation as soon as possible, and in any event~~  
16 ~~no later than January 1, 2009.~~

17 ~~(e) This amendatory Act of the 94th General Assembly does~~  
18 ~~not affect or impair the right of either the Authority or its~~  
19 ~~employees to collectively bargain the amount or level of~~  
20 ~~employee contributions to the retirement system.~~

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

22 (40 ILCS 5/22-101B new)

23 Sec. 22-101B. Health Care Benefits.

24 (a) The Chicago Transit Authority (hereinafter referred to  
25 in this Section as the "Authority") shall take all actions

1 lawfully available to it to separate the funding of health care  
2 benefits for retirees and their dependents and survivors from  
3 the funding for its retirement system. The Authority shall  
4 endeavor to achieve this separation as soon as possible, and in  
5 any event no later than January 1, 2009.

6 (b) Effective January 1, 2008, a Retiree Health Care Trust  
7 is established for the purpose of providing health care  
8 benefits to eligible retirees and their dependents and  
9 survivors in accordance with the terms and conditions set forth  
10 in this Section 22-101B. The Retiree Health Care Trust shall be  
11 solely responsible for providing health care benefits to  
12 eligible retirees and their dependents and survivors by no  
13 later than January 1, 2009, but no earlier than July 1, 2008.

14 (1) The Board of Trustees shall consist of 7 members  
15 appointed as follows: (i) 3 trustees shall be appointed by  
16 the Chicago Transit Board; (ii) one trustee shall be  
17 appointed by an organization representing the highest  
18 number of Chicago Transit Authority participants; (iii)  
19 one trustee shall be appointed by an organization  
20 representing the second-highest number of Chicago Transit  
21 Authority participants; (iv) one trustee shall be  
22 appointed by the recognized coalition representatives of  
23 participants who are not represented by an organization  
24 with the highest or second-highest number of Chicago  
25 Transit Authority participants; and (v) one trustee shall  
26 be selected by the Regional Transportation Authority Board

1       of Directors, and the trustee shall be a professional  
2       fiduciary who has experience in the area of collectively  
3       bargained retiree health plans. Trustees shall serve until  
4       a successor has been appointed and qualified, or until  
5       resignation, death, incapacity, or disqualification.

6       Any person appointed as a trustee of the board shall  
7       qualify by taking an oath of office that he or she will  
8       diligently and honestly administer the affairs of the  
9       system, and will not knowingly violate or willfully permit  
10      the violation of any of the provisions of law applicable to  
11      the Plan, including Sections 1-109, 1-109.1, 1-109.2,  
12      1-110, 1-111, 1-114, and 1-115 of Article 1 of the Illinois  
13      Pension Code.

14      Each trustee shall cast individual votes, and a  
15      majority vote shall be final and binding upon all  
16      interested parties. Each trustee shall have the rights,  
17      privileges, authority and obligations as are usual and  
18      customary for such fiduciaries.

19      (2) The Board of Trustees shall establish and  
20      administer a health care benefit program for eligible  
21      retirees and their dependents and survivors. The health  
22      care benefit program for eligible retirees and their  
23      dependents and survivors shall not contain any plan which  
24      provides for more than 90% coverage for in-network services  
25      or 70% coverage for out-of-network services after any  
26      deductible has been paid.

1           (3) The Retiree Health Care Trust shall be administered  
2 by the Board of Trustees according to the following  
3 requirements:

4           (i) The Board of Trustees may cause amounts on  
5 deposit in the Retiree Health Care Trust to be invested  
6 in those investments that are permitted investments  
7 for the investment of moneys held under any one or more  
8 of the pension or retirement systems of the State, any  
9 unit of local government or school district, or any  
10 agency or instrumentality thereof. The Board, by a vote  
11 of at least two-thirds of the trustees, may transfer  
12 investment management to the Illinois State Board of  
13 Investment, which is hereby authorized to manage these  
14 investments when so requested by the Board of Trustees.

15           (ii) The Board of Trustees shall establish and  
16 maintain an appropriate funding reserve level which  
17 shall not be less than the amount of incurred and  
18 unreported claims plus 12 months of expected claims and  
19 administrative expenses.

20           (iii) The Board of Trustees shall make an annual  
21 assessment of the funding levels of the Retiree Health  
22 Care Trust and shall submit a report to the Auditor  
23 General at least 90 days prior to the end of the fiscal  
24 year. The report shall provide the following:

25           (A) the actuarial present value of projected  
26 benefits expected to be paid to current and future

1 retirees and their dependents and survivors;

2 (B) the actuarial present value of projected  
3 contributions and trust income plus assets;

4 (C) the reserve required by subsection  
5 (b) (3) (ii); and

6 (D) an assessment of whether the actuarial  
7 present value of projected benefits expected to be  
8 paid to current and future retirees and their  
9 dependents and survivors exceeds or is less than  
10 the actuarial present value of projected  
11 contributions and trust income plus assets in  
12 excess of the reserve required by subsection  
13 (b) (3) (ii).

14 If the actuarial present value of projected  
15 benefits expected to be paid to current and future  
16 retirees and their dependents and survivors exceeds  
17 the actuarial present value of projected contributions  
18 and trust income plus assets in excess of the reserve  
19 required by subsection (b) (3) (ii), then the report  
20 shall provide a plan of increases in employee, retiree,  
21 dependent, or survivor contribution levels, decreases  
22 in benefit levels, or both, which is projected to cure  
23 the shortfall over a period of not more than 10 years.  
24 If the actuarial present value of projected benefits  
25 expected to be paid to current and future retirees and  
26 their dependents and survivors is less than the

1       actuarial present value of projected contributions and  
2       trust income plus assets in excess of the reserve  
3       required by subsection (b)(3)(ii), then the report may  
4       provide a plan of decreases in employee, retiree,  
5       dependent, or survivor contribution levels, increases  
6       in benefit levels, or both, to the extent of the  
7       surplus.

8       (iv) The Auditor General shall review the report  
9       and plan provided in subsection (b)(3)(iii) and issue a  
10       determination within 90 days after receiving the  
11       report and plan, with a copy of such determination  
12       provided to the General Assembly and the Regional  
13       Transportation Authority, as follows:

14           (A) In the event of a projected shortfall, if  
15           the Auditor General determines that the  
16           assumptions stated in the report are not  
17           unreasonable in the aggregate and that the plan of  
18           increases in employee, retiree, dependent, or  
19           survivor contribution levels, decreases in benefit  
20           levels, or both, is reasonably projected to cure  
21           the shortfall over a period of not more than 10  
22           years, then the Board of Trustees shall implement  
23           the plan. If the Auditor General determines that  
24           the assumptions stated in the report are  
25           unreasonable in the aggregate, or that the plan of  
26           increases in employee, retiree, dependent, or

1 survivor contribution levels, decreases in benefit  
2 levels, or both, is not reasonably projected to  
3 cure the shortfall over a period of not more than  
4 10 years, then the Board of Trustees shall not  
5 implement the plan, the Auditor General shall  
6 explain the basis for such determination to the  
7 Board of Trustees, and the Auditor General may make  
8 recommendations as to an alternative report and  
9 plan.

10 (B) In the event of a projected surplus, if the  
11 Auditor General determines that the assumptions  
12 stated in the report are not unreasonable in the  
13 aggregate and that the plan of decreases in  
14 employee, retiree, dependent, or survivor  
15 contribution levels, increases in benefit levels,  
16 or both, is not unreasonable in the aggregate, then  
17 the Board of Trustees shall implement the plan. If  
18 the Auditor General determines that the  
19 assumptions stated in the report are unreasonable  
20 in the aggregate, or that the plan of decreases in  
21 employee, retiree, dependent, or survivor  
22 contribution levels, increases in benefit levels,  
23 or both, is unreasonable in the aggregate, then the  
24 Board of Trustees shall not implement the plan, the  
25 Auditor General shall explain the basis for such  
26 determination to the Board of Trustees, and the



1           Auditor General may make recommendations as to an  
2           alternative report and plan.

3           (C) The Board of Trustees shall submit an  
4           alternative report and plan within 45 days after  
5           receiving a rejection determination by the Auditor  
6           General. A determination by the Auditor General on  
7           any alternative report and plan submitted by the  
8           Board of Trustees shall be made within 90 days  
9           after receiving the alternative report and plan,  
10           and shall be accepted or rejected according to the  
11           requirements of this subsection (b)(3)(iv). The  
12           Board of Trustees shall continue to submit  
13           alternative reports and plans to the Auditor  
14           General, as necessary, until a favorable  
15           determination is made by the Auditor General.

16           (4) For any retiree who first retires effective January  
17           1, 2008 or thereafter, to be eligible for retiree health  
18           care benefits upon retirement, the retiree must be at least  
19           55 years of age, retire with 10 or more years of continuous  
20           service and satisfy the preconditions established by this  
21           amendatory Act in addition to any rules or regulations  
22           promulgated by the Board of Trustees. This paragraph (4)  
23           shall not apply to a disability allowance.

24           (5) Effective July 1, 2008, the aggregate amount of  
25           retiree, dependent and survivor contributions to the cost  
26           of their health care benefits shall not exceed more than

1       45% of the total cost of such benefits. The Board of  
2       Trustees shall have the discretion to provide different  
3       contribution levels for retirees, dependents and survivors  
4       based on their years of service, level of coverage or  
5       Medicare eligibility, provided that the total contribution  
6       from all retirees, dependents, and survivors shall be not  
7       more than 45% of the total cost of such benefits. The term  
8       "total cost of such benefits" for purposes of this  
9       subsection shall be the total amount expended by the  
10       retiree health benefit program in the prior plan year, as  
11       calculated and certified in writing by the Retiree Health  
12       Care Trust's enrolled actuary to be appointed and paid for  
13       by the Board of Trustees.

14       (6) Effective January 1, 2008, all employees of the  
15       Authority shall contribute to the Retiree Health Care Trust  
16       in an amount not less than 3% of compensation.

17       (7) No earlier than July 1, 2008 and no later than  
18       January 1, 2009 as the Retiree Health Care Trust becomes  
19       solely responsible for providing health care benefits to  
20       eligible retirees and their dependents and survivors in  
21       accordance with subsection (b) of this Section 22-101B, the  
22       Authority shall not have any obligation to provide health  
23       care to current or future retirees and their dependents or  
24       survivors. The Authority, its employees, and the retirees,  
25       dependents and survivors who are required to make  
26       contributions to the Retiree Health Care Trust shall make

1       contributions at the level set by the Board of Trustees  
2       pursuant to the requirements of this Section 22-101B.

3       Section 10. The Illinois Municipal Code is amended by  
4       changing Section 8-3-19 as follows:

5           (65 ILCS 5/8-3-19)

6       Sec. 8-3-19. Home rule real estate transfer taxes.

7       (a) After the effective date of this amendatory Act of the  
8       93rd General Assembly and subject to this Section, a home rule  
9       municipality may impose or increase a tax or other fee on the  
10      privilege of transferring title to real estate, on the  
11      privilege of transferring a beneficial interest in real  
12      property, and on the privilege of transferring a controlling  
13      interest in a real estate entity, as the terms "beneficial  
14      interest", "controlling interest", and "real estate entity"  
15      are defined in Article 31 of the Property Tax Code. Such a tax  
16      or other fee shall hereafter be referred to as a real estate  
17      transfer tax.

18      (b) Before adopting a resolution to submit the question of  
19      imposing or increasing a real estate transfer tax to  
20      referendum, the corporate authorities shall give public notice  
21      of and hold a public hearing on the intent to submit the  
22      question to referendum. This hearing may be part of a regularly  
23      scheduled meeting of the corporate authorities. The notice  
24      shall be published not more than 30 nor less than 10 days prior

1 to the hearing in a newspaper of general circulation within the  
2 municipality. The notice shall be published in the following  
3 form:

4 Notice of Proposed (Increased) Real Estate Transfer  
5 Tax for (commonly known name of municipality).

6 A public hearing on a resolution to submit to  
7 referendum the question of a proposed (increased) real  
8 estate transfer tax for (legal name of the municipality) in  
9 an amount of (rate) to be paid by the buyer (seller) of the  
10 real estate transferred will be held on (date) at (time) at  
11 (location). The current rate of real estate transfer tax  
12 imposed by (name of municipality) is (rate).

13 Any person desiring to appear at the public hearing and  
14 present testimony to the taxing district may do so.

15 (c) A notice that includes any information not specified  
16 and required by this Section is an invalid notice. All hearings  
17 shall be open to the public. At the public hearing, the  
18 corporate authorities of the municipality shall explain the  
19 reasons for the proposed or increased real estate transfer tax  
20 and shall permit persons desiring to be heard an opportunity to  
21 present testimony within reasonable time limits determined by  
22 the corporate authorities. A copy of the proposed ordinance  
23 shall be made available to the general public for inspection  
24 before the public hearing.

25 (d) Except as provided in subsection (i), no ~~no~~ home rule  
26 municipality shall impose a new real estate transfer tax after

1 the effective date of this amendatory Act of 1996 without prior  
2 approval by referendum. Except as provided in subsection (i),  
3 no ~~no~~ home rule municipality shall impose an increase of the  
4 rate of a current real estate transfer tax without prior  
5 approval by referendum. A home rule municipality may impose a  
6 new real estate transfer tax or may increase an existing real  
7 estate transfer tax with prior referendum approval. The  
8 referendum shall be conducted as provided in subsection (e). An  
9 existing ordinance or resolution imposing a real estate  
10 transfer tax may be amended without approval by referendum if  
11 the amendment does not increase the rate of the tax or add  
12 transactions on which the tax is imposed.

13 (e) The home rule municipality shall, by resolution,  
14 provide for submission of the proposition to the voters. The  
15 home rule municipality shall certify the resolution and the  
16 proposition to the proper election officials in accordance with  
17 the general election law. If the proposition is to impose a new  
18 real estate transfer tax, it shall be in substantially the  
19 following form: "Shall (name of municipality) impose a real  
20 estate transfer tax at a rate of (rate) to be paid by the buyer  
21 (seller) of the real estate transferred, with the revenue of  
22 the proposed transfer tax to be used for (purpose)?" If the  
23 proposition is to increase an existing real estate transfer  
24 tax, it shall be in the following form: "Shall (name of  
25 municipality) impose a real estate transfer tax increase of  
26 (percent increase) to establish a new transfer tax rate of

1 (rate) to be paid by the buyer (seller) of the real estate  
2 transferred? The current rate of the real estate transfer tax  
3 is (rate), and the revenue is used for (purpose). The revenue  
4 from the increase is to be used for (purpose).".

5 If a majority of the electors voting on the proposition  
6 vote in favor of it, the municipality may impose or increase  
7 the municipal real estate transfer tax or fee.

8 (f) Nothing in this amendatory Act of 1996 shall limit the  
9 purposes for which real estate transfer tax revenues may be  
10 collected or expended.

11 (g) A home rule municipality may not impose real estate  
12 transfer taxes other than as authorized by this Section. This  
13 Section is a denial and limitation of home rule powers and  
14 functions under subsection (g) of Section 6 of Article VII of  
15 the Illinois Constitution.

16 (h) Notwithstanding subsection (g) of this Section, any  
17 real estate transfer taxes adopted by a municipality at any  
18 time prior to January 17, 1997 (the effective date of Public  
19 Act 89-701) and any amendments to any existing real estate  
20 transfer tax ordinance adopted after that date, in accordance  
21 with the law in effect at the time of the adoption of the  
22 amendments, are not preempted by this amendatory Act of the  
23 93rd General Assembly.

24 (i) Within 6 months after the effective date of this  
25 amendatory Act of the 95th General Assembly, by ordinance  
26 adopted without a referendum, a home rule municipality with a

1 population in excess of 1,000,000 may increase the rate of an  
2 existing real estate transfer tax by a rate of up to \$1.50 for  
3 each \$500 of value or fraction thereof, or in the alternative  
4 may impose a real estate transfer tax at a rate of up to \$1.50  
5 for each \$500 of value or fraction thereof, which may be on the  
6 buyer or seller of real estate, or jointly and severally on  
7 both, for the sole purpose of providing financial assistance to  
8 the Chicago Transit Authority. All amounts collected under such  
9 supplemental tax shall be provided to the Chicago Transit  
10 Authority pursuant to an intergovernmental agreement as  
11 promptly as practicable upon their receipt. Such municipality  
12 shall file a copy of any ordinance imposing or increasing such  
13 tax with the Illinois Department of Revenue and shall file a  
14 report with the Department each month certifying the amount  
15 paid to the Chicago Transit Authority in the previous month  
16 from the proceeds of such tax.

17 (Source: P.A. 93-657, eff. 6-1-04.)

18 Section 15. The Metropolitan Transit Authority Act is  
19 amended by changing Sections 15, 28a, 34, and 46 and by adding  
20 Sections 12c and 50 as follows:

21 (70 ILCS 3605/12c new)

22 Sec. 12c. Retiree Benefits Bonds and Notes.

23 (a) In addition to all other bonds or notes that it is  
24 authorized to issue, the Authority is authorized to issue its

1 bonds or notes for the purposes of providing funds for the  
2 Authority to make the deposits described in Section 12c(b)(1)  
3 and (2), for refunding any bonds authorized to be issued under  
4 this Section, as well as for the purposes of paying costs of  
5 issuance, obtaining bond insurance or other credit enhancement  
6 or liquidity facilities, paying costs of obtaining related  
7 swaps as authorized in the Bond Authorization Act ("Swaps"),  
8 providing a debt service reserve fund, paying Debt Service (as  
9 defined in paragraph (i) of this Section 12c), and paying all  
10 other costs related to any such bonds or notes.

11 (b)(1) After its receipt of a certified copy of a report of  
12 the Auditor General of the State of Illinois meeting the  
13 requirements of Section 3-2.3 of the Illinois State Auditing  
14 Act, the Authority may issue \$1,227,000,000 aggregate original  
15 principal amount of bonds and notes. After payment of the costs  
16 of issuance and necessary deposits to funds and accounts  
17 established with respect to debt service, the net proceeds of  
18 such bonds or notes shall be deposited only in the Retirement  
19 Plan for Chicago Transit Authority Employees and used only for  
20 the purposes required by Section 22-101 of the Illinois Pension  
21 Code. Provided that no less than \$1,000,000,000 has been  
22 deposited in the Retirement Plan, remaining proceeds of bonds  
23 issued under this subparagraph (b)(1) may be used to pay costs  
24 of issuance and make necessary deposits to funds and accounts  
25 with respect to debt service for bonds and notes issued under  
26 this subparagraph or subparagraph (b)(2).



1       (2) After its receipt of a certified copy of a report of  
2 the Auditor General of the State of Illinois meeting the  
3 requirements of Section 3-2.3 of the Illinois State Auditing  
4 Act, the Authority may issue \$553,000,000 aggregate original  
5 principal amount of bonds and notes. After payment of the costs  
6 of issuance and necessary deposits to funds and accounts  
7 established with respect to debt service, the net proceeds of  
8 such bonds or notes shall be deposited only in the Retiree  
9 Health Care Trust and used only for the purposes required by  
10 Section 22-101B of the Illinois Pension Code. Provided that no  
11 less than \$450,000,000 has been deposited in the Retiree Health  
12 Care Trust, remaining proceeds of bonds issued under this  
13 subparagraph (b) (2) may be used to pay costs of issuance and  
14 make necessary deposits to funds and accounts with respect to  
15 debt service for bonds and notes issued under this subparagraph  
16 or subparagraph (b) (1).

17       (3) In addition, refunding bonds are authorized to be  
18 issued for the purpose of refunding outstanding bonds or notes  
19 issued under this Section 12c.

20       (4) The bonds or notes issued under 12c(b) (1) shall be  
21 issued as soon as practicable after the Auditor General issues  
22 the report provided in Section 3-2.3(b) of the Illinois State  
23 Auditing Act. The bonds or notes issued under 12c(b) (2) shall  
24 be issued as soon as practicable after the Auditor General  
25 issues the report provided in Section 3-2.3(c) of the Illinois  
26 State Auditing Act.

1       (5) With respect to bonds and notes issued under  
2 subparagraph (b), scheduled aggregate annual payments of  
3 interest or deposits into funds and accounts established for  
4 the purpose of such payment shall commence within one year  
5 after the bonds and notes are issued. With respect to principal  
6 and interest, scheduled aggregate annual payments of principal  
7 and interest or deposits into funds and accounts established  
8 for the purpose of such payment shall be not less than 70% in  
9 2009, 80% in 2010, and 90% in 2011, respectively, of scheduled  
10 payments or deposits of principal and interest in 2012 and  
11 shall be substantially equal beginning in 2012 and each year  
12 thereafter. For purposes of this subparagraph (b),  
13 "substantially equal" means that debt service in any full year  
14 after calendar year 2011 is not more than 115% of debt service  
15 in any other full year after calendar year 2011 during the term  
16 of the bonds or notes. For the purposes of this subsection (b),  
17 with respect to bonds and notes that bear interest at a  
18 variable rate, interest shall be assumed at a rate equal to the  
19 rate for United States Treasury Securities - State and Local  
20 Government Series for the same maturity, plus 75 basis points.  
21 If the Authority enters into a Swap with a counterparty  
22 requiring the Authority to pay a fixed interest rate on a  
23 notional amount, and the Authority has made a determination  
24 that such Swap was entered into for the purpose of providing  
25 substitute interest payments for variable interest rate bonds  
26 or notes of a particular maturity or maturities in a principal

1 amount equal to the notional amount of the Swap, then during  
2 the term of the Swap for purposes of any calculation of  
3 interest payable on such bonds or notes, the interest rate on  
4 the bonds or notes of such maturity or maturities shall be  
5 determined as if such bonds or notes bore interest at the fixed  
6 interest rate payable by the Authority under such Swap.

7 (6) No bond or note issued under this Section 12c shall  
8 mature later than December 31, 2039.

9 (c) The Chicago Transit Board shall provide for the  
10 issuance of bonds or notes as authorized in this Section 12c by  
11 the adoption of an ordinance. The ordinance, together with the  
12 bonds or notes, shall constitute a contract among the  
13 Authority, the owners from time to time of the bonds or notes,  
14 any bond trustee with respect to the bonds or notes, any  
15 related credit enhancer and any provider of any related Swaps.

16 (d) The Authority is authorized to cause the proceeds of  
17 the bonds or notes, and any interest or investment earnings on  
18 the bonds or notes, and of any Swaps, to be invested until the  
19 proceeds and any interest or investment earnings have been  
20 deposited with the Retirement Plan or the Retiree Health Care  
21 Trust.

22 (e) Bonds or notes issued pursuant to this Section 12c may  
23 be general obligations of the Authority, to which shall be  
24 pledged the full faith and credit of the Authority, or may be  
25 obligations payable solely from particular sources of funds all  
26 as may be provided in the authorizing ordinance. The

1 authorizing ordinance for the bonds and notes, whether or not  
2 general obligations of the Authority, may provide for the Debt  
3 Service (as defined in paragraph (i) of this Section 12c) to  
4 have a claim for payment from particular sources of funds,  
5 including, without limitation, amounts to be paid to the  
6 Authority or a bond trustee. The authorizing ordinance may  
7 provide for the means by which the bonds or notes (and any  
8 related Swaps) may be secured, which may include, a pledge of  
9 any revenues or funds of the Authority from whatever source  
10 which may by law be utilized for paying Debt Service. In  
11 addition to any other security, upon the written approval of  
12 the Regional Transportation Authority by the affirmative vote  
13 of 10 of its then Directors, the ordinance shall provide a  
14 specific pledge or assignment of and lien on or security  
15 interest in amounts to be paid to the Authority by the Regional  
16 Transportation Authority from the proceeds of any tax levied by  
17 the Regional Transportation Authority under Section 4.03 of the  
18 Regional Transportation Authority Act and allocated to the  
19 Authority under the provisions of Section 4.03.3 of that Act  
20 and direct payment thereof to the bond trustee for payment of  
21 Debt Service with respect to the bonds or notes, subject to the  
22 provisions of existing lease agreements of the Authority with  
23 any public building commission. The authorizing ordinance may  
24 also provide a specific pledge or assignment of and lien on or  
25 security interest in and direct payment to the trustee of all  
26 or a portion of the moneys otherwise payable to the Authority

1 from the City of Chicago pursuant to an intergovernmental  
2 agreement with the Authority to provide financial assistance to  
3 the Authority. Any such pledge, assignment, lien or security  
4 interest for the benefit of owners of bonds or notes shall be  
5 valid and binding from the time the bonds or notes are issued,  
6 without any physical delivery or further act, and shall be  
7 valid and binding as against and prior to the claims of all  
8 other parties having claims of any kind against the Authority  
9 or any other person, irrespective of whether such other parties  
10 have notice of such pledge, assignment, lien or security  
11 interest, all as provided in the Local Government Debt Reform  
12 Act, as it may be amended from time to time. The bonds or notes  
13 of the Authority issued pursuant to this Section 12c shall have  
14 such priority of payment and as to their claim for payment from  
15 particular sources of funds, including their priority with  
16 respect to obligations of the Authority issued under other  
17 Sections of this Act, all as shall be provided in the  
18 ordinances authorizing the issuance of the bonds or notes. The  
19 ordinance authorizing the issuance of any bonds or notes under  
20 this Section may provide for the creation of, deposits in, and  
21 regulation and disposition of sinking fund or reserve accounts  
22 relating to those bonds or notes and related agreements. The  
23 ordinance authorizing the issuance of any such bonds or notes  
24 authorized under this Section 12c may contain provisions for  
25 the creation of a separate fund to provide for the payment of  
26 principal of and interest on those bonds or notes and related

1 agreements. The ordinance may also provide limitations on the  
2 issuance of additional bonds or notes of the Authority.

3 (f) Bonds or notes issued under this Section 12c shall not  
4 constitute an indebtedness of the Regional Transportation  
5 Authority, the State of Illinois, or of any other political  
6 subdivision of or municipality within the State, except the  
7 Authority.

8 (g) The ordinance of the Chicago Transit Board authorizing  
9 the issuance of bonds or notes pursuant to this Section 12c may  
10 provide for the appointment of a corporate trustee (which may  
11 be any trust company or bank having the powers of a trust  
12 company within Illinois) with respect to bonds or notes issued  
13 pursuant to this Section 12c. The ordinance shall prescribe the  
14 rights, duties, and powers of the trustee to be exercised for  
15 the benefit of the Authority and the protection of the owners  
16 of bonds or notes issued pursuant to this Section 12c. The  
17 ordinance may provide for the trustee to hold in trust, invest  
18 and use amounts in funds and accounts created as provided by  
19 the ordinance with respect to the bonds or notes in accordance  
20 with this Section 12c. The Authority may apply, as it shall  
21 determine, any amounts received upon the sale of the bonds or  
22 notes to pay any Debt Service on the bonds or notes. The  
23 ordinance may provide for a trust indenture to set forth terms  
24 of, sources of payment for and security for the bonds and  
25 notes.

26 (h) The State of Illinois pledges to and agrees with the

1 owners of the bonds or notes issued pursuant to Section 12c  
2 that the State of Illinois will not limit the powers vested in  
3 the Authority by this Act to pledge and assign its revenues and  
4 funds as security for the payment of the bonds or notes, or  
5 vested in the Regional Transportation Authority by the Regional  
6 Transportation Authority Act or this Act, so as to materially  
7 impair the payment obligations of the Authority under the terms  
8 of any contract made by the Authority with those owners or to  
9 materially impair the rights and remedies of those owners until  
10 those bonds or notes, together with interest and any redemption  
11 premium, and all costs and expenses in connection with any  
12 action or proceedings by or on behalf of such owners are fully  
13 met and discharged. The Authority is authorized to include  
14 these pledges and agreements of the State of Illinois in any  
15 contract with owners of bonds or notes issued pursuant to this  
16 Section 12c.

17 (i) For purposes of this Section, "Debt Service" with  
18 respect to bonds or notes includes, without limitation,  
19 principal (at maturity or upon mandatory redemption),  
20 redemption premium, interest, periodic, upfront, and  
21 termination payments on Swaps, fees for bond insurance or other  
22 credit enhancement, liquidity facilities, the funding of bond  
23 or note reserves, bond trustee fees, and all other costs of  
24 providing for the security or payment of the bonds or notes.

25 (j) The Authority shall adopt a procurement program with  
26 respect to contracts relating to the following service

1 providers in connection with the issuance of debt for the  
2 benefit of the Retirement Plan for Chicago Transit Authority  
3 Employees: underwriters, bond counsel, financial advisors, and  
4 accountants. The program shall include goals for the payment of  
5 not less than 30% of the total dollar value of the fees from  
6 these contracts to minority owned businesses and female owned  
7 businesses as defined in the Business Enterprise for  
8 Minorities, Females, and Persons with Disabilities Act. The  
9 Authority shall conduct outreach to minority owned businesses  
10 and female owned businesses. Outreach shall include, but is not  
11 limited to, advertisements in periodicals and newspapers,  
12 mailings, and other appropriate media. The Authority shall  
13 submit to the General Assembly a comprehensive report that  
14 shall include, at a minimum, the details of the procurement  
15 plan, outreach efforts, and the results of the efforts to  
16 achieve goals for the payment of fees. The service providers  
17 selected by the Authority pursuant to such program shall not be  
18 subject to approval by the Regional Transportation Authority,  
19 and the Regional Transportation Authority's approval pursuant  
20 to subsection (e) of this Section 12c related to the issuance  
21 of debt shall not be based in any way on the service providers  
22 selected by the Authority pursuant to this Section.

23 (k) No person holding an elective office in this State,  
24 holding a seat in the General Assembly, serving as a director,  
25 trustee, officer, or employee of the Regional Transportation  
26 Authority or the Chicago Transit Authority, including the



1 spouse or minor child of that person, may receive a legal,  
2 banking, consulting, or other fee related to the issuance of  
3 any bond issued by the Chicago Transit Authority pursuant to  
4 this Section.

5 (70 ILCS 3605/15) (from Ch. 111 2/3, par. 315)

6 Sec. 15. The Authority shall have power to apply for and  
7 accept grants and loans from the Federal Government or any  
8 agency or instrumentality thereof, from the State, or from any  
9 county, municipal corporation or other political subdivision  
10 of the State to be used for any of the purposes of the  
11 Authority, including, but not by way of limitation, grants and  
12 loans in aid of mass transportation and for studies in mass  
13 transportation, and may provide matching funds when necessary  
14 to qualify for such grants or loans. The Authority may enter  
15 into any agreement with the Federal Government, the State, and  
16 any county, municipal corporation or other political  
17 subdivision of the State in relation to such grants or loans;  
18 provided that such agreement does not conflict with any of the  
19 provisions of any trust agreement securing the payment of bonds  
20 or certificates of the Authority.

21 The Authority may also accept from the state, or from any  
22 county or other political subdivision, or from any municipal  
23 corporation, or school district, or school authorities, grants  
24 or other funds authorized by law to be paid to the Authority  
25 for any of the purposes of this Act.

1 (Source: Laws 1961, p. 3135.)

2 (70 ILCS 3605/28a) (from Ch. 111 2/3, par. 328a)

3 Sec. 28a. (a) The Board may deal with and enter into  
4 written contracts with the employees of the Authority through  
5 accredited representatives of such employees or  
6 representatives of any labor organization authorized to act for  
7 such employees, concerning wages, salaries, hours, working  
8 conditions and pension or retirement provisions; provided,  
9 nothing herein shall be construed to permit hours of labor in  
10 excess of those provided by law or to permit working conditions  
11 prohibited by law. In case of dispute over wages, salaries,  
12 hours, working conditions, or pension or retirement provisions  
13 the Board may arbitrate any question or questions and may agree  
14 with such accredited representatives or labor organization  
15 that the decision of a majority of any arbitration board shall  
16 be final, provided each party shall agree in advance to pay  
17 half of the expense of such arbitration.

18 No contract or agreement shall be made with any labor  
19 organization, association, group or individual for the  
20 employment of members of such organization, association, group  
21 or individual for the construction, improvement, maintenance,  
22 operation or administration of any property, plant or  
23 facilities under the jurisdiction of the Authority, where such  
24 organization, association, group or individual denies on the  
25 ground of race, creed, color, sex, religion, physical or mental

1 handicap unrelated to ability, or national origin membership  
2 and equal opportunities for employment to any citizen of  
3 Illinois.

4 (b)(1) The provisions of this paragraph (b) apply to  
5 collective bargaining agreements (including extensions and  
6 amendments of existing agreements) entered into on or after  
7 January 1, 1984.

8 (2) The Board shall deal with and enter into written  
9 contracts with their employees, through accredited  
10 representatives of such employees authorized to act for such  
11 employees concerning wages, salaries, hours, working  
12 conditions, and pension or retirement provisions about which a  
13 collective bargaining agreement has been entered prior to the  
14 effective date of this amendatory Act of 1983. Any such  
15 agreement of the Authority shall provide that the agreement may  
16 be reopened if the amended budget submitted pursuant to Section  
17 2.18a of the Regional Transportation Authority Act is not  
18 approved by the Board of the Regional Transportation Authority.  
19 The agreement may not include a provision requiring the payment  
20 of wage increases based on changes in the Consumer Price Index.  
21 The Board shall not have the authority to enter into collective  
22 bargaining agreements with respect to inherent management  
23 rights, which include such areas of discretion or policy as the  
24 functions of the employer, standards of services, its overall  
25 budget, the organizational structure and selection of new  
26 employees and direction of personnel. Employers, however,

1 shall be required to bargain collectively with regard to policy  
2 matters directly affecting wages, hours and terms and  
3 conditions of employment, as well as the impact thereon upon  
4 request by employee representatives. To preserve the rights of  
5 employers and exclusive representatives which have established  
6 collective bargaining relationships or negotiated collective  
7 bargaining agreements prior to the effective date of this  
8 amendatory Act of 1983, employers shall be required to bargain  
9 collectively with regard to any matter concerning wages, hours  
10 or conditions of employment about which they have bargained  
11 prior to the effective date of this amendatory Act of 1983.

12 (3) The collective bargaining agreement may not include a  
13 prohibition on the use of part-time operators on any service  
14 operated by or funded by the Board, except where prohibited by  
15 federal law.

16 (4) Within 30 days of the signing of any such collective  
17 bargaining agreement, the Board shall determine the costs of  
18 each provision of the agreement, prepare an amended budget  
19 incorporating the costs of the agreement, and present the  
20 amended budget to the Board of the Regional Transportation  
21 Authority for its approval under Section 4.11 of the Regional  
22 Transportation Act. The Board of the Regional Transportation  
23 Authority may approve the amended budget by an affirmative vote  
24 of 10 ~~two-thirds~~ of its then Directors. If the budget is not  
25 approved by the Board of the Regional Transportation Authority,  
26 the agreement may be reopened and its terms may be

1 renegotiated. Any amended budget which may be prepared  
2 following renegotiation shall be presented to the Board of the  
3 Regional Transportation Authority for its approval in like  
4 manner.

5 (Source: P.A. 83-886.)

6 (70 ILCS 3605/34) (from Ch. 111 2/3, par. 334)

7 Sec. 34. Budget and Program. The Authority, subject to the  
8 powers of the Regional Transportation Authority in Section 4.11  
9 of the Regional Transportation Authority Act, shall control the  
10 finances of the Authority. It shall by ordinance appropriate  
11 money to perform the Authority's purposes and provide for  
12 payment of debts and expenses of the Authority. Each year the  
13 Authority shall prepare and publish a comprehensive annual  
14 budget and five-year capital program document, and a financial  
15 plan for the 2 years thereafter describing the state of the  
16 Authority and presenting for the forthcoming fiscal year and  
17 the two following years the Authority's plans for such  
18 operations and capital expenditures as it intends to undertake  
19 and the means by which it intends to finance them. The proposed  
20 budget, ~~and~~ financial plan, and five-year capital program shall  
21 be based on the Regional Transportation Authority's estimate of  
22 funds to be made available to the Authority by or through the  
23 Regional Transportation Authority and shall conform in all  
24 respects to the requirements established by the Regional  
25 Transportation Authority. The proposed ~~program and~~ budget,

1 financial plan, and five-year capital program shall contain a  
2 statement of the funds estimated to be on hand at the beginning  
3 of the fiscal year, the funds estimated to be received from all  
4 sources for such year and the funds estimated to be on hand at  
5 the end of such year. ~~After adoption of the Regional~~  
6 ~~Transportation Authority's first Five Year Program, as~~  
7 ~~provided in Section 2.01 of the Regional Transportation~~  
8 ~~Authority Act, the proposed program and budget shall~~  
9 ~~specifically identify any respect in which the recommended~~  
10 ~~program deviates from the Regional Transportation Authority's~~  
11 ~~then existing Five Year Program, giving the reasons for such~~  
12 ~~deviation.~~ The proposed ~~program and budget,~~ financial plan, and  
13 five-year capital program shall be available at no cost for  
14 public inspection at the Authority's main office and at the  
15 Regional Transportation Authority's main office at least 3  
16 weeks prior to any public hearing. Before the proposed budget,  
17 ~~and program and~~ financial plan, and five-year capital program  
18 are submitted to the Regional Transportation Authority, the  
19 Authority shall hold at least one public hearing thereon in  
20 each of the counties in which the Authority provides service.  
21 All Board members of the Authority shall attend a majority of  
22 the public hearings unless reasonable cause is given for their  
23 absence. After the public hearings, the Board of the Authority  
24 shall hold at least one meeting for consideration of the  
25 proposed program and budget with the Cook County Board. After  
26 conducting such hearings and holding such meetings and after

1 making such changes in the proposed ~~program and~~ budget, financial plan, and five-year capital program as the Board  
2 financial plan, and five-year capital program as the Board  
3 deems appropriate, it shall adopt an annual budget ordinance at  
4 least by November 15th preceding the beginning of each fiscal  
5 year. The budget, ~~and program, and~~ financial plan, and  
6 five-year capital program shall then be submitted to the  
7 Regional Transportation Authority as provided in Section 4.11  
8 of the Regional Transportation Authority Act. In the event that  
9 the Board of the Regional Transportation Authority determines  
10 that the budget, ~~and program, and~~ financial plan, and five-year  
11 capital program do not meet the standards of said Section 4.11,  
12 the Board of the Authority shall make such changes as are  
13 necessary to meet such requirements and adopt an amended budget  
14 ordinance. The amended budget ordinance shall be resubmitted to  
15 the Regional Transportation Authority pursuant to said Section  
16 4.11. The ordinance shall appropriate such sums of money as are  
17 deemed necessary to defray all necessary expenses and  
18 obligations of the Authority, specifying purposes and the  
19 objects or programs for which appropriations are made and the  
20 amount appropriated for each object or program. Additional  
21 appropriations, transfers between items and other changes in  
22 such ordinance which do not alter the basis upon which the  
23 balanced budget determination was made by the Regional  
24 Transportation Authority may be made from time to time by the  
25 Board.

26 The budget shall:

1 (i) show a balance between (A) anticipated revenues  
2 from all sources including operating subsidies and (B) the  
3 costs of providing the services specified and of funding  
4 any operating deficits or encumbrances incurred in prior  
5 periods, including provision for payment when due of  
6 principal and interest on outstanding indebtedness;

7 (ii) show cash balances including the proceeds of any  
8 anticipated cash flow borrowing sufficient to pay with  
9 reasonable promptness all costs and expenses as incurred;

10 (iii) provide for a level of fares or charges and  
11 operating or administrative costs for the public  
12 transportation provided by or subject to the jurisdiction  
13 of the Board sufficient to allow the Board to meet its  
14 required system generated revenue recovery ratio as  
15 determined in accordance with subsection (a) of Section  
16 4.11 of the Regional Transportation Authority Act;

17 (iv) be based upon and employ assumptions and  
18 projections which are reasonable and prudent;

19 (v) have been prepared in accordance with sound  
20 financial practices as determined by the Board of the  
21 Regional Transportation Authority; ~~and~~

22 (vi) meet such other financial, budgetary, or fiscal  
23 requirements that the Board of the Regional Transportation  
24 Authority may by rule or regulation establish; and ~~and~~

25 (vii) be consistent with the goals and objectives  
26 adopted by the Regional Transportation Authority in the



1           Strategic Plan.

2           The Board shall establish a fiscal operating year. At least  
3 thirty days prior to the beginning of the first full fiscal  
4 year after the creation of the Authority, and annually  
5 thereafter, the Board shall cause to be prepared a tentative  
6 budget which shall include all operation and maintenance  
7 expense for the ensuing fiscal year. The tentative budget shall  
8 be considered by the Board and, subject to any revision and  
9 amendments as may be determined, shall be adopted prior to the  
10 first day of the ensuing fiscal year as the budget for that  
11 year. No expenditures for operations and maintenance in excess  
12 of the budget shall be made during any fiscal year except by  
13 the affirmative vote of at least five members of the Board. It  
14 shall not be necessary to include in the annual budget any  
15 statement of necessary expenditures for pensions or retirement  
16 annuities, or for interest or principal payments on bonds or  
17 certificates, or for capital outlays, but it shall be the duty  
18 of the Board to make provision for payment of same from  
19 appropriate funds. The Board may not alter its fiscal year  
20 without the prior approval of the Board of the Regional  
21 Transportation Authority.

22           (Source: P.A. 87-1249.)

23           (70 ILCS 3605/46) (from Ch. 111 2/3, par. 346)

24           Sec. 46. Citizens Advisory Board. The Board shall establish  
25 a citizens advisory board composed of 11 residents of those

1 portions of the metropolitan region in which the Authority  
2 provides service who have an interest in public transportation,  
3 one of whom shall be at least 65 years of age. The members of  
4 the advisory board shall be named for 2 year terms, shall  
5 select one of their members to serve as chairman and shall  
6 serve without compensation. The citizens advisory board shall  
7 meet with Board at least quarterly and advise the Board of the  
8 impact of its policies and programs on the communities it  
9 serves. Appointments to the citizens advisory board should, to  
10 the greatest extent possible, reflect the ethnic, cultural, and  
11 geographic diversity of all persons residing within the  
12 metropolitan region in which the Authority provides service.

13 (Source: P.A. 87-226.)

14 (70 ILCS 3605/50 new)

15 Sec. 50. Disadvantaged Business Enterprise Contracting and  
16 Equal Employment Opportunity Programs. The Authority shall, as  
17 soon as is practicable but in no event later than two years  
18 after the effective date of this amendatory Act of the 95th  
19 General Assembly, establish and maintain a disadvantaged  
20 business enterprise contracting program designed to ensure  
21 non-discrimination in the award and administration of  
22 contracts not covered under a federally mandated disadvantaged  
23 business enterprise program. The program shall establish  
24 narrowly tailored goals for the participation of disadvantaged  
25 business enterprises as the Authority determines appropriate.

1 The goals shall be based on demonstrable evidence of the  
2 availability of ready, willing, and able disadvantaged  
3 business enterprises relative to all businesses ready,  
4 willing, and able to participate on the program's contracts.  
5 The program shall require the Authority to monitor the progress  
6 of the contractors' obligations with respect to the program's  
7 goals. Nothing in this program shall conflict with or interfere  
8 with the maintenance or operation of, or compliance with, any  
9 federally mandated disadvantaged business enterprise program.

10 The Authority shall establish and maintain a program  
11 designed to promote equal employment opportunity. Each year, no  
12 later than October 1, the Authority shall report to the General  
13 Assembly on the number of employees of the Authority and the  
14 number of employees who have designated themselves as members  
15 of a minority group and gender.

16 Each year no later than October 1, and starting no later  
17 than the October 1 after the establishment of the disadvantaged  
18 business enterprise contracting program, the Authority shall  
19 submit a report with respect to such program to the General  
20 Assembly. In addition, no later than October 1 of each year,  
21 the Authority shall submit a copy of its federally mandated  
22 semi-annual Uniform Report of Disadvantaged Business  
23 Enterprises Awards or Commitments and Payments to the General  
24 Assembly.

25 Section 17. The Local Mass Transit District Act is amended

1 by changing Section 3.1 as follows:

2 (70 ILCS 3610/3.1) (from Ch. 111 2/3, par. 353.1)

3 Sec. 3.1. Also in the manner provided in this Act as  
4 amended, a "Local Mass Transit District" may be created with  
5 boundary to enclose a unit area of contiguous land, to be known  
6 as the "participating area". Such a "participating area" may be  
7 organized as a district under this Act without regard to  
8 boundaries of counties or other political subdivisions or  
9 municipal corporations.

10 (a) Any 500 or more legal voters who are residents within  
11 such "participating area" may file a petition in the circuit  
12 court of the county where the proposed district or a major part  
13 thereof is located, asking that the question of creating such  
14 district be submitted under this Act by referendum to the  
15 voters residing within the proposed district. By their power of  
16 attorney signed by them and filed in the cause the petitioners  
17 may authorize a committee of their number named by the  
18 petitioners, to conduct and pursue the cause for them to a  
19 conclusion. Such petition shall define the boundaries of the  
20 proposed district, shall indicate distances to nearest mass  
21 transportation lines in each direction, naming them, shall have  
22 attached a fair map of the proposed district, and shall suggest  
23 a name for the proposed district.

24 (b) The circuit clerk shall present to the circuit judge  
25 any petition so filed in the court. The judge shall enter an

1 order of record to set a date, hour and place for judicial  
2 hearing on the petition. That order shall include instructions  
3 to the circuit clerk to give notice by newspaper publication to  
4 be made and completed at least 20 days before the hearing is to  
5 be held, in 2 or more newspapers published or circulating  
6 generally among the people residing within the proposed  
7 district. The circuit clerk shall prepare that notice and cause  
8 such publication notice to be given as directed.

9 (c) After proof of such newspaper publication of notice has  
10 been made and filed in the cause and shown to the court in full  
11 accord with the prior order, the circuit judge shall hear all  
12 persons who attend and so request, as to location and boundary  
13 and name for the proposed district. After the hearing on such  
14 petition is completed, the circuit court by an order of record,  
15 shall determine and establish the location, name and boundary  
16 for such proposed district, and shall order the proposition  
17 submitted at an election in accordance with the general  
18 election law to the voters resident within such proposed  
19 district. The circuit clerk shall certify the proposition to  
20 the proper election officials who shall submit the proposition  
21 in accordance with the general election law.

22 (d) The county clerk shall canvass the ballots and other  
23 returns from such referendum, and prepare a full certification  
24 of the result and shall file same in the cause pending in the  
25 circuit court. When the vote is in favor of the creation of  
26 such district as determined by the court order, a true map of

1 such district shall be filed with such report in the circuit  
2 court.

3 (e) When the vote is in favor of creation of such district,  
4 the circuit court by an order of record shall confirm the  
5 result of election. If the district is wholly contained within  
6 a single county the presiding officer of the county board with  
7 the advice and consent of the county board shall appoint 5  
8 trustees, not more than 3 of whom shall be affiliated with the  
9 same political party, to govern the district and serve one each  
10 for 1, 2, 3, 4 and 5 years respectively; upon the expiration of  
11 the term of a trustee who is in office on the effective date of  
12 this amendatory Act of 1989, the successor shall, at the time  
13 of the appointment, and thereafter at all times while serving  
14 as trustee, be a resident of the Mass Transit District for  
15 which such person is appointed as trustee. If a trustee removes  
16 his residence to a place outside of the District, a trustee  
17 shall be appointed in the same manner as herein provided to  
18 take the place of the trustee who so removed his residence. If  
19 however the district is located in more than one county, the  
20 number of trustees who are residents of a county shall be in  
21 proportion, as nearly as practicable, to the number of  
22 residents of the district who reside in that county in relation  
23 to the total population of the district.

24 Upon the expiration of the term of a trustee who is in  
25 office on the effective date of this amendatory Act of 1975,  
26 the successor shall be a resident of whichever county is

1 entitled to such representation in order to bring about the  
2 proportional representation required herein, and he shall be  
3 appointed by the county board of that county, or in the case of  
4 a home rule county as defined by Article VII, Section 6 of the  
5 Constitution of 1970, the chief executive officer of that  
6 county, with the advice and consent of the county board in  
7 accordance with the provisions previously enumerated.  
8 Successors shall serve 5 year overlapping terms.

9       Thereafter, each trustee shall be succeeded by a resident  
10 of the same county who shall be appointed by the same  
11 appointing authority; however, the provisions of the preceding  
12 paragraph shall apply to the appointment of the successor to  
13 each trustee who is in office at the time of the publication of  
14 each decennial Federal census of population.

15       (f) Upon the creation of such district, the circuit clerk  
16 shall prepare and certify a copy of the final court order  
17 confirming the referendum creating the district, and a  
18 duplicate of the map of such district, from the record of the  
19 circuit court, and shall file the same with the county clerk  
20 for recording in his office as "Certificate of Incorporation"  
21 for the district. The county clerk shall cause a duplicate of  
22 such "Certificate of Incorporation" to be filed in the office  
23 of the Secretary of State of Illinois.

24       (g) The Board of Trustees of such "Local Mass Transit  
25 District" shall have and exercise all the powers and shall  
26 perform all the duties of any Board of Trustees of any district

1 created under this Act, as now or hereafter amended.

2 (h) The circuit court shall require the petitioners to post  
3 a surety bond for the payment of all costs and expenses of such  
4 proceeding and such referendum. When a district is created, the  
5 circuit court shall order the district to pay or reimburse  
6 others for all such costs and expenses. The surety bond shall  
7 not be released until complete receipts for all such costs and  
8 expenses have been filed in the cause and fully audited by the  
9 circuit and county clerks.

10 (i) If the District is wholly contained within a single  
11 county, the County Board of such county may, by resolution,  
12 provide that, effective upon the next appointment of a Trustee,  
13 after the effective date of this amendatory Act of 1989, that  
14 the Board of Trustees of such Mass Transit District shall be  
15 comprised of 7 Trustees, with no more than 4 members of the  
16 same political party. This Subsection shall not apply to any  
17 Mass Transit District in the State which receives funding in  
18 whole or in part from the Regional Transportation Authority or  
19 any of its service boards.

20 (j) The Board of a district that is in existence on the  
21 effective date of this amendatory Act of the 95th General  
22 Assembly and whose participating area: (i) is entirely within a  
23 single county; and (ii) when created, was defined by township  
24 boundaries may, by an ordinance adopted by the affirmative vote  
25 of a majority of the members of the Board and approved by  
26 referendum, provide that the participating area of the district



1 be coterminous and expand with the boundaries of the townships  
2 that originally established the district's participating area.  
3 The ordinance shall not be effective until it has been  
4 submitted by referendum to, and approved by, the legal voters  
5 of the district and the area within the township that is not  
6 within the district. The Board shall certify its ordinance and  
7 the proposition to the proper election officials, who shall  
8 submit the question to the voters at the next election in  
9 accordance with the general election law. The proposition shall  
10 be in substantially the following form:

11 "Shall the boundaries of (local mass transit district)  
12 be coterminous and expand with the boundaries of  
13 (townships)?"

14 Votes shall be recorded as "Yes" or "No". If a majority of  
15 the electors voting on the question vote in the affirmative,  
16 then the district shall be entitled to make its boundaries  
17 coterminous with the boundaries of the townships regardless of  
18 when the district was formed. The district's boundaries shall  
19 encompass all areas located within the townships at the time  
20 the ordinance becomes effective and all areas that become part  
21 of the townships at a future date. Nothing in this subsection  
22 shall allow expansion of a district into an area that is  
23 already a part of another local mass transit district.

24 (Source: P.A. 86-472.)

25 Section 20. The Regional Transportation Authority Act is

1 amended by changing Sections 1.02, 2.01, 2.04, 2.05, 2.09,  
2 2.12, 2.14, 2.18a, 2.30, 3.01, 3.03, 3A.10, 3A.11, 3A.14,  
3 3B.02, 3B.03, 3B.05, 3B.07, 3B.09, 3B.10, 3B.11, 3B.12, 3B.13,  
4 4.01, 4.02, 4.02a, 4.02b, 4.03, 4.04, 4.09, 4.11, 4.13, 4.14,  
5 and 5.01 and by adding Section 2.01a, 2.01b, 2.01c, 2.01d,  
6 2.01e, 2.12b, 2.31, and 4.03.3 as follows:

7 (70 ILCS 3615/1.02) (from Ch. 111 2/3, par. 701.02)

8 Sec. 1.02. Findings and Purpose. (a) The General Assembly  
9 finds;

10 (i) Public transportation is, as provided in Section 7 of  
11 Article XIII of the Illinois Constitution, an essential public  
12 purpose for which public funds may be expended and that Section  
13 authorizes the State to provide financial assistance to units  
14 of local government for distribution to providers of public  
15 transportation. There is an urgent need to reform and continue  
16 a unit of local government to assure the proper management of  
17 public transportation and to receive and distribute State or  
18 federal operating assistance and to raise and distribute  
19 revenues for local operating assistance. System generated  
20 revenues are not adequate for such service and a public need  
21 exists to provide for, aid and assist public transportation in  
22 the northeastern area of the State, consisting of Cook, DuPage,  
23 Kane, Lake, McHenry and Will Counties.

24 (ii) Comprehensive and coordinated regional public  
25 transportation is essential to the public health, safety and

1 welfare. It is essential to economic well-being, maintenance of  
2 full employment, conservation of sources of energy and land for  
3 open space and reduction of traffic congestion and for  
4 providing and maintaining a healthful environment for the  
5 benefit of present and future generations in the metropolitan  
6 region. Public transportation improves the mobility of the  
7 public and improves access to jobs, commercial facilities,  
8 schools and cultural attractions. Public transportation  
9 decreases air pollution and other environmental hazards  
10 resulting from excessive use of automobiles and allows for more  
11 efficient land use and planning.

12 (iii) Because system generated receipts are not presently  
13 adequate, public transportation facilities and services in the  
14 northeastern area are in grave financial condition. With  
15 existing methods of financing, coordination and management,  
16 and relative convenience of automobiles, such public  
17 transportation facilities are not providing adequate public  
18 transportation to insure the public health, safety and welfare.

19 (iv) Additional commitments to the ~~special~~ public  
20 transportation needs ~~problems~~ of the disabled ~~handicapped~~, the  
21 economically disadvantaged, and the elderly are necessary.

22 (v) To solve these problems, it is necessary to provide for  
23 the creation of a regional transportation authority with the  
24 powers necessary to insure adequate public transportation.

25 (b) The General Assembly further finds, in connection with  
26 this amendatory Act of 1983:

1           (i) Substantial, recurring deficits in the operations of  
2 public transportation services subject to the jurisdiction of  
3 the Regional Transportation Authority and periodic cash  
4 shortages have occurred either of which could bring about a  
5 loss of public transportation services throughout the  
6 metropolitan region at any time;

7           (ii) A substantial or total loss of public transportation  
8 services or any segment thereof would create an emergency  
9 threatening the safety and well-being of the people in the  
10 northeastern area of the State; and

11           (iii) To meet the urgent needs of the people of the  
12 metropolitan region that such an emergency be averted and to  
13 provide financially sound methods of managing the provision of  
14 public transportation services in the northeastern area of the  
15 State, it is necessary, while maintaining and continuing the  
16 existing Authority, to modify the powers and responsibilities  
17 of the Authority, to reallocate responsibility for operating  
18 decisions, to change the composition and appointment of the  
19 Board of Directors thereof, and to immediately establish a new  
20 Board of Directors.

21           (c) The General Assembly further finds in connection with  
22 this amendatory Act of the 95th General Assembly:

23           (i) The economic vitality of northeastern Illinois  
24 requires regionwide and systemwide efforts to increase  
25 ridership on the transit systems, constrain road congestion  
26 within the metropolitan region, and allocate resources for

1 transportation so as to assist in the development of an  
2 adequate, efficient, and coordinated regional transportation  
3 system that is in a state of good repair.

4 (ii) To achieve the purposes of this amendatory Act of the  
5 95th General Assembly, the powers and duties of the Authority  
6 must be enhanced to improve overall planning and coordination,  
7 to achieve an integrated and efficient regional transit system,  
8 to advance the mobility of transit users, and to increase  
9 financial transparency of the Authority and the Service Boards.

10 (d) ~~(e)~~ It is the purpose of this Act to provide for, aid  
11 and assist public transportation in the northeastern area of  
12 the State without impairing the overall quality of existing  
13 public transportation by providing for the creation of a single  
14 authority responsive to the people and elected officials of the  
15 area and with the power and competence to develop, implement,  
16 and enforce plans that promote adequate, efficient, and  
17 coordinated public transportation, provide financial review of  
18 the providers of public transportation in the metropolitan  
19 region and facilitate public transportation provided by  
20 Service Boards which is attractive and economical to users,  
21 comprehensive, coordinated among its various elements,  
22 economical, safe, efficient and coordinated with area and State  
23 plans.

24 (Source: P.A. 83-885; 83-886.)

1           Sec. 2.01. General Allocation of Responsibility for Public  
2 Transportation. Provision of Public Transportation — Review  
3 and Program.

4           (a) In order to accomplish the its purposes as set forth in  
5 this Act, the responsibility for planning, operating, and  
6 funding public transportation in the metropolitan region shall  
7 be allocated as described in this Act. The Authority shall:

8                 (i) adopt plans that implement the public policy of the  
9                 State to provide adequate, efficient, and coordinated  
10                public transportation throughout the metropolitan region;

11               (ii) set goals, objectives, and standards for the  
12                Authority, the Service Boards, and transportation  
13                agencies;

14               (iii) develop performance measures to inform the  
15                public about the extent to which the provision of public  
16                transportation in the metropolitan region meets those  
17                goals, objectives, and standards;

18               (iv) allocate operating and capital funds made  
19                available to support public transportation in the  
20                metropolitan region;

21               (v) provide financial oversight of the Service Boards;  
22                and

23               (vi) coordinate the provision of public transportation  
24                and the investment in public transportation facilities to  
25                enhance the integration of public transportation  
26                throughout the metropolitan region, all as provided in this

1       Act.

2       The ~~the~~ Service Boards shall, on a continuing basis  
3 determine the level, nature and kind of public transportation  
4 which should be provided for the metropolitan region in order  
5 to meet the plans, goals, objectives, and standards adopted by  
6 the Authority. The Service Boards may provide public  
7 transportation by purchasing such service from transportation  
8 agencies through purchase of service agreements, by grants to  
9 such agencies or by operating such service, all pursuant to  
10 this Act and the "Metropolitan Transit Authority Act", as now  
11 or hereafter amended. Certain of its actions to implement the  
12 responsibilities allocated to the Authority in this subsection  
13 (a) shall be taken in 3 public documents adopted by the  
14 affirmative vote of at least 12 of its then Directors: A  
15 Strategic Plan; a Five-Year Capital Program; and an Annual  
16 Budget and Two-Year Financial Plan. ~~The Authority shall~~  
17 ~~establish a policy to provide adequate public transportation~~  
18 ~~throughout the metropolitan region.~~

19       (b) The Authority shall subject the operating and capital  
20 plans and expenditures of the Service Boards in the  
21 metropolitan region with regard to public transportation to  
22 continuing review so that the Authority may budget and expend  
23 its funds with maximum effectiveness and efficiency. The  
24 Authority shall conduct audits of each of the Service Boards no  
25 less than every 5 years. Such audits may include management,  
26 performance, financial, and infrastructure condition audits.

1 The Authority may conduct management, performance, financial,  
2 and infrastructure condition audits of transportation agencies  
3 that receive funds from the Authority. The Authority may direct  
4 a Service Board to conduct any such audit of a transportation  
5 agency that receives funds from such Service Board, and the  
6 Service Board shall comply with such request to the extent it  
7 has the right to do so. These audits of the Service Boards or  
8 transportation agencies may be project or service specific  
9 audits to evaluate their achievement of the goals and  
10 objectives of that project or service and their compliance with  
11 any applicable requirements. Certain of its recommendations in  
12 this regard shall be set forth in 2 public documents, the  
13 Five-Year Program provided for in this Section and an Annual  
14 Budget and Program provided for in Section 4.01.

15 ~~(c) The Authority shall, in consultation with the Service~~  
16 ~~Boards, each year prepare and, by ordinance, adopt, after~~  
17 ~~public hearings held in each county in the metropolitan region,~~  
18 ~~a Five Year Program to inform the public and government~~  
19 ~~officials of the Authority's objectives and program for~~  
20 ~~operations and capital development during the forthcoming~~  
21 ~~five year period. The Five-Year Program shall set forth the~~  
22 ~~standards of service which the public may expect; each Service~~  
23 ~~Board's plans for coordinating routes and service of the~~  
24 ~~various transportation agencies; the anticipated expense of~~  
25 ~~providing public transportation at standards of service then~~  
26 ~~existing and under alternative operating programs; the nature,~~



1 ~~location and expense of anticipated capital improvements~~  
2 ~~exceeding \$250,000, by specific item and by fiscal year; and~~  
3 ~~such demographic and other data developed by planning and other~~  
4 ~~related agencies, as the Authority shall consider pertinent to~~  
5 ~~the Service Boards' decisions as to levels and nature of~~  
6 ~~service, including without limitation the patterns of~~  
7 ~~population density and growth, projected commercial and~~  
8 ~~residential development, environmental factors and the~~  
9 ~~availability of alternative modes of transportation. The~~  
10 ~~Five-Year Program shall be adopted on the affirmative votes of~~  
11 ~~9 of the then Directors.~~

12 (Source: P.A. 83-886.)

13 (70 ILCS 3615/2.01a new)

14 Sec. 2.01a. Strategic Plan.

15 (a) By the affirmative vote of at least 10 of its then  
16 Directors, the Authority shall adopt a Strategic Plan, no less  
17 than every 5 years, after consultation with the Service Boards  
18 and after holding a minimum of 3 public hearings in Cook County  
19 and one public hearing in each of the other counties in the  
20 region. The Executive Director of the Authority shall review  
21 the Strategic Plan on an ongoing basis and make recommendations  
22 to the Board of the Authority with respect to any update or  
23 amendment of the Strategic Plan. The Strategic Plan shall  
24 describe the specific actions to be taken by the Authority and  
25 the Service Boards to provide adequate, efficient, and

1 coordinated public transportation.

2 (b) The Strategic Plan shall identify goals and objectives  
3 with respect to:

4 (i) increasing ridership and passenger miles on public  
5 transportation funded by the Authority;

6 (ii) coordination of public transportation services  
7 and the investment in public transportation facilities to  
8 enhance the integration of public transportation  
9 throughout the metropolitan region;

10 (iii) coordination of fare and transfer policies to  
11 promote transfers by riders among Service Boards,  
12 transportation agencies, and public transportation modes,  
13 which may include goals and objectives for development of a  
14 universal fare instrument that riders may use  
15 interchangeably on all public transportation funded by the  
16 Authority, and methods to be used to allocate revenues from  
17 transfers;

18 (iv) improvements in public transportation facilities  
19 to bring those facilities into a state of good repair,  
20 enhancements that attract ridership and improve customer  
21 service, and expansions needed to serve areas with  
22 sufficient demand for public transportation;

23 (v) access for transit-dependent populations,  
24 including access by low-income communities to places of  
25 employment, utilizing analyses provided by the Chicago  
26 Metropolitan Agency for Planning regarding employment and

1 transportation availability, and giving consideration to  
2 the location of employment centers in each county and the  
3 availability of public transportation at off-peak hours  
4 and on weekends;

5 (vi) the financial viability of the public  
6 transportation system, including both operating and  
7 capital programs;

8 (vii) limiting road congestion within the metropolitan  
9 region and enhancing transit options to improve mobility;  
10 and

11 (viii) such other goals and objectives that advance the  
12 policy of the State to provide adequate, efficient, and  
13 coordinated public transportation in the metropolitan  
14 region.

15 (c) The Strategic Plan shall establish the process and  
16 criteria by which proposals for capital improvements by a  
17 Service Board or a transportation agency will be evaluated by  
18 the Authority for inclusion in the Five-Year Capital Program,  
19 which may include criteria for:

20 (i) allocating funds among maintenance, enhancement,  
21 and expansion improvements;

22 (ii) projects to be funded from the Innovation,  
23 Coordination, and Enhancement Fund;

24 (iii) projects intended to improve or enhance  
25 ridership or customer service;

26 (iv) design and location of station or transit

1 improvements intended to promote transfers, increase  
2 ridership, and support transit-oriented land development;

3 (v) assessing the impact of projects on the ability to  
4 operate and maintain the existing transit system; and

5 (vi) other criteria that advance the goals and  
6 objectives of the Strategic Plan.

7 (d) The Strategic Plan shall establish performance  
8 standards and measurements regarding the adequacy, efficiency,  
9 and coordination of public transportation services in the  
10 region and the implementation of the goals and objectives in  
11 the Strategic Plan. At a minimum, such standards and measures  
12 shall include customer-related performance data measured by  
13 line, route, or sub-region, as determined by the Authority, on  
14 the following:

15 (i) travel times and on-time performance;

16 (ii) ridership data;

17 (iii) equipment failure rates;

18 (iv) employee and customer safety; and

19 (v) customer satisfaction.

20 The Service Boards and transportation agencies that  
21 receive funding from the Authority or Service Boards shall  
22 prepare, publish, and submit to the Authority such reports with  
23 regard to these standards and measurements in the frequency and  
24 form required by the Authority; however, the frequency of such  
25 reporting shall be no less than annual. The Service Boards  
26 shall publish such reports on their respective websites. The

1 Authority shall compile and publish such reports on its  
2 website. Such performance standards and measures shall not be  
3 used as the basis for disciplinary action against any employee  
4 of the Authority or Service Boards, except to the extent the  
5 employment and disciplinary practices of the Authority or  
6 Service Board provide for such action.

7 (e) The Strategic Plan shall identify innovations to  
8 improve the delivery of public transportation and the  
9 construction of public transportation facilities.

10 (f) The Strategic Plan shall describe the expected  
11 financial condition of public transportation in the  
12 metropolitan region prospectively over a 10-year period, which  
13 may include information about the cash position and all known  
14 obligations of the Authority and the Service Boards including  
15 operating expenditures, debt service, contributions for  
16 payment of pension and other post-employment benefits, the  
17 expected revenues from fares, tax receipts, grants from the  
18 federal, State, and local governments for operating and capital  
19 purposes and issuance of debt, the availability of working  
20 capital, and the resources needed to achieve the goals and  
21 objectives described in the Strategic Plan.

22 (g) In developing the Strategic Plan, the Authority shall  
23 rely on such demographic and other data, forecasts, and  
24 assumptions developed by the Chicago Metropolitan Agency for  
25 Planning with respect to the patterns of population density and  
26 growth, projected commercial and residential development, and

1 environmental factors, within the metropolitan region and in  
2 areas outside the metropolitan region that may impact public  
3 transportation utilization in the metropolitan region. Before  
4 adopting or amending any Strategic Plan, the Authority shall  
5 consult with the Chicago Metropolitan Agency for Planning  
6 regarding the consistency of the Strategic Plan with the  
7 Regional Comprehensive Plan adopted pursuant to the Regional  
8 Planning Act.

9 (h) The Authority may adopt, by the affirmative vote of at  
10 least 10 of its then Directors, sub-regional or corridor plans  
11 for specific geographic areas of the metropolitan region in  
12 order to improve the adequacy, efficiency, and coordination of  
13 existing, or the delivery of new, public transportation. Such  
14 plans may also address areas outside the metropolitan region  
15 that may impact public transportation utilization in the  
16 metropolitan region. In preparing a sub-regional or corridor  
17 plan, the Authority may identify changes in operating practices  
18 or capital investment in the sub-region or corridor that could  
19 increase ridership, reduce costs, improve coordination, or  
20 enhance transit-oriented development. The Authority shall  
21 consult with any affected Service Boards in the preparation of  
22 any sub-regional or corridor plans.

23 (i) If the Authority determines, by the affirmative vote of  
24 at least 10 of its then Directors, that, with respect to any  
25 proposed new public transportation service or facility, (i)  
26 multiple Service Boards or transportation agencies are

1 potential service providers and (ii) the public transportation  
2 facilities to be constructed or purchased to provide that  
3 service have an expected construction cost of more than  
4 \$25,000,000, the Authority shall have sole responsibility for  
5 conducting any alternatives analysis and preliminary  
6 environmental assessment required by federal or State law.  
7 Nothing in this subparagraph (i) shall prohibit a Service Board  
8 from undertaking alternatives analysis and preliminary  
9 environmental assessment for any public transportation service  
10 or facility identified in items (i) and (ii) above that is  
11 included in the Five-Year Capital Program as of the effective  
12 date of this amendatory Act of the 95th General Assembly;  
13 however, any expenditure related to any such public  
14 transportation service or facility must be included in a  
15 Five-Year Capital Program under the requirements of Sections  
16 2.01b and 4.02 of this Act.

17 (70 ILCS 3615/2.01b new)

18 Sec. 2.01b. The Five-Year Capital Program. By the  
19 affirmative vote of at least 10 of its then Directors, the  
20 Authority, after consultation with the Service Boards and after  
21 holding a minimum of 3 public hearings in Cook County and one  
22 public hearing in each of the other counties in the  
23 metropolitan region, shall each year adopt a Five-Year Capital  
24 Program that shall include each capital improvement to be  
25 undertaken by or on behalf of a Service Board provided that the

1 Authority finds that the improvement meets any criteria for  
2 capital improvements contained in the Strategic Plan, is not  
3 inconsistent with any sub-regional or corridor plan adopted by  
4 the Authority, and can be funded within amounts available with  
5 respect to the capital and operating costs of such improvement.  
6 In reviewing proposals for improvements to be included in a  
7 Five-Year Capital Program, the Authority may give priority to  
8 improvements that are intended to bring public transportation  
9 facilities into a state of good repair. The Five-Year Capital  
10 Program shall also identify capital improvements to be  
11 undertaken by a Service Board, a transportation agency, or a  
12 unit of local government and funded by the Authority from  
13 amounts in the Innovation, Coordination, and Enhancement Fund,  
14 provided that no improvement that is included in the Five-Year  
15 Capital Program as of the effective date of this amendatory Act  
16 of the 95th General Assembly may receive funding from the  
17 Innovation, Coordination, and Enhancement Fund. Before  
18 adopting a Five-Year Capital Program, the Authority shall  
19 consult with the Chicago Metropolitan Agency for Planning  
20 regarding the consistency of the Five-Year Capital Program with  
21 the Regional Comprehensive Plan adopted pursuant to the  
22 Regional Planning Act.

23 (70 ILCS 3615/2.01c new)

24 Sec. 2.01c. Innovation, Coordination, and Enhancement  
25 Fund.



1       (a) The Authority shall establish an Innovation,  
2 Coordination, and Enhancement Fund and each year deposit into  
3 the Fund the amounts directed by Section 4.03.3 of this Act.  
4 Amounts on deposit in such Fund and interest and other earnings  
5 on those amounts may be used by the Authority, upon the  
6 affirmative vote of 10 of its then Directors, and after a  
7 public participation process, for operating or capital grants  
8 or loans to Service Boards, transportation agencies, or units  
9 of local government that advance the goals and objectives  
10 identified by the Authority in its Strategic Plan, provided  
11 that no improvement that has been included in a Five-Year  
12 Capital Program as of the effective date of this amendatory Act  
13 of the 95th General Assembly may receive any funding from the  
14 Innovation, Coordination, and Enhancement Fund. Unless the  
15 Board has determined by a vote of 10 of its then Directors that  
16 an emergency exists requiring the use of some or all of the  
17 funds then in the Innovation, Coordination, and Enhancement  
18 Fund, such funds may only be used to enhance the coordination  
19 and integration of public transportation and develop and  
20 implement innovations to improve the quality and delivery of  
21 public transportation.

22       (b) Any grantee that receives funds from the Innovation,  
23 Coordination, and Enhancement Fund for the operation of  
24 eligible programs must (i) implement such programs within one  
25 year of receipt of such funds and (ii) within 2 years following  
26 commencement of any program utilizing such funds, determine

1 whether it is desirable to continue the program, and upon such  
2 a determination, either incorporate such program into its  
3 annual operating budget and capital program or discontinue such  
4 program. No additional funds from the Innovation,  
5 Coordination, and Enhancement Fund may be distributed to a  
6 grantee for any individual program beyond 2 years unless the  
7 Authority by the affirmative vote of at least 10 of its then  
8 Directors waives this limitation. Any such waiver will be with  
9 regard to an individual program and with regard to a one  
10 year-period, and any further waivers for such individual  
11 program require a subsequent vote of the Board.

12 (70 ILCS 3615/2.01d new)

13 Sec. 2.01d. ADA Paratransit Fund. The Authority shall  
14 establish an ADA Paratransit Fund and, each year, deposit into  
15 that Fund the amounts directed by Section 4.03.3 of this Act.  
16 The amounts on deposit in the Fund and interest and other  
17 earnings on those amounts shall be used by the Authority to  
18 make grants to the Suburban Bus Board for ADA paratransit  
19 services provided pursuant to plans approved by the Authority  
20 under Section 2.30 of this Act. Funds received by the Suburban  
21 Bus Board from the Authority's ADA Paratransit Fund shall be  
22 used only to provide ADA paratransit services to individuals  
23 who are determined to be eligible for such services by the  
24 Authority under the Americans with Disabilities Act of 1990 and  
25 its implementing regulations. Revenues from and costs of

1 services provided by the Suburban Bus Board with grants made  
2 under this Section shall be included in the Annual Budget and  
3 Two-Year Financial Program of the Suburban Bus Board and shall  
4 be subject to all budgetary and financial requirements under  
5 this Act that apply to ADA paratransit services. Beginning in  
6 2008, the Executive Director shall, no later than August 15 of  
7 each year, provide to the Board a written determination of the  
8 projected annual costs of ADA paratransit services that are  
9 required to be provided pursuant to the Americans with  
10 Disabilities Act of 1990 and its implementing regulations. The  
11 Authority shall conduct triennial financial, compliance, and  
12 performance audits of ADA paratransit services to assist in  
13 this determination.

14 (70 ILCS 3615/2.01e new)

15 Sec. 2.01e. Suburban Community Mobility Fund. The  
16 Authority shall establish a Suburban Community Mobility Fund  
17 and, each year, deposit into that Fund the amounts directed by  
18 Section 4.03.3 of this Act. The amounts on deposit in the Fund  
19 and interest and other earnings on those amounts shall be used  
20 by the Authority to make grants to the Suburban Bus Board for  
21 the purpose of operating transit services, other than  
22 traditional fixed-route services, that enhance suburban  
23 mobility, including, but not limited to, demand-responsive  
24 transit services, ride sharing, van pooling, service  
25 coordination, centralized dispatching and call taking, reverse

1 commuting, service restructuring, and bus rapid transit.  
2 Revenues from and costs of services provided by the Suburban  
3 Bus Board with moneys from the Suburban Community Mobility Fund  
4 shall be included in the Annual Budget and Two-Year Financial  
5 Program of the Suburban Bus Board and shall be subject to all  
6 budgetary and financial requirements under this Act.

7 (70 ILCS 3615/2.04) (from Ch. 111 2/3, par. 702.04)

8 Sec. 2.04. Fares and Nature of Service.

9 (a) Whenever a Service Board provides any public  
10 transportation by operating public transportation facilities,  
11 the Service Board shall provide for the level and nature of  
12 fares or charges to be made for such services, and the nature  
13 and standards of public transportation to be so provided that  
14 meet the goals and objectives adopted by the Authority in the  
15 Strategic Plan. Provided, however that if the Board adopts a  
16 budget and financial plan for a Service Board in accordance  
17 with the provisions in Section 4.11(b)(5), the Board may  
18 consistent with the terms of any purchase of service contract  
19 provide for the level and nature of fares to be made for such  
20 services under the jurisdiction of that Service Board, and the  
21 nature and standards of public transportation to be so  
22 provided.

23 (b) Whenever a Service Board provides any public  
24 transportation pursuant to grants made after June 30, 1975, to  
25 transportation agencies for operating expenses (other than

1 with regard to experimental programs) or pursuant to any  
2 purchase of service agreement, the purchase of service  
3 agreement or grant contract shall provide for the level and  
4 nature of fares or charges to be made for such services, and  
5 the nature and standards of public transportation to be so  
6 provided. A Service Board shall require all transportation  
7 agencies with which it contracts, or from which it purchases  
8 transportation services or to which it makes grants to provide  
9 half fare transportation for their student riders if any of  
10 such agencies provide for half fare transportation to their  
11 student riders.

12 (c) In so providing for the fares or charges and the nature  
13 and standards of public transportation, any purchase of service  
14 agreements or grant contracts shall provide, among other  
15 matters, for the terms or cost of transfers or interconnections  
16 between different modes of transportation and different public  
17 transportation agencies, schedules or routes of such service,  
18 changes which may be made in such service, the nature and  
19 condition of the facilities used in providing service, the  
20 manner of collection and disposition of fares or charges, the  
21 records and reports to be kept and made concerning such  
22 service, ~~and~~ for interchangeable tickets or other coordinated  
23 or uniform methods of collection of charges, and shall further  
24 require that the transportation agency comply with any  
25 determination made by the Board of the Authority under and  
26 subject to the provisions of Section 2.12b of this Act. In

1 regard to any such service, the Authority and the Service  
2 Boards shall give attention to and may undertake programs to  
3 promote use of public transportation and to provide coordinated  
4 ticket sales and passenger information. In the case of a grant  
5 to a transportation agency which remains subject to Illinois  
6 Commerce Commission supervision and regulation, the Service  
7 Boards shall exercise the powers set forth in this Section in a  
8 manner consistent with such supervision and regulation by the  
9 Illinois Commerce Commission.

10 (Source: P.A. 83-886.)

11 (70 ILCS 3615/2.05) (from Ch. 111 2/3, par. 702.05)

12 Sec. 2.05. Centralized Services; Acquisition and  
13 Construction.

14 (a) The Authority may at the request of two or more Service  
15 Boards, serve, or designate a Service Board to serve, as a  
16 centralized purchasing agent for the Service Boards so  
17 requesting.

18 (b) The Authority may at the request of two or more Service  
19 Boards perform other centralized services such as ridership  
20 information and transfers between services under the  
21 jurisdiction of the Service Boards where such centralized  
22 services financially benefit the region as a whole. Provided,  
23 however, that the Board may require transfers only upon an  
24 affirmative vote of 10 9 of its then Directors.

25 (c) A Service Board or the Authority may for the benefit of

1 a Service Board, to meet its purposes, construct or acquire any  
2 public transportation facility for use by a Service Board or  
3 for use by any transportation agency and may acquire any such  
4 facilities from any transportation agency, including also  
5 without limitation any reserve funds, employees' pension or  
6 retirement funds, special funds, franchises, licenses,  
7 patents, permits and papers, documents and records of the  
8 agency. In connection with any such acquisition from a  
9 transportation agency the Authority may assume obligations of  
10 the transportation agency with regard to such facilities or  
11 property or public transportation operations of such agency.

12 In connection with any construction or acquisition, the  
13 Authority shall make relocation payments as may be required by  
14 federal law or by the requirements of any federal agency  
15 authorized to administer any federal program of aid.

16 (d) The Authority shall, after consulting with the Service  
17 Boards, develop regionally coordinated and consolidated sales,  
18 marketing, advertising, and public information programs that  
19 promote the use and coordination of, and transfers among,  
20 public transportation services in the metropolitan region. The  
21 Authority shall develop and adopt, with the affirmative vote of  
22 at least 10 of its then Directors, rules and regulations for  
23 the Authority and the Service Boards regarding such programs to  
24 ensure that the Service Boards' independent programs conform  
25 with the Authority's regional programs.

26 (Source: P.A. 83-886.)

1 (70 ILCS 3615/2.09) (from Ch. 111 2/3, par. 702.09)

2 Sec. 2.09. Research and Development.

3 (a) The Authority and the Service Boards shall study public  
4 transportation problems and developments; encourage  
5 experimentation in developing new public transportation  
6 technology, financing methods, and management procedures;  
7 conduct, in cooperation with other public and private agencies,  
8 studies and demonstration and development projects to test and  
9 develop methods for improving public transportation, for  
10 reducing its costs to users or for increasing public use; and  
11 conduct, sponsor, and participate in other studies and  
12 experiments, which may include fare demonstration programs,  
13 useful to achieving the purposes of this Act. The cost for any  
14 such item authorized by this Section may be exempted by the  
15 Board in a budget ordinance from the "costs" included in  
16 determining that the Authority and its service boards meet the  
17 farebox recovery ratio or system generated revenues recovery  
18 ratio requirements of Sections 3A.10, 3B.10, 4.01(b), 4.09 and  
19 4.11 of this Act and Section 34 of the Metropolitan Transit  
20 Authority Act during the Authority's fiscal year which begins  
21 January 1, 1986 and ends December 31, 1986, provided that the  
22 cost of any item authorized herein must be specifically  
23 approved within the budget adopted pursuant to Sections 4.01  
24 and 4.11 of this Act for that fiscal year.

25 (b) To improve public transportation service in areas of



1 the metropolitan region with limited access to commuter rail  
2 service, the Authority and the Suburban Bus Division shall  
3 evaluate the feasibility of implementing new bus rapid transit  
4 services using the expressway and tollway systems in the  
5 metropolitan region. The Illinois Department of Transportation  
6 and the Illinois Toll Highway Authority shall work  
7 cooperatively with the Authority and the Suburban Bus Division  
8 in that evaluation and in the implementation of bus rapid  
9 transit services. The Authority and the Suburban Bus Division,  
10 in cooperation with the Illinois Department of Transportation,  
11 shall develop a bus rapid transit demonstration project on  
12 Interstate 55 located in Will, DuPage, and Cook counties. This  
13 demonstration project shall test and refine approaches to bus  
14 rapid transit operations in the expressway or tollway shoulder  
15 or regular travel lanes and shall investigate technology  
16 options that facilitate the shared use of the transit lane and  
17 provide revenue for financing construction and operation of  
18 public transportation facilities.

19 (c) The Suburban Bus Division and the Authority shall  
20 cooperate in the development, funding, and operation of  
21 programs to enhance access to job markets for residents in  
22 south suburban Cook County. Beginning in 2008, the Authority  
23 shall allocate to the Suburban Bus Division an amount not less  
24 than \$7,500,000 annually for the costs of such programs.

25 (Source: P.A. 84-939.)

1 (70 ILCS 3615/2.12) (from Ch. 111 2/3, par. 702.12)

2 Sec. 2.12. Coordination with Planning Agencies. The  
3 Authority and the Service Boards shall cooperate with the  
4 various public agencies charged with responsibility for  
5 long-range or comprehensive planning for the metropolitan  
6 region. The Authority shall utilize the official forecasts and  
7 plans of the Chicago Metropolitan Agency for Planning in  
8 developing the Strategic Plan and the Five-Year Capital  
9 Program. The Authority and the Service Boards shall, prior to  
10 the adoption of any Strategic Plan, as provided in Section  
11 2.01a of this Act, or the adoption of any Five-Year Capital  
12 Program, as provided in ~~paragraph (b) of Section 2.01b~~ 2.01 of  
13 this Act, submit its proposals to such agencies for review and  
14 comment. The Authority and the Service Boards may make use of  
15 existing studies, surveys, plans, data and other materials in  
16 the possession of any State agency or department, any planning  
17 agency or any unit of local government.

18 (Source: P.A. 83-886.)

19 (70 ILCS 3615/2.12b new)

20 Sec. 2.12b. Coordination of Fares and Service. Upon the  
21 request of a Service Board, the Executive Director of the  
22 Authority may, upon the affirmative vote of 7 of the then  
23 Directors of the Authority, intervene in any matter involving  
24 (i) a dispute between Service Boards or a Service Board and a  
25 transportation agency providing service on behalf of a Service

1 Board with respect to the terms of transfer between, and the  
2 allocation of revenues from fares and charges for,  
3 transportation services provided by the parties or (ii) a  
4 dispute between 2 Service Boards with respect to coordination  
5 of service, route duplication, or a change in service. Any  
6 Service Board or transportation agency involved in such dispute  
7 shall meet with the Executive Director, cooperate in good faith  
8 to attempt to resolve the dispute, and provide any books,  
9 records, and other information requested by the Executive  
10 Director. If the Executive Director is unable to mediate a  
11 resolution of any dispute, he or she may provide a written  
12 determination recommending a change in the fares or charges or  
13 the allocation of revenues for such service or directing a  
14 change in the nature or provider of service that is the subject  
15 of the dispute. The Executive Director shall base such  
16 determination upon the goals and objectives of the Strategic  
17 Plan established pursuant to Section 2.01a(b). Such  
18 determination shall be presented to the Board of the Authority  
19 and, if approved by the affirmative vote of at least 7 of the  
20 then Directors of the Authority, shall be final and shall be  
21 implemented by any affected Service Board and transportation  
22 agency within the time frame required by the determination.

23 (70 ILCS 3615/2.14) (from Ch. 111 2/3, par. 702.14)

24 Sec. 2.14. Appointment of Officers and Employees. The  
25 Authority may appoint, retain and employ officers, attorneys,

1 agents, engineers and employees. The officers shall include an  
2 Executive Director, who shall be the chief executive officer of  
3 the Authority, appointed by the Chairman with the concurrence  
4 of 9 of the other then Directors of the Board. The Executive  
5 Director shall organize the staff of the Authority, shall  
6 allocate their functions and duties, shall transfer such staff  
7 to the Suburban Bus Division and the Commuter Rail Division as  
8 is sufficient to meet their purposes, shall fix compensation  
9 and conditions of employment of the staff of the Authority, and  
10 consistent with the policies of and direction from the Board,  
11 take all actions necessary to achieve its purposes, fulfill its  
12 responsibilities and carry out its powers, and shall have such  
13 other powers and responsibilities as the Board shall determine.  
14 The Executive Director must be an individual of proven  
15 transportation and management skills and may not be a member of  
16 the Board. The Authority may employ its own professional  
17 management personnel to provide professional and technical  
18 expertise concerning its purposes and powers and to assist it  
19 in assessing the performance of the Service Boards in the  
20 metropolitan region.

21 No unlawful discrimination, as defined and prohibited in  
22 the Illinois Human Rights Act, shall be made in any term or  
23 aspect of employment nor shall there be discrimination based  
24 upon political reasons or factors. The Authority shall  
25 establish regulations to insure that its discharges shall not  
26 be arbitrary and that hiring and promotion are based on merit.

1           The Authority shall be subject to the "Illinois Human  
2 Rights Act", as now or hereafter amended, and the remedies and  
3 procedure established thereunder. The Authority shall file an  
4 affirmative action program for employment by it with the  
5 Department of Human Rights to ensure that applicants are  
6 employed and that employees are treated during employment,  
7 without regard to unlawful discrimination. Such affirmative  
8 action program shall include provisions relating to hiring,  
9 upgrading, demotion, transfer, recruitment, recruitment  
10 advertising, selection for training and rates of pay or other  
11 forms of compensation.

12       (Source: P.A. 83-886.)

13           (70 ILCS 3615/2.18a) (from Ch. 111 2/3, par. 702.18a)

14       Sec. 2.18a. (a) The provisions of this Section apply to  
15 collective bargaining agreements (including extensions and  
16 amendments to existing agreements) between Service Boards or  
17 transportation agencies subject to the jurisdiction of Service  
18 Boards and their employees, which are entered into after  
19 January 1, 1984.

20       (b) The Authority shall approve amended budgets prepared by  
21 Service Boards which incorporate the costs of collective  
22 bargaining agreements between Service Boards and their  
23 employees. The Authority shall approve such an amended budget  
24 provided that it determines by the affirmative vote of 12 ~~9~~ of  
25 its then members that the amended budget meets the standards

1 established in Section 4.11.

2 (Source: P.A. 83-886.)

3 (70 ILCS 3615/2.30)

4 Sec. 2.30. Paratransit services.

5 (a) For purposes of this Act, "ADA paratransit services"  
6 shall mean those comparable or specialized transportation  
7 services provided by, or under grant or purchase of service  
8 contracts of, the Service Boards to individuals with  
9 disabilities who are unable to use fixed route transportation  
10 systems and who are determined to be eligible, for some or all  
11 of their trips, for such services under the Americans with  
12 Disabilities Act of 1990 and its implementing regulations.

13 (b) Beginning July 1, 2005, the Authority is responsible  
14 for the funding, from amounts on deposit in the ADA Paratransit  
15 Fund established under Section 2.01d of this Act, financial  
16 review and oversight of all ADA paratransit services that are  
17 provided by the Authority or by any of the Service Boards. The  
18 Suburban Bus Board shall operate or provide for the operation  
19 of all ADA paratransit services by no later than July 1, 2006,  
20 except that this date may be extended to the extent necessary  
21 to obtain approval from the Federal Transit Administration of  
22 the plan prepared pursuant to subsection (c).

23 (c) No later than January 1, 2006, the Authority, in  
24 collaboration with the Suburban Bus Board and the Chicago  
25 Transit Authority, shall develop a plan for the provision of

1 ADA paratransit services and submit such plan to the Federal  
2 Transit Administration for approval. Approval of such plan by  
3 the Authority shall require the affirmative votes of 10 ~~9~~ of  
4 the then Directors. The Suburban Bus Board, the Chicago Transit  
5 Authority and the Authority shall comply with the requirements  
6 of the Americans with Disabilities Act of 1990 and its  
7 implementing regulations in developing and approving such plan  
8 including, without limitation, consulting with individuals  
9 with disabilities and groups representing them in the  
10 community, and providing adequate opportunity for public  
11 comment and public hearings. The plan shall include the  
12 contents required for a paratransit plan pursuant to the  
13 Americans with Disabilities Act of 1990 and its implementing  
14 regulations. The plan shall also include, without limitation,  
15 provisions to:

16 (1) maintain, at a minimum, the levels of ADA  
17 paratransit service that are required to be provided by the  
18 Service Boards pursuant to the Americans with Disabilities  
19 Act of 1990 and its implementing regulations;

20 (2) transfer the appropriate ADA paratransit services,  
21 management, personnel, service contracts and assets from  
22 the Chicago Transit Authority to the Authority or the  
23 Suburban Bus Board, as necessary, by no later than July 1,  
24 2006, except that this date may be extended to the extent  
25 necessary to obtain approval from the Federal Transit  
26 Administration of the plan prepared pursuant to this

1 subsection (c);

2 (3) provide for consistent policies throughout the  
3 metropolitan region for scheduling of ADA paratransit  
4 service trips to and from destinations, with consideration  
5 of scheduling of return trips on a "will-call" open-ended  
6 basis upon request of the rider, if practicable, and with  
7 consideration of an increased number of trips available by  
8 subscription service than are available as of the effective  
9 date of this amendatory Act;

10 (4) provide that service contracts and rates, entered  
11 into or set after the approval by the Federal Transit  
12 Administration of the plan prepared pursuant to subsection  
13 (c) of this Section, with private carriers and taxicabs for  
14 ADA paratransit service are procured by means of an open  
15 procurement process;

16 (5) provide for fares, fare collection and billing  
17 procedures for ADA paratransit services throughout the  
18 metropolitan region;

19 (6) provide for performance standards for all ADA  
20 paratransit service transportation carriers, with  
21 consideration of door-to-door service;

22 (7) provide, in cooperation with the Illinois  
23 Department of Transportation, the Illinois Department of  
24 Public Aid and other appropriate public agencies and  
25 private entities, for the application and receipt of  
26 grants, including, without limitation, reimbursement from



1 Medicaid or other programs for ADA paratransit services;

2 (8) provide for a system of dispatch of ADA paratransit  
3 services transportation carriers throughout the  
4 metropolitan region, with consideration of county-based  
5 dispatch systems already in place as of the effective date  
6 of this amendatory Act;

7 (9) provide for a process of determining eligibility  
8 for ADA paratransit services that complies with the  
9 Americans with Disabilities Act of 1990 and its  
10 implementing regulations;

11 (10) provide for consideration of innovative methods  
12 to provide and fund ADA paratransit services; and

13 (11) provide for the creation of one or more ADA  
14 advisory boards, or the reconstitution of the existing ADA  
15 advisory boards for the Service Boards, to represent the  
16 diversity of individuals with disabilities in the  
17 metropolitan region and to provide appropriate ongoing  
18 input from individuals with disabilities into the  
19 operation of ADA paratransit services.

20 (d) All revisions and annual updates to the ADA paratransit  
21 services plan developed pursuant to subsection (c) of this  
22 Section, or certifications of continued compliance in lieu of  
23 plan updates, that are required to be provided to the Federal  
24 Transit Administration shall be developed by the Authority, in  
25 collaboration with the Suburban Bus Board and the Chicago  
26 Transit Authority, and the Authority shall submit such

1 revision, update or certification to the Federal Transit  
2 Administration for approval. Approval of such revisions,  
3 updates or certifications by the Authority shall require the  
4 affirmative votes of 10 ~~9~~ of the then Directors.

5 (e) The Illinois Department of Transportation, the  
6 Illinois Department of Public Aid, the Authority, the Suburban  
7 Bus Board and the Chicago Transit Authority shall enter into  
8 intergovernmental agreements as may be necessary to provide  
9 funding and accountability for, and implementation of, the  
10 requirements of this Section.

11 (f) By no later than April 1, 2007, the Authority shall  
12 develop and submit to the General Assembly and the Governor a  
13 funding plan for ADA paratransit services. Approval of such  
14 plan by the Authority shall require the affirmative votes of 12  
15 ~~9~~ of the then Directors. The funding plan shall, at a minimum,  
16 contain an analysis of the current costs of providing ADA  
17 paratransit services, projections of the long-term costs of  
18 providing ADA paratransit services, identification of and  
19 recommendations for possible cost efficiencies in providing  
20 ADA paratransit services, and identification of and  
21 recommendations for possible funding sources for providing ADA  
22 paratransit services. The Illinois Department of  
23 Transportation, the Illinois Department of Public Aid, the  
24 Suburban Bus Board, the Chicago Transit Authority and other  
25 State and local public agencies as appropriate shall cooperate  
26 with the Authority in the preparation of such funding plan.

1 (g) Any funds derived from the federal Medicaid program for  
2 reimbursement of the costs of providing ADA paratransit  
3 services within the metropolitan region shall be directed to  
4 the Authority and shall be used to pay for or reimburse the  
5 costs of providing such services.

6 (h) Nothing in this amendatory Act shall be construed to  
7 conflict with the requirements of the Americans with  
8 Disabilities Act of 1990 and its implementing regulations.

9 (Source: P.A. 94-370, eff. 7-29-05.)

10 (70 ILCS 3615/2.31 new)

11 Sec. 2.31. Disadvantaged Business Enterprise Contracting  
12 and Equal Employment Opportunity Programs. The Authority and  
13 each Service Board shall, as soon as is practicable but in no  
14 event later than two years after the effective date of this  
15 amendatory Act of the 95th General Assembly, establish and  
16 maintain a disadvantaged business enterprise contracting  
17 program designed to ensure non-discrimination in the award and  
18 administration of contracts not covered under a federally  
19 mandated disadvantaged business enterprise program. The  
20 program shall establish narrowly tailored goals for the  
21 participation of disadvantaged business enterprises as the  
22 Authority and each Service Board determines appropriate. The  
23 goals shall be based on demonstrable evidence of the  
24 availability of ready, willing, and able disadvantaged  
25 business enterprises relative to all businesses ready,

1 willing, and able to participate on the program's contracts.  
2 The program shall require the Authority and each Service Board  
3 to monitor the progress of the contractors' obligations with  
4 respect to the program's goals. Nothing in this program shall  
5 conflict with or interfere with the maintenance or operation  
6 of, or compliance with, any federally mandated disadvantaged  
7 business enterprise program.

8 The Authority and each Service Board shall establish and  
9 maintain a program designed to promote equal employment  
10 opportunity. Each year, no later than October 1, the Authority  
11 and each Service Board shall report to the General Assembly on  
12 the number of their respective employees and the number of  
13 their respective employees who have designated themselves as  
14 members of a minority group and gender.

15 Each year no later than October 1, and starting no later  
16 than the October 1 after the establishment of their  
17 disadvantaged business enterprise contracting programs, the  
18 Authority and each Service Board shall submit a report with  
19 respect to such program to the General Assembly. In addition,  
20 each year no later than October 1, the Authority and each  
21 Service Board shall submit a copy of its federally mandated  
22 semi-annual Uniform Report of Disadvantaged Business  
23 Enterprises Awards or Commitments and Payments to the General  
24 Assembly.

1           Sec. 3.01. Board of Directors. ~~The~~ ~~Upon expiration of the~~  
2 ~~term of the members of the Transition Board as provided for in~~  
3 ~~Section 3.09,~~ the corporate authorities and governing body of  
4 the Authority shall be a Board consisting of 13 Directors  
5 appointed as follows:

6           (a) Four Directors appointed by the Mayor of the City of  
7 Chicago, with the advice and consent of the City Council of the  
8 City of Chicago, and, only until January 1, 2008, a fifth  
9 director who shall be the Chairman of the Chicago Transit  
10 Authority. The Directors appointed by the Mayor of the City of  
11 Chicago shall not be the Chairman or a Director of the Chicago  
12 Transit Authority. Each such Director shall reside in the City  
13 of Chicago ~~except the Chairman of the Chicago Transit Authority~~  
14 ~~who shall reside within the metropolitan area as defined in the~~  
15 ~~Metropolitan Transit Authority Act.~~

16           (b) Until the earlier to occur of a vacancy in the office  
17 of a Director residing in Cook County or June 30, 2010, four  
18 ~~Four~~ Directors appointed by the votes of a majority of the  
19 members of the Cook County Board elected from ~~that part of Cook~~  
20 ~~County outside of Chicago, or, in the event such Board of~~  
21 ~~Commissioners becomes elected from single member districts, by~~  
22 ~~those Commissioners elected from~~ districts, a majority of the  
23 electors of which reside outside Chicago. Upon the earlier of a  
24 vacancy in the office of a Director residing in Cook County or  
25 June 30, 2010, 3 Directors appointed by the votes of a majority  
26 of the members of the Cook County Board elected from districts,

1 a majority of the electors of which reside outside Chicago, and  
2 one Director appointed by the President of the Cook County  
3 Board with the advice and consent of a majority of the members  
4 of the Cook County Board elected from districts, a majority of  
5 the electors of which reside outside Chicago. To implement the  
6 change in the appointing authority described in the preceding  
7 sentence, upon the earlier to occur of a vacancy in the office  
8 of a Director appointed under the first sentence of this  
9 subparagraph or June 30, 2010, one Director shall be appointed  
10 by the President of the Cook County Board as described above.  
11 ~~In either case, such appointment shall be with the concurrence~~  
12 ~~of four such Commissioners.~~ Each ~~such~~ Director appointed under  
13 this subparagraph shall reside in that part of Cook County  
14 outside Chicago.

15 (c) Until January 1, 2008, 3 Directors appointed by the  
16 Chairmen of the county boards of DuPage, Kane, Lake, McHenry,  
17 and Will Counties, as follows:

18 (i) Two Directors appointed by the Chairmen of the  
19 county boards of Kane, Lake, McHenry and Will Counties,  
20 with the concurrence of not less than a majority of the  
21 Chairmen from such counties, from nominees by the Chairmen.  
22 Each such Chairman may nominate not more than 2 persons for  
23 each position. Each such Director shall reside in a county  
24 in the metropolitan region other than Cook or DuPage  
25 Counties.

26 (ii) ~~(d)~~ One Director ~~shall be~~ appointed by the

1 Chairman of the ~~Board of~~ DuPage County Board with the  
2 advice and consent of the ~~County Board of~~ DuPage County  
3 Board. Such Director and shall reside in DuPage County.

4 (d) After January 1, 2008, 4 Directors appointed by the  
5 Chairmen of the county boards of DuPage, Kane, Lake and McHenry  
6 Counties and the County Executive of Will County, as follows:

7 (i) One Director appointed jointly by the Chairmen of  
8 the Kane County Board and the McHenry County Board. Such  
9 Director shall reside in Kane County or McHenry County.  
10 Such Director shall be appointed by a weighted vote of the  
11 Chairmen of the Kane and McHenry County Boards, with such  
12 weighting based on the population of Kane and McHenry  
13 Counties in the most recent decennial census.

14 (ii) One Director appointed by the County Executive of  
15 Will County with the advice and consent of the Will County  
16 Board. Such Director shall reside in Will County.

17 (iii) One Director appointed by the Chairman of the  
18 DuPage County Board with the advice and consent of the  
19 DuPage County Board. Such Director shall reside in DuPage  
20 County.

21 (iv) One Director appointed by the Chairman of the Lake  
22 County Board with the advice and consent of the Lake County  
23 Board. Such Director shall reside in Lake County.

24 (v) To implement the changes in appointing authority  
25 under this subparagraph (d) the three Directors appointed  
26 under subparagraph (c) and residing in Lake County, DuPage

1        County, and Kane County respectively shall each continue to  
2        serve as Director until the expiration of their respective  
3        term of office and until his or her successor is appointed  
4        and qualified or a vacancy occurs in the office. Thereupon,  
5        the appointment shall be made by the officials given  
6        appointing authority with respect to the Director whose  
7        term has expired or office has become vacant.

8        (e) ~~The~~ Before January 1, 1987, for the term expiring July  
9        ~~1, 1989, the~~ Chairman shall be appointed ~~by the Governor.~~  
10       ~~Thereafter the~~ Chairman shall be appointed by the other 12  
11       Directors by the affirmative votes of at least 9 of the then  
12       ~~with the concurrence of three-fourths of such~~ Directors. The  
13       chairman shall not be appointed from among the other Directors.  
14       The chairman shall be a resident of the metropolitan region.

15       (f) Except as otherwise provided by this Act no Director  
16       shall, while serving as such, be an officer, a member of the  
17       Board of Directors or Trustees or an employee of any Service  
18       Board or transportation agency, or be an employee of the State  
19       of Illinois or any department or agency thereof, or of any unit  
20       of local government or receive any compensation from any  
21       elected or appointed office under the Constitution and laws of  
22       Illinois; except that a Director may be a member of a school  
23       board.

24       (g) Each appointment made under this Section and under  
25       Section 3.03 shall be certified by the appointing authority to  
26       the Board, which shall maintain the certifications as part of



1 the official records of the Authority, ~~provided that the~~  
2 ~~initial appointments shall be certified to the Secretary of~~  
3 ~~State, who shall transmit the certifications to the Board~~  
4 ~~following its organization. All appointments made by the~~  
5 ~~Governor shall be made with the advice and consent of the~~  
6 ~~Senate.~~

7 (h) (Blank). ~~The Board of Directors shall be so appointed~~  
8 ~~as to represent the City of Chicago, that part of Cook County~~  
9 ~~outside the City of Chicago, and that part of the metropolitan~~  
10 ~~region outside Cook County on the one man one vote basis. After~~  
11 ~~each Federal decennial census the General Assembly shall review~~  
12 ~~the composition of the Board and, if a change is needed to~~  
13 ~~comply with this requirement, shall provide for the necessary~~  
14 ~~revision by July 1 of the third year after such census.~~  
15 ~~Provided, however, that the Chairman of the Chicago Transit~~  
16 ~~Authority shall be a Director of the Authority and shall be~~  
17 ~~considered as representing the City of Chicago for purposes of~~  
18 ~~this paragraph.~~

19 ~~Insofar as may be practicable, the changes in Board~~  
20 ~~membership necessary to achieve this purpose shall take effect~~  
21 ~~as appropriate members terms expire, no member's term being~~  
22 ~~reduced by reason of such revision of the composition of the~~  
23 ~~Board.~~

24 (Source: P.A. 83-1417.)

1           Sec. 3.03. Terms, vacancies. Each Director, ~~including the~~  
2 ~~Chairman, shall be appointed for an initial term as provided~~  
3 ~~for in Section 3.10 of this Act. Thereafter, each Director~~  
4 shall hold office for a term of 5 years, and until his  
5 successor has been appointed and has qualified. A vacancy shall  
6 occur upon resignation, death, conviction of a felony, or  
7 removal from office of a Director. Any Director may be removed  
8 from office upon concurrence of not less than 9 Directors, on a  
9 formal finding of incompetence, neglect of duty, or malfeasance  
10 in office. Within 30 days after the office of any member  
11 becomes vacant for any reason, the appointing authorities of  
12 such member shall make an appointment to fill the vacancy. A  
13 vacancy shall be filled for the unexpired term.

14           Whenever ~~After October 1, 1984, whenever~~ a vacancy for a  
15 Director, except as to the Chairman or those Directors  
16 appointed by ~~the Governor or~~ the Mayor of the City of Chicago,  
17 exists for longer than 4 months, the new Director shall be  
18 chosen by election by all legislative members in the General  
19 Assembly representing the affected area. In order to qualify as  
20 a voting legislative member in this matter, the affected area  
21 must be more than 50% of the geographic area of the legislative  
22 district.

23           (Source: P.A. 86-1475.)

24           (70 ILCS 3615/3A.10) (from Ch. 111 2/3, par. 703A.10)

25           Sec. 3A.10. Budget and Program. The Suburban Bus Board,

1 subject to the powers of the Authority in Section 4.11, shall  
2 control the finances of the Division. It shall by ordinance  
3 appropriate money to perform the Division's purposes and  
4 provide for payment of debts and expenses of the Division. Each  
5 year the Suburban Bus Board shall prepare and publish a  
6 comprehensive annual budget and proposed five-year capital  
7 program document, and a financial plan for the 2 years  
8 thereafter describing the state of the Division and presenting  
9 for the forthcoming fiscal year and the 2 following years the  
10 Suburban Bus Board's plans for such operations and capital  
11 expenditures as it intends to undertake and the means by which  
12 it intends to finance them. The proposed budget, ~~and~~ financial  
13 plan, and five-year capital program shall be based on the  
14 Authority's estimate of funds to be made available to the  
15 Suburban Bus Board by or through the Authority and shall  
16 conform in all respects to the requirements established by the  
17 Authority. The proposed ~~program and budget~~, financial plan, and  
18 five-year capital program shall contain a statement of the  
19 funds estimated to be on hand at the beginning of the fiscal  
20 year, the funds estimated to be received from all sources for  
21 such year and the funds estimated to be on hand at the end of  
22 such year. ~~After adoption of the Authority's first Five Year~~  
23 ~~Program, as provided in Section 2.01 of this Act, the proposed~~  
24 ~~program and budget shall specifically identify any respect in~~  
25 ~~which the recommended program deviates from the Authority's~~  
26 ~~then existing Five Year Program, giving the reasons for such~~

1 ~~deviation.~~ The fiscal year of the Division shall be the same as  
2 the fiscal year of the Authority. Before the proposed budget,  
3 ~~and program and~~ financial plan, and five-year capital program  
4 are submitted to the Authority, the Suburban Bus Board shall  
5 hold at least one public hearing thereon in each of the  
6 counties in the metropolitan region in which the Division  
7 provides service. The Suburban Bus Board shall hold at least  
8 one meeting for consideration of the proposed ~~program and~~  
9 budget, financial plan, and five-year capital program with the  
10 county board of each of the several counties in the  
11 metropolitan region in which the Division provides service.  
12 After conducting such hearings and holding such meetings and  
13 after making such changes in the proposed ~~program and~~ budget,  
14 financial plan, and five-year capital program as the Suburban  
15 Bus Board deems appropriate, it shall adopt an annual budget  
16 ordinance at least by November 15 next preceding the beginning  
17 of each fiscal year. The budget, ~~and program, and~~ financial  
18 plan, and five-year capital program shall then be submitted to  
19 the Authority as provided in Section 4.11. In the event that  
20 the Board of the Authority determines that the budget ~~and~~  
21 ~~program,~~ and financial plan do not meet the standards of  
22 Section 4.11, the Suburban Bus Board shall make such changes as  
23 are necessary to meet such requirements and adopt an amended  
24 budget ordinance. The amended budget ordinance shall be  
25 resubmitted to the Authority pursuant to Section 4.11. The  
26 ordinance shall appropriate such sums of money as are deemed

1 necessary to defray all necessary expenses and obligations of  
2 the Division, specifying purposes and the objects or programs  
3 for which appropriations are made and the amount appropriated  
4 for each object or program. Additional appropriations,  
5 transfers between items and other changes in such ordinance  
6 which do not alter the basis upon which the balanced budget  
7 determination was made by the Board of the Authority may be  
8 made from time to time by the Suburban Bus Board.

9 The budget shall:

10 (i) show a balance between (A) anticipated revenues  
11 from all sources including operating subsidies and (B) the  
12 costs of providing the services specified and of funding  
13 any operating deficits or encumbrances incurred in prior  
14 periods, including provision for payment when due of  
15 principal and interest on outstanding indebtedness;

16 (ii) show cash balances including the proceeds of any  
17 anticipated cash flow borrowing sufficient to pay with  
18 reasonable promptness all costs and expenses as incurred;

19 (iii) provide for a level of fares or charges and  
20 operating or administrative costs for the public  
21 transportation provided by or subject to the jurisdiction  
22 of the Suburban Bus Board sufficient to allow the Suburban  
23 Bus Board to meet its required system generated revenues  
24 recovery ratio and, beginning with the 2007 fiscal year,  
25 its system generated ADA paratransit services revenue  
26 recovery ratio;

1 (iv) be based upon and employ assumptions and  
2 projections which are reasonable and prudent;

3 (v) have been prepared in accordance with sound  
4 financial practices as determined by the Board of the  
5 Authority; ~~and~~

6 (vi) meet such other uniform financial, budgetary, or  
7 fiscal requirements that the Board of the Authority may by  
8 rule or regulation establish; and -

9 (vii) be consistent with the goals and objectives  
10 adopted by the Regional Transportation Authority in the  
11 Strategic Plan.

12 (Source: P.A. 94-370, eff. 7-29-05.)

13 (70 ILCS 3615/3A.11) (from Ch. 111 2/3, par. 703A.11)

14 Sec. 3A.11. Citizens Advisory Board. The Suburban Bus Board  
15 shall establish a citizens advisory board composed of 10  
16 residents of those portions of the metropolitan region in which  
17 the Suburban Bus Board provides service who have an interest in  
18 public transportation. The members of the advisory board shall  
19 be named for 2 year terms, shall select one of their members to  
20 serve as chairman and shall serve without compensation. The  
21 citizens advisory board shall meet with the Suburban Bus Board  
22 at least quarterly and advise the Suburban Bus Board of the  
23 impact of its policies and programs on the communities it  
24 serves. Appointments to the citizens advisory board should, to  
25 the greatest extent possible, reflect the ethnic, cultural, and

1 geographic diversity of all persons residing within the  
2 Suburban Bus Board's jurisdiction.

3 (Source: P.A. 83-886.)

4 (70 ILCS 3615/3A.14) (from Ch. 111 2/3, par. 703A.14)

5 Sec. 3A.14. Labor. (a) The provisions of this Section apply  
6 to collective bargaining agreements (including extensions and  
7 amendments of existing agreements) entered into on or after  
8 January 1, 1984.

9 (b) The Suburban Bus Board shall deal with and enter into  
10 written contracts with their employees, through accredited  
11 representatives of such employees authorized to act for such  
12 employees concerning wages, salaries, hours, working  
13 conditions, and pension or retirement provisions about which a  
14 collective bargaining agreement has been entered prior to the  
15 effective date of this amendatory Act of 1983. Any such  
16 agreement of the Suburban Bus Board shall provide that the  
17 agreement may be reopened if the amended budget submitted  
18 pursuant to Section 2.18a of this Act is not approved by the  
19 Board of the Authority. The agreement may not include a  
20 provision requiring the payment of wage increases based on  
21 changes in the Consumer Price Index. The Suburban Bus Board  
22 shall not have the authority to enter collective bargaining  
23 agreements with respect to inherent management rights, which  
24 include such areas of discretion or policy as the functions of  
25 the employer, standards of services, its overall budget, the

1 organizational structure and selection of new employees and  
2 direction of personnel. Employers, however, shall be required  
3 to bargain collectively with regard to policy matters directly  
4 affecting wages, hours and terms and conditions of employment,  
5 as well as the impact thereon, upon request by employee  
6 representatives. To preserve the rights of employers and  
7 exclusive representatives which have established collective  
8 bargaining relationships or negotiated collective bargaining  
9 agreements prior to the effective date of this amendatory Act  
10 of 1983, employers shall be required to bargain collectively  
11 with regard to any matter concerning wages, hours or conditions  
12 of employment about which they have bargained prior to the  
13 effective date of this amendatory Act of 1983.

14 (c) The collective bargaining agreement may not include a  
15 prohibition on the use of part-time operators on any service  
16 operated by the Suburban Bus Board except where prohibited by  
17 federal law.

18 (d) Within 30 days of the signing of any such collective  
19 bargaining agreement, the Suburban Bus Board shall determine  
20 the costs of each provision of the agreement, prepare an  
21 amended budget incorporating the costs of the agreement, and  
22 present the amended budget to the Board of the Authority for  
23 its approval under Section 4.11. The Board may approve the  
24 amended budget by an affirmative vote of 10 ~~9~~ of its then  
25 Directors. If the budget is not approved by the Board of the  
26 Authority, the agreement may be reopened and its terms may be



1 renegotiated. Any amended budget which may be prepared  
2 following renegotiation shall be presented to the Board of the  
3 Authority for its approval in like manner.

4 (Source: P.A. 83-886.)

5 (70 ILCS 3615/3B.02) (from Ch. 111 2/3, par. 703B.02)

6 Sec. 3B.02. Commuter Rail Board.

7 (a) Until January 1, 2008, the ~~The~~ governing body of the  
8 Commuter Rail Division shall be a board consisting of 7  
9 directors appointed pursuant to Sections 3B.03 and 3B.04, as  
10 follows:

11 (1) ~~(a)~~ One director shall be appointed by the Chairman  
12 of the Board of DuPage County with the advice and consent  
13 of the County Board of DuPage County and shall reside in  
14 DuPage County. ~~†~~

15 (2) ~~(b)~~ Two directors appointed by the Chairmen of the  
16 County Boards of Kane, Lake, McHenry and Will Counties with  
17 the concurrence of not less than a majority of the chairmen  
18 from such counties, from nominees by the Chairmen. Each  
19 such chairman may nominate not more than two persons for  
20 each position. Each such director shall reside in a county  
21 in the metropolitan region other than Cook or DuPage  
22 County.

23 (3) ~~(c)~~ Three directors appointed by the members of the  
24 Cook County Board elected from that part of Cook County  
25 outside of Chicago, or, in the event such Board of

1 Commissioners becomes elected from single member  
2 districts, by those Commissioners elected from districts,  
3 a majority of the residents of which reside outside  
4 Chicago. In either case, such appointment shall be with the  
5 concurrence of four such Commissioners. Each such director  
6 shall reside in that part of Cook County outside Chicago.

7 (4) ~~(d)~~ One director appointed by the Mayor of the City  
8 of Chicago, with the advice and consent of the City Council  
9 of the City of Chicago. Such director shall reside in the  
10 City of Chicago.

11 (5) The chairman shall be appointed by the directors,  
12 from the members of the board, with the concurrence of 5 of  
13 such directors.

14 (b) After January 1, 2008 the governing body of the  
15 Commuter Rail Division shall be a board consisting of 9  
16 directors appointed, pursuant to Sections 3B.03 and 3B.04, as  
17 follows:

18 (1) One Director shall be appointed by the Chairman of  
19 the DuPage County Board with the advice and consent of the  
20 DuPage County Board and shall reside in DuPage County. To  
21 implement the changes in appointing authority under this  
22 Section, upon the expiration of the term of or vacancy in  
23 office of the Director appointed under item (1) of  
24 subsection (a) of this Section who resides in DuPage  
25 County, a Director shall be appointed under this  
26 subparagraph.

1           (2) One Director shall be appointed jointly by the  
2           Chairman of the McHenry County Board and the Chairman of  
3           the Kane County Board, and such Director shall reside in  
4           McHenry County or Kane County. To implement the change in  
5           appointing authority under this Section, upon the  
6           expiration of the term of or vacancy in office of the  
7           Director appointed under item (2) of subsection (a) of this  
8           Section who resides in McHenry County, a Director shall be  
9           appointed under this subparagraph.

10           (3) One Director shall be appointed by the Will County  
11           Executive with the advice and consent of the Will County  
12           Board and shall reside in Will County. To implement the  
13           change in appointing authority under this Section, upon the  
14           expiration of the term of or vacancy in office of the  
15           Director appointed under item (2) of subsection (a) of this  
16           Section who resides in Will County, a Director shall be  
17           appointed under this subparagraph.

18           (4) One Director shall be appointed by the Chairman of  
19           the Lake County Board with the advice and consent of the  
20           Lake County Board and shall reside in Lake County.

21           (5) One Director shall be appointed by the Mayor of the  
22           City of Chicago with the advice and consent of the City  
23           Council of the City of Chicago and shall reside in the City  
24           of Chicago. To implement the changes in appointing  
25           authority under this Section, upon the expiration of the  
26           term of or vacancy in office of the Director appointed

1 under item (4) of subsection (a) of this Section who  
2 resides in the City of Chicago, a Director shall be  
3 appointed under this subparagraph.

4 (6) Three Directors appointed by the votes of a  
5 majority of the members of the Cook County Board elected  
6 from districts, a majority of the electors of which reside  
7 outside Chicago, and one Director appointed by the  
8 President of the Cook County Board with the advice and  
9 consent of a majority of the members of the Cook County  
10 Board elected from districts, a majority of the electors of  
11 which reside outside Chicago. Each such Director shall  
12 reside in that part of Cook County outside Chicago. To  
13 implement the change in the appointing authority under this  
14 subsection, upon the earlier to occur of the expiration of  
15 the term of or a vacancy in the office of a Director  
16 appointed under item (3) of subsection (a) of this Section,  
17 the appointment of the new Director shall be made by the  
18 President of the Cook County Board as described above.

19 (7) The chairman shall be appointed by the directors,  
20 from the members of the board, with the concurrence of 7 of  
21 such directors. To implement the changes in appointing  
22 authority under this Section, upon the expiration of the  
23 term of or vacancy in office of the Chairman appointed  
24 under item (5) of subsection (a) of this Section, a  
25 Chairman shall be appointed under this subparagraph.

26 (c) No director, while serving as such, shall be an

1 officer, a member of the board of directors or trustee or an  
2 employee of any transportation agency, or be an employee of the  
3 State of Illinois or any department or agency thereof, or of  
4 any unit of local government or receive any compensation from  
5 any elected or appointed office under the Constitution and laws  
6 of Illinois.

7 (d) Each appointment made under subsections (a) and (b) of  
8 this Section paragraphs (a) through (d) and under Section 3B.03  
9 shall be certified by the appointing authority to the Commuter  
10 Rail Board which shall maintain the certifications as part of  
11 the official records of the Commuter Rail Board; ~~provided that~~  
12 ~~the initial appointments shall be certified to the Secretary of~~  
13 ~~State, who shall transmit the certifications to the Commuter~~  
14 ~~Rail Board following its organization.~~

15 ~~Appointments to the Commuter Rail Board shall be~~  
16 ~~apportioned so as to represent the City of Chicago, that part~~  
17 ~~of Cook County outside of the City of Chicago, and DuPage~~  
18 ~~County and that part of the metropolitan region other than Cook~~  
19 ~~and DuPage Counties based on morning boardings of the services~~  
20 ~~provided by the Commuter Rail Division as certified to the~~  
21 ~~Board of the Authority by the Commuter Rail Board, provided~~  
22 ~~however that the Mayor of the City of Chicago shall appoint no~~  
23 ~~fewer than 1 member of the Commuter Rail Board. Within two~~  
24 ~~years after each federal decennial census, the Board of the~~  
25 ~~Authority shall review the composition of the Commuter Rail~~  
26 ~~Board and, if change is needed to comply with this requirement,~~

1 ~~shall provide for the necessary reapportionment by July 1 of~~  
2 ~~the second year after such census. Insofar as may be~~  
3 ~~practicable, the changes in board membership necessary to~~  
4 ~~achieve this purpose shall take effect as appropriate members~~  
5 ~~terms expire, no member's term being reduced by reason of such~~  
6 ~~revision of the composition of the Commuter Rail Board.~~

7 (Source: P.A. 83-886.)

8 (70 ILCS 3615/3B.03) (from Ch. 111 2/3, par. 703B.03)

9 Sec. 3B.03. Terms, Vacancies. Each ~~The initial term of the~~  
10 ~~director appointed pursuant to subdivision (a) of Section 3B.02~~  
11 ~~and the initial term of one of the directors appointed pursuant~~  
12 ~~to subdivision (b) of Section 3B.02 shall expire on June 30,~~  
13 ~~1985; the initial term of one of the directors appointed~~  
14 ~~pursuant to subdivision (b) of Section 3B.02 and the initial~~  
15 ~~term of one of the directors appointed pursuant to subdivision~~  
16 ~~(c) of Section 3B.02 shall expire on June 30, 1986; the initial~~  
17 ~~terms of two of the directors appointed pursuant to subdivision~~  
18 ~~(c) of Section 3B.02 shall expire on June 30, 1987; the initial~~  
19 ~~term of the director appointed pursuant to subdivision (d) of~~  
20 ~~Section 3B.02 shall expire on June 30, 1988. Thereafter, each~~  
21 ~~director shall be appointed for a term of 4 years, and until~~  
22 ~~his successor has been appointed and qualified. A vacancy shall~~  
23 ~~occur upon the resignation, death, conviction of a felony, or~~  
24 ~~removal from office of a director. Any director may be removed~~  
25 ~~from office upon the concurrence of not less than 6 directors,~~

1 on a formal finding of incompetence, neglect of duty, or  
2 malfeasance in office. Within 30 days after the office of any  
3 director becomes vacant for any reason, the appropriate  
4 appointing authorities of such director, as provided in Section  
5 3B.02, shall make an appointment to fill the vacancy. A vacancy  
6 shall be filled for the unexpired term.

7 (Source: P.A. 84-939.)

8 (70 ILCS 3615/3B.05) (from Ch. 111 2/3, par. 703B.05)

9 Sec. 3B.05. Appointment of officers and employees. The  
10 Commuter Rail Board shall appoint an Executive Director who  
11 shall be the chief executive officer of the Division,  
12 appointed, retained or dismissed with the concurrence of 7 ~~6~~ of  
13 the directors of the Commuter Rail Board. The Executive  
14 Director shall appoint, retain and employ officers, attorneys,  
15 agents, engineers, employees and shall organize the staff,  
16 shall allocate their functions and duties, fix compensation and  
17 conditions of employment, and consistent with the policies of  
18 and direction from the Commuter Rail Board take all actions  
19 necessary to achieve its purposes, fulfill its  
20 responsibilities and carry out its powers, and shall have such  
21 other powers and responsibilities as the Commuter Rail Board  
22 shall determine. The Executive Director shall be an individual  
23 of proven transportation and management skills and may not be a  
24 member of the Commuter Rail Board. The Division may employ its  
25 own professional management personnel to provide professional

1 and technical expertise concerning its purposes and powers and  
2 to assist it in assessing the performance of transportation  
3 agencies in the metropolitan region.

4 No unlawful discrimination, as defined and prohibited in  
5 the Illinois Human Rights Act, shall be made in any term or  
6 aspect of employment nor shall there be discrimination based  
7 upon political reasons or factors. The Commuter Rail Board  
8 shall establish regulations to insure that its discharges shall  
9 not be arbitrary and that hiring and promotion are based on  
10 merit.

11 The Division shall be subject to the "Illinois Human Rights  
12 Act", as now or hereafter amended, and the remedies and  
13 procedure established thereunder. The Commuter Rail Board  
14 shall file an affirmative action program for employment by it  
15 with the Department of Human Rights to ensure that applicants  
16 are employed and that employees are treated during employment,  
17 without regard to unlawful discrimination. Such affirmative  
18 action program shall include provisions relating to hiring,  
19 upgrading, demotion, transfer, recruitment, recruitment  
20 advertising, selection for training and rates of pay or other  
21 forms of compensation.

22 (Source: P.A. 83-885; 83-886.)

23 (70 ILCS 3615/3B.07) (from Ch. 111 2/3, par. 703B.07)

24 Sec. 3B.07. Meetings. The Commuter Rail Board shall  
25 prescribe the times and places for meetings and the manner in



1 which special meetings may be called. The Commuter Rail Board  
2 shall comply in all respects with the "Open Meetings Act", as  
3 now or hereafter amended. All records, documents and papers of  
4 the Commuter Rail Division, other than those relating to  
5 matters concerning which closed sessions of the Commuter Rail  
6 Board may be held, shall be available for public examination,  
7 subject to such reasonable regulations as the board may adopt.

8 A majority of the members shall constitute a quorum for the  
9 conduct of business. The affirmative votes of at least 5 4  
10 members shall be necessary for any action required by this Act  
11 to be taken by ordinance.

12 (Source: P.A. 83-886.)

13 (70 ILCS 3615/3B.09) (from Ch. 111 2/3, par. 703B.09)

14 Sec. 3B.09. General Powers. In addition to any powers  
15 elsewhere provided to the Commuter Rail Board, it shall have  
16 all of the powers specified in Section 2.20 of this Act except  
17 for the powers specified in Section 2.20(a)(v). The Board shall  
18 also have the power:

19 (a) to cooperate with the Regional Transportation  
20 Authority in the exercise by the Regional Transportation  
21 Authority of all the powers granted it by such Act;

22 (b) to receive funds from the Regional Transportation  
23 Authority pursuant to Sections 2.02, 4.01, 4.02, 4.09 and 4.10  
24 of the "Regional Transportation Authority Act", all as provided  
25 in the "Regional Transportation Authority Act"; ~~and~~

1 (c) to receive financial grants from the Regional  
2 Transportation Authority or a Service Board, as defined in the  
3 "Regional Transportation Authority Act", upon such terms and  
4 conditions as shall be set forth in a grant contract between  
5 either the Division and the Regional Transportation Authority  
6 or the Division and another Service Board, which contract or  
7 agreement may be for such number of years or duration as the  
8 parties may agree, all as provided in the "Regional  
9 Transportation Authority Act"; and-

10 (d) to borrow money for the purpose of acquiring,  
11 constructing, reconstructing, extending, or improving any  
12 Public Transportation Facilities (as defined in Section 1.03 of  
13 the Regional Transportation Authority Act) operated by or to be  
14 operated by or on behalf of the Commuter Rail Division. For the  
15 purpose of evidencing the obligation of the Commuter Rail Board  
16 to repay any money borrowed as provided in this subsection, the  
17 Commuter Rail Board may issue revenue bonds from time to time  
18 pursuant to ordinance adopted by the Commuter Rail Board,  
19 subject to the approval of the Regional Transportation  
20 Authority of each such issuance by the affirmative vote of 10  
21 of its then Directors; provided that the Commuter Rail Board  
22 may not issue bonds for the purpose of financing the  
23 acquisition, construction, or improvement of a corporate  
24 headquarters building. All such bonds shall be payable solely  
25 from the revenues or income or any other funds that the  
26 Commuter Rail Board may receive, provided that the Commuter

1 Rail Board may not pledge as security for such bonds the  
2 moneys, if any, that the Commuter Rail Board receives from the  
3 Regional Transportation Authority pursuant to Section  
4 4.03.3(f) of the Regional Transportation Authority Act. The  
5 bonds shall bear interest at a rate not to exceed the maximum  
6 rate authorized by the Bond Authorization Act and shall mature  
7 at such time or times not exceeding 30 years from their  
8 respective dates, provided that the bonds shall have  
9 approximately equal debt service payments in each year, with  
10 the first principal or mandatory redemption payment being no  
11 later than the fiscal year after their initial issuance. The  
12 maximum principal amount of the bonds that may be issued and  
13 outstanding at any time may not exceed \$1,000,000,000. The  
14 bonds shall have all the qualities of negotiable instruments  
15 under the laws of this State. To secure the payment of any or  
16 all of such bonds and for the purpose of setting forth the  
17 covenants and undertakings of the Commuter Rail Board in  
18 connection with the issuance thereof and the issuance of any  
19 additional bonds payable from such revenue or income as well as  
20 the use and application of the revenue or income received by  
21 the Commuter Rail Board, the Commuter Rail Board may execute  
22 and deliver a trust agreement or agreements; provided that no  
23 lien upon any physical property of the Commuter Rail Board  
24 shall be created thereby. A remedy for any breach or default of  
25 the terms of any such trust agreement by the Commuter Rail  
26 Board may be by mandamus proceedings in any court of competent

1 jurisdiction to compel performance and compliance therewith,  
2 but the trust agreement may prescribe by whom or on whose  
3 behalf such action may be instituted. Under no circumstances  
4 shall any bonds issued by the Commuter Rail Board or any other  
5 obligation of the Commuter Rail Board in connection with the  
6 issuance of such bonds be or become an indebtedness or  
7 obligation of the State of Illinois, the Regional  
8 Transportation Authority, or any other political subdivision  
9 of or municipality within the State, nor shall any such bonds  
10 or obligations be or become an indebtedness of the Commuter  
11 Rail Board within the purview of any constitutional limitation  
12 or provision, and it shall be plainly stated on the face of  
13 each bond that it does not constitute such an indebtedness or  
14 obligation but is payable solely from the revenues or income as  
15 aforsaid.

16 (Source: P.A. 83-885; 83-886.)

17 (70 ILCS 3615/3B.10) (from Ch. 111 2/3, par. 703B.10)

18 Sec. 3B.10. Budget and Program. The Commuter Rail Board,  
19 subject to the powers of the Authority in Section 4.11, shall  
20 control the finances of the Division. It shall by ordinance  
21 appropriate money to perform the Division's purposes and  
22 provide for payment of debts and expenses of the Division. Each  
23 year the Commuter Rail Board shall prepare and publish a  
24 comprehensive annual budget and proposed five-year capital  
25 program document, and a financial plan for the two years

1 thereafter describing the state of the Division and presenting  
2 for the forthcoming fiscal year and the two following years the  
3 Commuter Rail Board's plans for such operations and capital  
4 expenditures as the Commuter Rail Board intends to undertake  
5 and the means by which it intends to finance them. The proposed  
6 budget, ~~and financial plan,~~ and five-year capital program shall  
7 be based on the Authority's estimate of funds to be made  
8 available to the Commuter Rail Board by or through the  
9 Authority and shall conform in all respects to the requirements  
10 established by the Authority. The proposed ~~program and budget,~~  
11 financial plan, and five-year capital program shall contain a  
12 statement of the funds estimated to be on hand at the beginning  
13 of the fiscal year, the funds estimated to be received from all  
14 sources for such year and the funds estimated to be on hand at  
15 the end of such year. ~~After adoption of the Authority's first  
16 Five Year Program, as provided in Section 2.01 of this Act, the  
17 proposed program and budget shall specifically identify any  
18 respect in which the recommended program deviates from the  
19 Authority's then existing Five Year Program, giving the  
20 reasons for such deviation.~~ The fiscal year of the Division  
21 shall be the same as the fiscal year of the Authority. Before  
22 the proposed budget, ~~and program and financial plan,~~ and  
23 five-year capital program are submitted to the Authority, the  
24 Commuter Rail Board shall hold at least one public hearing  
25 thereon in each of the counties in the metropolitan region in  
26 which the Division provides service. The Commuter Rail Board

1 shall hold at least one meeting for consideration of the  
2 proposed ~~program and budget,~~ financial plan, and five-year  
3 capital plan with the county board of each of the several  
4 counties in the metropolitan region in which the Division  
5 provides service. After conducting such hearings and holding  
6 such meetings and after making such changes in the proposed  
7 ~~program and budget,~~ financial plan, and five-year capital plan  
8 as the Commuter Rail Board deems appropriate, the board shall  
9 adopt its annual budget ordinance at least by November 15 next  
10 preceding the beginning of each fiscal year. The budget, ~~and~~  
11 ~~program, and~~ financial plan, and five-year capital program  
12 shall then be submitted to the Authority as provided in Section  
13 4.11. In the event that the Board of the Authority determines  
14 that the budget and program, and financial plan do not meet the  
15 standards of Section 4.11, the Commuter Rail Board shall make  
16 such changes as are necessary to meet such requirements and  
17 adopt an amended budget ordinance. The amended budget ordinance  
18 shall be resubmitted to the Authority pursuant to Section 4.11.  
19 The ordinance shall appropriate such sums of money as are  
20 deemed necessary to defray all necessary expenses and  
21 obligations of the Division, specifying purposes and the  
22 objects or programs for which appropriations are made and the  
23 amount appropriated for each object or program. Additional  
24 appropriations, transfers between items and other changes in  
25 such ordinance which do not alter the basis upon which the  
26 balanced budget determination was made by the Board of the

1 Authority may be made from time to time by the Commuter Rail  
2 Board.

3 The budget shall:

4 (i) show a balance between (A) anticipated revenues from  
5 all sources including operating subsidies and (B) the costs of  
6 providing the services specified and of funding any operating  
7 deficits or encumbrances incurred in prior periods, including  
8 provision for payment when due of principal and interest on  
9 outstanding indebtedness;

10 (ii) show cash balances including the proceeds of any  
11 anticipated cash flow borrowing sufficient to pay with  
12 reasonable promptness all costs and expenses as incurred;

13 (iii) provide for a level of fares or charges for the  
14 public transportation provided by or subject to the  
15 jurisdiction of such Commuter Rail Board sufficient to allow  
16 the Commuter Rail Board to meet its required system generated  
17 revenue recovery ratio;

18 (iv) be based upon and employ assumptions and projections  
19 which the Board of the Authority finds to be reasonable and  
20 prudent;

21 (v) have been prepared in accordance with sound financial  
22 practices as determined by the Board of the Authority; ~~and~~

23 (vi) meet such other uniform financial, budgetary, or  
24 fiscal requirements that the Board of the Authority may by rule  
25 or regulation establish; and -

26 (vii) be consistent with the goals and objectives adopted

1 by the Regional Transportation Authority in the Strategic Plan.

2 (Source: P.A. 83-885; 83-886.)

3 (70 ILCS 3615/3B.11) (from Ch. 111 2/3, par. 703B.11)

4 Sec. 3B.11. Citizens Advisory Board. The Commuter Rail  
5 Board shall establish a citizens advisory board composed of ten  
6 residents of those portions of the metropolitan region in which  
7 the Commuter Rail Board provides service who have an interest  
8 in public transportation. The members of the advisory board  
9 shall be named for two year terms, shall select one of their  
10 members to serve as chairman and shall serve without  
11 compensation. The citizens advisory board shall meet with the  
12 Commuter Rail Board at least quarterly and advise the Commuter  
13 Rail Board of the impact of its policies and programs on the  
14 communities it serves. Appointments to the citizens advisory  
15 board should, to the greatest extent possible, reflect the  
16 ethnic, cultural, and geographic diversity of all persons  
17 residing within the Commuter Rail Division's jurisdiction.

18 (Source: P.A. 83-886.)

19 (70 ILCS 3615/3B.12) (from Ch. 111 2/3, par. 703B.12)

20 Sec. 3B.12. Working Cash Borrowing. The Commuter Rail Board  
21 with the affirmative vote of 7 ~~5~~ of its Directors may demand  
22 and direct the Board of the Authority to issue Working Cash  
23 Notes at such time and in such amounts and having such  
24 maturities as the Commuter Rail Board deems proper, provided



1 however any such borrowing shall have been specifically  
2 identified in the budget of the Commuter Rail Board as approved  
3 by the Board of the Authority. Provided further, that the  
4 Commuter Rail Board may not demand and direct the Board of the  
5 Authority to have issued and have outstanding at any time in  
6 excess of \$20,000,000 in Working Cash Notes.

7 (Source: P.A. 83-886.)

8 (70 ILCS 3615/3B.13) (from Ch. 111 2/3, par. 703B.13)

9 Sec. 3B.13. Labor. (a) The provisions of this Section apply  
10 to collective bargaining agreements (including extensions and  
11 amendments of existing agreements) entered into on or after  
12 January 1, 1984. This Section does not apply to collective  
13 bargaining agreements that are subject to the provisions of the  
14 Railway Labor Act, as now or hereafter amended.

15 (b) The Commuter Rail Board shall deal with and enter into  
16 written contracts with their employees, through accredited  
17 representatives of such employees authorized to act for such  
18 employees concerning wages, salaries, hours, working  
19 conditions, and pension or retirement provisions about which a  
20 collective bargaining agreement has been entered prior to the  
21 effective date of this amendatory Act of 1983. Any such  
22 agreement of the Commuter Rail Board shall provide that the  
23 agreement may be reopened if the amended budget submitted  
24 pursuant to Section 2.18a of this Act is not approved by the  
25 Board of the Authority. The agreement may not include a

1 provision requiring the payment of wage increases based on  
2 changes in the Consumer Price Index. The Commuter Rail Board  
3 shall not have the authority to enter collective bargaining  
4 agreements with respect to inherent management rights which  
5 include such areas of discretion or policy as the functions of  
6 the employer, standards of services, its overall budget, the  
7 organizational structure and selection of new employees and  
8 direction of personnel. Employers, however, shall be required  
9 to bargain collectively with regard to policy matters directly  
10 affecting wages, hours and terms and conditions of employment,  
11 as well as the impact thereon, upon request by employee  
12 representatives. To preserve the rights of the Commuter Rail  
13 Board and exclusive representatives which have established  
14 collective bargaining relationships or negotiated collective  
15 bargaining agreements prior to the effective date of this  
16 amendatory Act of 1983, the Commuter Rail Board shall be  
17 required to bargain collectively with regard to any matter  
18 concerning wages, hours or conditions of employment about which  
19 they have bargained prior to the effective date of this  
20 amendatory Act of 1983.

21 (c) The collective bargaining agreement may not include a  
22 prohibition on the use of part-time operators on any service  
23 operated by the Commuter Rail Board except where prohibited by  
24 federal law.

25 (d) Within 30 days of the signing of any such collective  
26 bargaining agreement, the Commuter Rail Board shall determine

1 the costs of each provision of the agreement, prepare an  
2 amended budget incorporating the costs of the agreement, and  
3 present the amended budget to the Board of the Authority for  
4 its approval under Section 4.11. The Board may approve the  
5 amended budget by an affirmative vote of 10 ~~9~~ of its then  
6 Directors. If the budget is not approved by the Board of the  
7 Authority, the agreement may be reopened and its terms may be  
8 renegotiated. Any amended budget which may be prepared  
9 following renegotiation shall be presented to the Board of the  
10 Authority for its approval in like manner.

11 (Source: P.A. 84-1308.)

12 (70 ILCS 3615/4.01) (from Ch. 111 2/3, par. 704.01)

13 Sec. 4.01. Budget and Program.

14 (a) The Board shall control the finances of the Authority.  
15 It shall by ordinance adopted by the affirmative vote of at  
16 least 10 of its then Directors (i) appropriate money to perform  
17 the Authority's purposes and provide for payment of debts and  
18 expenses of the Authority, (ii) take action with respect to the  
19 budget and two-year financial plan of each Service Board, as  
20 provided in Section 4.11, and (iii) adopt an Annual Budget and  
21 Two-Year Financial Plan for the Authority that includes the  
22 annual budget and two-year financial plan of each Service Board  
23 that has been approved by the Authority. ~~Each year the~~  
24 Authority shall prepare and publish a comprehensive annual  
25 budget and program document describing the state of the

1 ~~Authority and presenting for the forthcoming fiscal year the~~  
2 ~~Authority's plans for such operations and capital expenditures~~  
3 ~~as the Authority intends to undertake and the means by which it~~  
4 ~~intends to finance them.~~ The Annual Budget and Two-Year  
5 Financial Plan ~~proposed program and budget~~ shall contain a  
6 statement of the funds estimated to be on hand for the  
7 Authority and each Service Board at the beginning of the fiscal  
8 year, the funds estimated to be received from all sources for  
9 such year, the estimated expenses and obligations of the  
10 Authority and each Service Board for all purposes, including  
11 expenses for contributions to be made with respect to pension  
12 and other employee benefits, and the funds estimated to be on  
13 hand at the end of such year. ~~After adoption of the Authority's~~  
14 ~~first Five Year Program, as provided in Section 2.01 of this~~  
15 ~~Act, the proposed program and budget shall specifically~~  
16 ~~identify any respect in which the recommended program deviates~~  
17 ~~from the Authority's then existing Five Year Program, giving~~  
18 ~~the reasons for such deviation.~~ The fiscal year of the  
19 Authority and each Service Board shall begin on January 1st and  
20 end on the succeeding December 31st ~~except that the fiscal year~~  
21 ~~that began October 1, 1982, shall end December 31, 1983.~~ By  
22 ~~July 1st 1981 and July 1st of each year thereafter~~ the Director  
23 of the Illinois Governor's Office of Management and Budget  
24 (formerly Bureau of the Budget) shall submit to the Authority  
25 an estimate of revenues for the next fiscal year of the  
26 Authority to be collected from the taxes imposed by the

1 Authority and the amounts to be available in the Public  
2 Transportation Fund and the Regional Transportation Authority  
3 Occupation and Use Tax Replacement Fund and the amounts  
4 otherwise to be appropriated by the State to the Authority for  
5 its purposes. The Authority shall file a copy of its Annual  
6 Budget and Two-Year Financial Plan with ~~For the fiscal year~~  
7 ~~ending on December 31, 1983, the Board shall report its results~~  
8 ~~from operations and financial condition to the General Assembly~~  
9 ~~and the Governor by January 31. For the fiscal year beginning~~  
10 ~~January 1, 1984, and thereafter, the budget and program shall~~  
11 ~~be presented to the General Assembly and the Governor~~ after its  
12 adoption ~~not later than the preceding December 31st.~~ Before the  
13 proposed Annual Budget and Two-Year Financial Plan ~~budget and~~  
14 ~~program~~ is adopted, the Authority shall hold at least one  
15 public hearing thereon in the metropolitan region, and shall  
16 meet . ~~The Board shall hold at least one meeting for~~  
17 ~~consideration of the proposed program and budget~~ with the  
18 county board or its designee of each of the several counties in  
19 the metropolitan region. After conducting such hearings and  
20 holding such meetings and after making such changes in the  
21 proposed Annual Budget and Two-Year Financial Plan ~~program and~~  
22 ~~budget~~ as the Board deems appropriate, the Board shall adopt  
23 its annual appropriation and Annual Budget and Two-Year  
24 Financial Plan ~~budget~~ ordinance. The ordinance may be adopted  
25 only upon the affirmative votes of 10 ~~9~~ of its then Directors.  
26 The ordinance shall appropriate such sums of money as are

1 deemed necessary to defray all necessary expenses and  
2 obligations of the Authority, specifying purposes and the  
3 objects or programs for which appropriations are made and the  
4 amount appropriated for each object or program. Additional  
5 appropriations, transfers between items and other changes in  
6 such ordinance may be made from time to time by the Board upon  
7 the affirmative votes of 10 ~~9~~ of its then Directors.

8 (b) The Annual Budget and Two-Year Financial Plan ~~budget~~  
9 shall show a balance between anticipated revenues from all  
10 sources and anticipated expenses including funding of  
11 operating deficits or the discharge of encumbrances incurred in  
12 prior periods and payment of principal and interest when due,  
13 and shall show cash balances sufficient to pay with reasonable  
14 promptness all obligations and expenses as incurred.

15 The Annual Budget and Two-Year Financial Plan ~~annual budget~~  
16 ~~and financial plan~~ must show:

17 (i) that the level of fares and charges for mass  
18 transportation provided by, or under grant or purchase of  
19 service contracts of, the Service Boards is sufficient to  
20 cause the aggregate of all projected fare revenues from  
21 such fares and charges received in each fiscal year to  
22 equal at least 50% of the aggregate costs of providing such  
23 public transportation in such fiscal year. "Fare revenues"  
24 include the proceeds of all fares and charges for services  
25 provided, contributions received in connection with public  
26 transportation from units of local government other than

1 the Authority, except for contributions received by the  
2 Chicago Transit Authority from a real estate transfer tax  
3 imposed under subsection (i) of Section 8-3-19 of the  
4 Illinois Municipal Code, and from the State pursuant to  
5 subsection (i) of Section 2705-305 of the Department of  
6 Transportation Law (20 ILCS 2705/2705-305), and all other  
7 operating revenues properly included consistent with  
8 generally accepted accounting principles but do not  
9 include: the proceeds of any borrowings, and, beginning  
10 with the 2007 fiscal year, all revenues and receipts,  
11 including but not limited to fares and grants received from  
12 the federal, State or any unit of local government or other  
13 entity, derived from providing ADA paratransit service  
14 pursuant to Section 2.30 of the Regional Transportation  
15 Authority Act. "Costs" include all items properly included  
16 as operating costs consistent with generally accepted  
17 accounting principles, including administrative costs, but  
18 do not include: depreciation; payment of principal and  
19 interest on bonds, notes or other evidences of obligation  
20 for borrowed money issued by the Authority; payments with  
21 respect to public transportation facilities made pursuant  
22 to subsection (b) of Section 2.20 of this Act; any payments  
23 with respect to rate protection contracts, credit  
24 enhancements or liquidity agreements made under Section  
25 4.14; any other cost to which it is reasonably expected  
26 that a cash expenditure will not be made; costs ~~up to~~

1       ~~\$5,000,000~~ annually for passenger security including  
2       grants, contracts, personnel, equipment and administrative  
3       expenses, except in the case of the Chicago Transit  
4       Authority, in which case the term does not include costs  
5       spent annually by that entity for protection against crime  
6       as required by Section 27a of the Metropolitan Transit  
7       Authority Act; the payment by the Chicago Transit Authority  
8       of Debt Service, as defined in Section 12c of the  
9       Metropolitan Transit Authority Act, on bonds or notes  
10      issued pursuant to that Section; the payment by the  
11      Commuter Rail Division of debt service on bonds issued  
12      pursuant to Section 3B.09; expenses incurred by the  
13      Suburban Bus Division for the cost of new public  
14      transportation services funded from grants pursuant to  
15      Section 2.01e of this amendatory Act of the 95th General  
16      Assembly for a period of 2 years from the date of  
17      initiation of each such service; costs as exempted by the  
18      Board for projects pursuant to Section 2.09 of this Act;  
19      or, beginning with the 2007 fiscal year, expenses related  
20      to providing ADA paratransit service pursuant to Section  
21      2.30 of the Regional Transportation Authority Act; and in  
22      fiscal years 2008 through 2017 inclusive, costs in the  
23      amount of \$200,000,000 in fiscal year 2008, reducing by  
24      \$20,000,000 in each fiscal year thereafter until this  
25      exemption is eliminated; and

26           (ii) that the level of fares charged for ADA



1 paratransit services is sufficient to cause the aggregate  
2 of all projected revenues from such fares charged and  
3 received in each fiscal year to equal at least 10% of the  
4 aggregate costs of providing such ADA paratransit services  
5 in fiscal years 2007 and 2008 and at least 12% of the  
6 aggregate costs of providing such ADA paratransit services  
7 in fiscal years 2009 and thereafter; for purposes of this  
8 Act, the percentages in this subsection (b)(ii) shall be  
9 referred to as the "system generated ADA paratransit  
10 services revenue recovery ratio".

11 (c) The actual administrative expenses of the Authority for  
12 the fiscal year commencing January 1, 1985 may not exceed  
13 \$5,000,000. The actual administrative expenses of the  
14 Authority for the fiscal year commencing January 1, 1986, and  
15 for each fiscal year thereafter shall not exceed the maximum  
16 administrative expenses for the previous fiscal year plus 5%.  
17 "Administrative expenses" are defined for purposes of this  
18 Section as all expenses except: (1) capital expenses and  
19 purchases of the Authority on behalf of the Service Boards; (2)  
20 payments to Service Boards; and (3) payment of principal and  
21 interest on bonds, notes or other evidence of obligation for  
22 borrowed money issued by the Authority; (4) costs for passenger  
23 security including grants, contracts, personnel, equipment and  
24 administrative expenses; (5) payments with respect to public  
25 transportation facilities made pursuant to subsection (b) of  
26 Section 2.20 of this Act; and (6) any payments with respect to

1 rate protection contracts, credit enhancements or liquidity  
2 agreements made pursuant to Section 4.14.

3 (d) This subsection applies only until the Department  
4 begins administering and enforcing an increased tax under  
5 Section 4.03(m) as authorized by this amendatory Act of the  
6 95th General Assembly. After withholding 15% of the proceeds of  
7 any tax imposed by the Authority and 15% of money received by  
8 the Authority from the Regional Transportation Authority  
9 Occupation and Use Tax Replacement Fund, the Board shall  
10 allocate the proceeds and money remaining to the Service Boards  
11 as follows: (1) an amount equal to 85% of the proceeds of those  
12 taxes collected within the City of Chicago and 85% of the money  
13 received by the Authority on account of transfers to the  
14 Regional Transportation Authority Occupation and Use Tax  
15 Replacement Fund from the County and Mass Transit District Fund  
16 attributable to retail sales within the City of Chicago shall  
17 be allocated to the Chicago Transit Authority; (2) an amount  
18 equal to 85% of the proceeds of those taxes collected within  
19 Cook County outside the City of Chicago and 85% of the money  
20 received by the Authority on account of transfers to the  
21 Regional Transportation Authority Occupation and Use Tax  
22 Replacement Fund from the County and Mass Transit District Fund  
23 attributable to retail sales within Cook County outside of the  
24 city of Chicago shall be allocated 30% to the Chicago Transit  
25 Authority, 55% to the Commuter Rail Board and 15% to the  
26 Suburban Bus Board; and (3) an amount equal to 85% of the

1 proceeds of the taxes collected within the Counties of DuPage,  
2 Kane, Lake, McHenry and Will shall be allocated 70% to the  
3 Commuter Rail Board and 30% to the Suburban Bus Board.

4 (e) This subsection applies only until the Department  
5 begins administering and enforcing an increased tax under  
6 Section 4.03(m) as authorized by this amendatory Act of the  
7 95th General Assembly. Moneys received by the Authority on  
8 account of transfers to the Regional Transportation Authority  
9 Occupation and Use Tax Replacement Fund from the State and  
10 Local Sales Tax Reform Fund shall be allocated among the  
11 Authority and the Service Boards as follows: 15% of such moneys  
12 shall be retained by the Authority and the remaining 85% shall  
13 be transferred to the Service Boards as soon as may be  
14 practicable after the Authority receives payment. Moneys which  
15 are distributable to the Service Boards pursuant to the  
16 preceding sentence shall be allocated among the Service Boards  
17 on the basis of each Service Board's distribution ratio. The  
18 term "distribution ratio" means, for purposes of this  
19 subsection (e) of this Section 4.01, the ratio of the total  
20 amount distributed to a Service Board pursuant to subsection  
21 (d) of Section 4.01 for the immediately preceding calendar year  
22 to the total amount distributed to all of the Service Boards  
23 pursuant to subsection (d) of Section 4.01 for the immediately  
24 preceding calendar year.

25 (f) To carry out its duties and responsibilities under this  
26 Act, further and accomplish the preparation of the annual

1 ~~budget and program as well as the Five Year Program provided~~  
2 ~~for in Section 2.01 of this Act and to make such interim~~  
3 ~~management decisions as may be necessary,~~ the Board shall  
4 employ staff which shall: (1) propose for adoption by the Board  
5 of the Authority rules for the Service Boards that establish  
6 (i) forms and schedules to be used and information required to  
7 be provided with respect to a five-year capital program, annual  
8 budgets, and two-year financial plans and regular reporting of  
9 actual results against adopted budgets and financial plans,  
10 (ii) financial practices to be followed in the budgeting and  
11 expenditure of public funds, (iii) assumptions and projections  
12 that must be followed in preparing and submitting its annual  
13 budget and two-year financial plan or a five-year capital  
14 program; (2) evaluate for the Board public transportation  
15 programs operated or proposed by the Service Boards and  
16 transportation agencies in terms of the goals and objectives  
17 set out in the Strategic Plan , ~~costs and relative priorities;~~  
18 (3) ~~(2)~~ keep the Board and the public informed of the extent to  
19 which the Service Boards and transportation agencies are  
20 meeting the goals and objectives adopted by the Authority in  
21 the Strategic Plan ~~public transportation programs and~~  
22 ~~accomplishments of such transportation agencies;~~ and (4)  
23 assess the efficiency or adequacy of public transportation  
24 services provided by a Service Board and make recommendations  
25 for change in that service ~~(3) coordinate the development and~~  
26 ~~implementation of public transportation programs~~ to the end

1 that the moneys ~~monies~~ available to the Authority may be  
2 expended in the most economical manner possible with the least  
3 possible duplication.

4 (g) All ~~Under such regulations as the Board may prescribe,~~  
5 ~~all~~ Service Boards, transportation agencies, comprehensive  
6 planning agencies, including the Chicago Metropolitan Agency  
7 for Planning, or transportation planning agencies in the  
8 metropolitan region shall furnish to the Authority ~~Board~~ such  
9 information pertaining to public transportation or relevant  
10 for plans therefor as it may from time to time require. The  
11 Executive Director, or his or her designee, ~~upon payment to any~~  
12 ~~such agency or Service Board of the reasonable additional cost~~  
13 ~~of its so providing such information except as may otherwise be~~  
14 ~~provided by agreement with the Authority, and the Board or any~~  
15 ~~duly authorized employee of the Board~~ shall, for the purpose of  
16 securing any such information necessary or appropriate to carry  
17 out any of the powers and responsibilities of the Authority  
18 under this Act, have access to, and the right to examine, all  
19 books, documents, papers or records of a Service Board or any  
20 transportation ~~such~~ agency receiving funds from the Authority  
21 or Service Board, and such Service Board or transportation  
22 agency shall comply with any request by the Executive Director,  
23 or his or her designee, within 30 days or an extended time  
24 provided by the Executive Director ~~pertaining to public~~  
25 ~~transportation or relevant for plans therefor.~~

26 (h) No Service Board shall undertake any capital

1 improvement which is not identified in the Five-Year Capital  
2 Program.

3 (Source: P.A. 94-370, eff. 7-29-05.)

4 (70 ILCS 3615/4.02) (from Ch. 111 2/3, par. 704.02)

5 Sec. 4.02. Federal, State and Other Funds.

6 (a) The Authority shall have the power to apply for,  
7 receive and expend grants, loans or other funds from the State  
8 of Illinois or any department or agency thereof, from any unit  
9 of local government, from the federal government or any  
10 department or agency thereof, for use in connection with any of  
11 the powers or purposes of the Authority as set forth in this  
12 Act. The Authority shall have power to make such studies as may  
13 be necessary and to enter into contracts or agreements with the  
14 State of Illinois or any department or agency thereof, with any  
15 unit of local government, or with the federal government or any  
16 department or agency thereof, concerning such grants, loans or  
17 other funds, or any conditions relating thereto, including  
18 obligations to repay such funds. The Authority may make such  
19 covenants concerning such grants, loans and funds as it deems  
20 proper and necessary in carrying out its responsibilities,  
21 purposes and powers as provided in this Act.

22 (b) The Authority shall be the primary public body in the  
23 metropolitan region with authority to apply for and receive any  
24 grants, loans or other funds relating to public transportation  
25 programs from the State of Illinois or any department or agency

1       thereof, or from the federal government or any department or  
2       agency thereof. Any unit of local government, Service Board or  
3       transportation agency may apply for and receive any such  
4       federal or state capital grants, loans or other funds,  
5       provided, however that a Service Board may not apply for or  
6       receive any grant or loan which is not identified in the  
7       Five-Year Capital Program. Any Service Board, unit of local  
8       government or transportation agency shall notify the Authority  
9       prior to making any such application and shall file a copy  
10      thereof with the Authority. Nothing in this Section shall be  
11      construed to impose any limitation on the ability of the State  
12      of Illinois or any department or agency thereof, any unit of  
13      local government or Service Board or transportation agency to  
14      make any grants or to enter into any agreement or contract with  
15      the National Rail Passenger Corporation. Nor shall anything in  
16      this Section impose any limitation on the ability of any school  
17      district to apply for or receive any grant, loan or other funds  
18      for transportation of school children.

19           (c) The Authority shall provide to the Service Board any  
20      monies received relating to public transportation services  
21      under the jurisdiction of the Service Boards as provided in  
22      Section 4.03.3 of this Act. follows:

23           ~~(1) As soon as may be practicable after the Authority~~  
24      ~~receives payment, under Section 4.03(m) or Section~~  
25      ~~4.03.1(d), of the proceeds of those taxes levied by the~~  
26      ~~Authority, the Authority shall transfer to each Service~~

1 ~~Board the amount to which it is entitled under Section~~  
2 ~~4.01(d);~~

3 ~~(2) The Authority by ordinance adopted by 9 of its then~~  
4 ~~Directors shall establish a formula apportioning any~~  
5 ~~federal funds for operating assistance purposes the~~  
6 ~~Authority receives to each Service Board. In establishing~~  
7 ~~the formula, the Board shall consider, among other factors:~~  
8 ~~ridership levels, the efficiency with which the service is~~  
9 ~~provided, the degree of transit dependence of the area~~  
10 ~~served and the cost of service. That portion of any federal~~  
11 ~~funds for operating assistance received by the Authority~~  
12 ~~shall be paid to each Service Board as soon as may be~~  
13 ~~practicable upon their receipt provided the Authority has~~  
14 ~~adopted a balanced budget as required by Section 4.01 and~~  
15 ~~further provided that the Service Boards are in compliance~~  
16 ~~with the requirements in Section 4.11.~~

17 ~~(3) The Authority by ordinance adopted by 9 of its then~~  
18 ~~Directors shall apportion to the Service Boards funds~~  
19 ~~provided by the State of Illinois under Section 4.09 and~~  
20 ~~shall make payment of said funds to each Service Board as~~  
21 ~~soon as may be practicable upon their receipt provided the~~  
22 ~~Authority has adopted a balanced budget as required by~~  
23 ~~Section 4.01 and further provided the Service Board is in~~  
24 ~~compliance with the requirements in Section 4.11.~~

25 ~~(4) Beginning January 1, 2009, before making any~~  
26 ~~payments, transfers, or expenditures under this subsection~~



1 ~~to a Service Board, the Authority must first comply with~~  
2 ~~Section 4.02a or 4.02b of this Act, whichever may be~~  
3 ~~applicable.~~

4 (Source: P.A. 94-839, eff. 6-6-06; revised 8-3-06.)

5 (70 ILCS 3615/4.02a)

6 Sec. 4.02a. Chicago Transit Authority contributions to  
7 pension funds.

8 (a) The Authority shall continually review the Chicago  
9 Transit Authority's payment of the required contributions to  
10 its retirement system under Section 22-101 of the Illinois  
11 Pension Code.

12 (b) Beginning January 1, 2009, if at any time the Authority  
13 determines that the Chicago Transit Authority's payment of any  
14 portion of the required contributions to its retirement system  
15 under Section 22-101 of the Illinois Pension Code is more than  
16 one month overdue, it shall as soon as possible pay the amount  
17 of those overdue contributions to the Board of Trustees ~~trustee~~  
18 of the Retirement Plan ~~retirement system~~ on behalf of the  
19 Chicago Transit Authority out of moneys otherwise payable to  
20 the Chicago Transit Authority under ~~subsection (c) of~~ Section  
21 4.03.3 4.02 of this Act. The Authority shall thereafter have no  
22 liability to the Chicago Transit Authority for amounts paid to  
23 the Board of Trustees ~~trustee~~ of the Retirement Plan ~~retirement~~  
24 ~~system~~ under this Section.

25 (c) Whenever the Authority acts or determines that it is

1 required to act under subsection (b), it shall so notify the  
2 Chicago Transit Authority, the Mayor of Chicago, the Governor,  
3 the Auditor General of the State of Illinois, and the General  
4 Assembly.

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

6 (70 ILCS 3615/4.02b)

7 Sec. 4.02b. Other contributions to pension funds.

8 (a) The Authority shall continually review the payment of  
9 the required employer contributions to affected pension plans  
10 under Section 22-103 of the Illinois Pension Code.

11 (b) Beginning January 1, 2009, if at any time the Authority  
12 determines that the Commuter Rail Board's or Suburban Bus  
13 Board's payment of any portion of the required contributions to  
14 an affected pension plan under Section 22-103 of the Illinois  
15 Pension Code is more than one month overdue, it shall as soon  
16 as possible pay the amount of those overdue contributions to  
17 the trustee of the affected pension plan on behalf of that  
18 Service Board out of moneys otherwise payable to that Service  
19 Board under Section 4.03.3 ~~subsection (c) of Section 4.02~~ of  
20 this Act. The Authority shall thereafter have no liability to  
21 the Service Board for amounts paid to the trustee of the  
22 affected pension plan under this Section.

23 (c) Whenever the Authority acts or determines that it is  
24 required to act under subsection (b), it shall so notify the  
25 affected Service Board, the Mayor of Chicago, the Governor, the

1 Auditor General of the State of Illinois, and the General  
2 Assembly.

3 (d) Beginning January 1, 2009, if the Authority fails to  
4 pay to an affected pension fund within 30 days after it is due  
5 any employer contribution that it is required to make as a  
6 contributing employer under Section 22-103 of the Illinois  
7 Pension Code, it shall promptly so notify the Commission on  
8 Government Forecasting and Accountability, the Mayor of  
9 Chicago, the Governor, and the General Assembly, and it shall  
10 promptly pay the overdue amount out of the first money  
11 available to the Authority for its administrative expenses, as  
12 that term is defined in Section 4.01(c).

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

14 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

15 Sec. 4.03. Taxes.

16 (a) In order to carry out any of the powers or purposes of  
17 the Authority, the Board may by ordinance adopted with the  
18 concurrence of 10 ~~9~~ of the then Directors, impose throughout  
19 the metropolitan region any or all of the taxes provided in  
20 this Section. Except as otherwise provided in this Act, taxes  
21 imposed under this Section and civil penalties imposed incident  
22 thereto shall be collected and enforced by the State Department  
23 of Revenue. The Department shall have the power to administer  
24 and enforce the taxes and to determine all rights for refunds  
25 for erroneous payments of the taxes.

1           (b) The Board may impose a public transportation tax upon  
2 all persons engaged in the metropolitan region in the business  
3 of selling at retail motor fuel for operation of motor vehicles  
4 upon public highways. The tax shall be at a rate not to exceed  
5 5% of the gross receipts from the sales of motor fuel in the  
6 course of the business. As used in this Act, the term "motor  
7 fuel" shall have the same meaning as in the Motor Fuel Tax Law.  
8 The Board may provide for details of the tax. The provisions of  
9 any tax shall conform, as closely as may be practicable, to the  
10 provisions of the Municipal Retailers Occupation Tax Act,  
11 including without limitation, conformity to penalties with  
12 respect to the tax imposed and as to the powers of the State  
13 Department of Revenue to promulgate and enforce rules and  
14 regulations relating to the administration and enforcement of  
15 the provisions of the tax imposed, except that reference in the  
16 Act to any municipality shall refer to the Authority and the  
17 tax shall be imposed only with regard to receipts from sales of  
18 motor fuel in the metropolitan region, at rates as limited by  
19 this Section.

20           (c) In connection with the tax imposed under paragraph (b)  
21 of this Section the Board may impose a tax upon the privilege  
22 of using in the metropolitan region motor fuel for the  
23 operation of a motor vehicle upon public highways, the tax to  
24 be at a rate not in excess of the rate of tax imposed under  
25 paragraph (b) of this Section. The Board may provide for  
26 details of the tax.

1           (d) The Board may impose a motor vehicle parking tax upon  
2 the privilege of parking motor vehicles at off-street parking  
3 facilities in the metropolitan region at which a fee is  
4 charged, and may provide for reasonable classifications in and  
5 exemptions to the tax, for administration and enforcement  
6 thereof and for civil penalties and refunds thereunder and may  
7 provide criminal penalties thereunder, the maximum penalties  
8 not to exceed the maximum criminal penalties provided in the  
9 Retailers' Occupation Tax Act. The Authority may collect and  
10 enforce the tax itself or by contract with any unit of local  
11 government. The State Department of Revenue shall have no  
12 responsibility for the collection and enforcement unless the  
13 Department agrees with the Authority to undertake the  
14 collection and enforcement. As used in this paragraph, the term  
15 "parking facility" means a parking area or structure having  
16 parking spaces for more than 2 vehicles at which motor vehicles  
17 are permitted to park in return for an hourly, daily, or other  
18 periodic fee, whether publicly or privately owned, but does not  
19 include parking spaces on a public street, the use of which is  
20 regulated by parking meters.

21           (e) The Board may impose a Regional Transportation  
22 Authority Retailers' Occupation Tax upon all persons engaged in  
23 the business of selling tangible personal property at retail in  
24 the metropolitan region. In Cook County the tax rate shall be  
25 1.25% ~~1%~~ of the gross receipts from sales of food for human  
26 consumption that is to be consumed off the premises where it is

1 sold (other than alcoholic beverages, soft drinks and food that  
2 has been prepared for immediate consumption) and prescription  
3 and nonprescription medicines, drugs, medical appliances and  
4 insulin, urine testing materials, syringes and needles used by  
5 diabetics, and 1% ~~3/4%~~ of the gross receipts from other taxable  
6 sales made in the course of that business. In DuPage, Kane,  
7 Lake, McHenry, and Will Counties, the tax rate shall be 0.75%  
8 ~~1/4%~~ of the gross receipts from all taxable sales made in the  
9 course of that business. The tax imposed under this Section and  
10 all civil penalties that may be assessed as an incident thereof  
11 shall be collected and enforced by the State Department of  
12 Revenue. The Department shall have full power to administer and  
13 enforce this Section; to collect all taxes and penalties so  
14 collected in the manner hereinafter provided; and to determine  
15 all rights to credit memoranda arising on account of the  
16 erroneous payment of tax or penalty hereunder. In the  
17 administration of, and compliance with this Section, the  
18 Department and persons who are subject to this Section shall  
19 have the same rights, remedies, privileges, immunities, powers  
20 and duties, and be subject to the same conditions,  
21 restrictions, limitations, penalties, exclusions, exemptions  
22 and definitions of terms, and employ the same modes of  
23 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
24 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
25 therein other than the State rate of tax), 2c, 3 (except as to  
26 the disposition of taxes and penalties collected), 4, 5, 5a,

1 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8,  
2 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
3 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
4 as if those provisions were set forth herein.

5 Persons subject to any tax imposed under the authority  
6 granted in this Section may reimburse themselves for their  
7 seller's tax liability hereunder by separately stating the tax  
8 as an additional charge, which charge may be stated in  
9 combination in a single amount with State taxes that sellers  
10 are required to collect under the Use Tax Act, under any  
11 bracket schedules the Department may prescribe.

12 Whenever the Department determines that a refund should be  
13 made under this Section to a claimant instead of issuing a  
14 credit memorandum, the Department shall notify the State  
15 Comptroller, who shall cause the warrant to be drawn for the  
16 amount specified, and to the person named, in the notification  
17 from the Department. The refund shall be paid by the State  
18 Treasurer out of the Regional Transportation Authority tax fund  
19 established under paragraph (n) of this Section.

20 If a tax is imposed under this subsection (e), a tax shall  
21 also be imposed under subsections (f) and (g) of this Section.

22 For the purpose of determining whether a tax authorized  
23 under this Section is applicable, a retail sale by a producer  
24 of coal or other mineral mined in Illinois, is a sale at retail  
25 at the place where the coal or other mineral mined in Illinois  
26 is extracted from the earth. This paragraph does not apply to

1 coal or other mineral when it is delivered or shipped by the  
2 seller to the purchaser at a point outside Illinois so that the  
3 sale is exempt under the Federal Constitution as a sale in  
4 interstate or foreign commerce.

5 No tax shall be imposed or collected under this subsection  
6 on the sale of a motor vehicle in this State to a resident of  
7 another state if that motor vehicle will not be titled in this  
8 State.

9 Nothing in this Section shall be construed to authorize the  
10 Regional Transportation Authority to impose a tax upon the  
11 privilege of engaging in any business that under the  
12 Constitution of the United States may not be made the subject  
13 of taxation by this State.

14 (f) If a tax has been imposed under paragraph (e), a  
15 Regional Transportation Authority Service Occupation Tax shall  
16 also be imposed upon all persons engaged, in the metropolitan  
17 region in the business of making sales of service, who as an  
18 incident to making the sales of service, transfer tangible  
19 personal property within the metropolitan region, either in the  
20 form of tangible personal property or in the form of real  
21 estate as an incident to a sale of service. In Cook County, the  
22 tax rate shall be: (1) 1.25% ~~1%~~ of the serviceman's cost price  
23 of food prepared for immediate consumption and transferred  
24 incident to a sale of service subject to the service occupation  
25 tax by an entity licensed under the Hospital Licensing Act or  
26 the Nursing Home Care Act that is located in the metropolitan



1 region; (2) 1.25% ~~1%~~ of the selling price of food for human  
2 consumption that is to be consumed off the premises where it is  
3 sold (other than alcoholic beverages, soft drinks and food that  
4 has been prepared for immediate consumption) and prescription  
5 and nonprescription medicines, drugs, medical appliances and  
6 insulin, urine testing materials, syringes and needles used by  
7 diabetics; and (3) 1% ~~3/4%~~ of the selling price from other  
8 taxable sales of tangible personal property transferred. In  
9 DuPage, Kane, Lake, McHenry and Will Counties the rate shall be  
10 0.75% ~~1/4%~~ of the selling price of all tangible personal  
11 property transferred.

12 The tax imposed under this paragraph and all civil  
13 penalties that may be assessed as an incident thereof shall be  
14 collected and enforced by the State Department of Revenue. The  
15 Department shall have full power to administer and enforce this  
16 paragraph; to collect all taxes and penalties due hereunder; to  
17 dispose of taxes and penalties collected in the manner  
18 hereinafter provided; and to determine all rights to credit  
19 memoranda arising on account of the erroneous payment of tax or  
20 penalty hereunder. In the administration of and compliance with  
21 this paragraph, the Department and persons who are subject to  
22 this paragraph shall have the same rights, remedies,  
23 privileges, immunities, powers and duties, and be subject to  
24 the same conditions, restrictions, limitations, penalties,  
25 exclusions, exemptions and definitions of terms, and employ the  
26 same modes of procedure, as are prescribed in Sections 1a-1, 2,

1 2a, 3 through 3-50 (in respect to all provisions therein other  
2 than the State rate of tax), 4 (except that the reference to  
3 the State shall be to the Authority), 5, 7, 8 (except that the  
4 jurisdiction to which the tax shall be a debt to the extent  
5 indicated in that Section 8 shall be the Authority), 9 (except  
6 as to the disposition of taxes and penalties collected, and  
7 except that the returned merchandise credit for this tax may  
8 not be taken against any State tax), 10, 11, 12 (except the  
9 reference therein to Section 2b of the Retailers' Occupation  
10 Tax Act), 13 (except that any reference to the State shall mean  
11 the Authority), the first paragraph of Section 15, 16, 17, 18,  
12 19 and 20 of the Service Occupation Tax Act and Section 3-7 of  
13 the Uniform Penalty and Interest Act, as fully as if those  
14 provisions were set forth herein.

15 Persons subject to any tax imposed under the authority  
16 granted in this paragraph may reimburse themselves for their  
17 serviceman's tax liability hereunder by separately stating the  
18 tax as an additional charge, that charge may be stated in  
19 combination in a single amount with State tax that servicemen  
20 are authorized to collect under the Service Use Tax Act, under  
21 any bracket schedules the Department may prescribe.

22 Whenever the Department determines that a refund should be  
23 made under this paragraph to a claimant instead of issuing a  
24 credit memorandum, the Department shall notify the State  
25 Comptroller, who shall cause the warrant to be drawn for the  
26 amount specified, and to the person named in the notification

1 from the Department. The refund shall be paid by the State  
2 Treasurer out of the Regional Transportation Authority tax fund  
3 established under paragraph (n) of this Section.

4 Nothing in this paragraph shall be construed to authorize  
5 the Authority to impose a tax upon the privilege of engaging in  
6 any business that under the Constitution of the United States  
7 may not be made the subject of taxation by the State.

8 (g) If a tax has been imposed under paragraph (e), a tax  
9 shall also be imposed upon the privilege of using in the  
10 metropolitan region, any item of tangible personal property  
11 that is purchased outside the metropolitan region at retail  
12 from a retailer, and that is titled or registered with an  
13 agency of this State's government. In Cook County the tax rate  
14 shall be 1% ~~3/4%~~ of the selling price of the tangible personal  
15 property, as "selling price" is defined in the Use Tax Act. In  
16 DuPage, Kane, Lake, McHenry and Will counties the tax rate  
17 shall be 0.75% ~~1/4%~~ of the selling price of the tangible  
18 personal property, as "selling price" is defined in the Use Tax  
19 Act. The tax shall be collected from persons whose Illinois  
20 address for titling or registration purposes is given as being  
21 in the metropolitan region. The tax shall be collected by the  
22 Department of Revenue for the Regional Transportation  
23 Authority. The tax must be paid to the State, or an exemption  
24 determination must be obtained from the Department of Revenue,  
25 before the title or certificate of registration for the  
26 property may be issued. The tax or proof of exemption may be

1 transmitted to the Department by way of the State agency with  
2 which, or the State officer with whom, the tangible personal  
3 property must be titled or registered if the Department and the  
4 State agency or State officer determine that this procedure  
5 will expedite the processing of applications for title or  
6 registration.

7 The Department shall have full power to administer and  
8 enforce this paragraph; to collect all taxes, penalties and  
9 interest due hereunder; to dispose of taxes, penalties and  
10 interest collected in the manner hereinafter provided; and to  
11 determine all rights to credit memoranda or refunds arising on  
12 account of the erroneous payment of tax, penalty or interest  
13 hereunder. In the administration of and compliance with this  
14 paragraph, the Department and persons who are subject to this  
15 paragraph shall have the same rights, remedies, privileges,  
16 immunities, powers and duties, and be subject to the same  
17 conditions, restrictions, limitations, penalties, exclusions,  
18 exemptions and definitions of terms and employ the same modes  
19 of procedure, as are prescribed in Sections 2 (except the  
20 definition of "retailer maintaining a place of business in this  
21 State"), 3 through 3-80 (except provisions pertaining to the  
22 State rate of tax, and except provisions concerning collection  
23 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,  
24 19 (except the portions pertaining to claims by retailers and  
25 except the last paragraph concerning refunds), 20, 21 and 22 of  
26 the Use Tax Act, and are not inconsistent with this paragraph,

1 as fully as if those provisions were set forth herein.

2 Whenever the Department determines that a refund should be  
3 made under this paragraph to a claimant instead of issuing a  
4 credit memorandum, the Department shall notify the State  
5 Comptroller, who shall cause the order to be drawn for the  
6 amount specified, and to the person named in the notification  
7 from the Department. The refund shall be paid by the State  
8 Treasurer out of the Regional Transportation Authority tax fund  
9 established under paragraph (n) of this Section.

10 (h) The Authority may impose a replacement vehicle tax of  
11 \$50 on any passenger car as defined in Section 1-157 of the  
12 Illinois Vehicle Code purchased within the metropolitan region  
13 by or on behalf of an insurance company to replace a passenger  
14 car of an insured person in settlement of a total loss claim.  
15 The tax imposed may not become effective before the first day  
16 of the month following the passage of the ordinance imposing  
17 the tax and receipt of a certified copy of the ordinance by the  
18 Department of Revenue. The Department of Revenue shall collect  
19 the tax for the Authority in accordance with Sections 3-2002  
20 and 3-2003 of the Illinois Vehicle Code.

21 The Department shall immediately pay over to the State  
22 Treasurer, ex officio, as trustee, all taxes collected  
23 hereunder. On or before the 25th day of each calendar month,  
24 the Department shall prepare and certify to the Comptroller the  
25 disbursement of stated sums of money to the Authority. The  
26 amount to be paid to the Authority shall be the amount

1 collected hereunder during the second preceding calendar month  
2 by the Department, less any amount determined by the Department  
3 to be necessary for the payment of refunds. Within 10 days  
4 after receipt by the Comptroller of the disbursement  
5 certification to the Authority provided for in this Section to  
6 be given to the Comptroller by the Department, the Comptroller  
7 shall cause the orders to be drawn for that amount in  
8 accordance with the directions contained in the certification.

9 (i) The Board may not impose any other taxes except as it  
10 may from time to time be authorized by law to impose.

11 (j) A certificate of registration issued by the State  
12 Department of Revenue to a retailer under the Retailers'  
13 Occupation Tax Act or under the Service Occupation Tax Act  
14 shall permit the registrant to engage in a business that is  
15 taxed under the tax imposed under paragraphs (b), (e), (f) or  
16 (g) of this Section and no additional registration shall be  
17 required under the tax. A certificate issued under the Use Tax  
18 Act or the Service Use Tax Act shall be applicable with regard  
19 to any tax imposed under paragraph (c) of this Section.

20 (k) The provisions of any tax imposed under paragraph (c)  
21 of this Section shall conform as closely as may be practicable  
22 to the provisions of the Use Tax Act, including without  
23 limitation conformity as to penalties with respect to the tax  
24 imposed and as to the powers of the State Department of Revenue  
25 to promulgate and enforce rules and regulations relating to the  
26 administration and enforcement of the provisions of the tax

1 imposed. The taxes shall be imposed only on use within the  
2 metropolitan region and at rates as provided in the paragraph.

3 (1) The Board in imposing any tax as provided in paragraphs  
4 (b) and (c) of this Section, shall, after seeking the advice of  
5 the State Department of Revenue, provide means for retailers,  
6 users or purchasers of motor fuel for purposes other than those  
7 with regard to which the taxes may be imposed as provided in  
8 those paragraphs to receive refunds of taxes improperly paid,  
9 which provisions may be at variance with the refund provisions  
10 as applicable under the Municipal Retailers Occupation Tax Act.  
11 The State Department of Revenue may provide for certificates of  
12 registration for users or purchasers of motor fuel for purposes  
13 other than those with regard to which taxes may be imposed as  
14 provided in paragraphs (b) and (c) of this Section to  
15 facilitate the reporting and nontaxability of the exempt sales  
16 or uses.

17 (m) Any ordinance imposing or discontinuing any tax under  
18 this Section shall be adopted and a certified copy thereof  
19 filed with the Department on or before June 1, whereupon the  
20 Department of Revenue shall proceed to administer and enforce  
21 this Section on behalf of the Regional Transportation Authority  
22 as of September 1 next following such adoption and filing.  
23 Beginning January 1, 1992, an ordinance or resolution imposing  
24 or discontinuing the tax hereunder shall be adopted and a  
25 certified copy thereof filed with the Department on or before  
26 the first day of July, whereupon the Department shall proceed

1 to administer and enforce this Section as of the first day of  
2 October next following such adoption and filing. Beginning  
3 January 1, 1993, an ordinance or resolution imposing,  
4 increasing, decreasing, or discontinuing the tax hereunder  
5 shall be adopted and a certified copy thereof filed with the  
6 Department ~~on or before the first day of October,~~ whereupon the  
7 Department shall proceed to administer and enforce this Section  
8 as of the first day of the first month to occur not less than 60  
9 days ~~January next~~ following such adoption and filing. Any  
10 ordinance or resolution of the Authority imposing a tax under  
11 this Section and in effect on August 1, 2007 shall remain in  
12 full force and effect and shall be administered by the  
13 Department of Revenue under the terms and conditions and rates  
14 of tax established by such ordinance or resolution until the  
15 Department begins administering and enforcing an increased tax  
16 under this Section as authorized by this amendatory Act of the  
17 95th General Assembly. The tax rates authorized by this  
18 amendatory Act of the 95th General Assembly are effective only  
19 if imposed by ordinance of the Authority.

20 (n) The State Department of Revenue shall, upon collecting  
21 any taxes as provided in this Section, pay the taxes over to  
22 the State Treasurer as trustee for the Authority. The taxes  
23 shall be held in a trust fund outside the State Treasury. On or  
24 before the 25th day of each calendar month, the State  
25 Department of Revenue shall prepare and certify to the  
26 Comptroller of the State of Illinois and ~~the amount to be paid~~



1 ~~to the Authority, which shall be the then balance in the fund,~~  
2 ~~less any amount determined by the Department to be necessary~~  
3 ~~for the payment of refunds. The State Department of Revenue~~  
4 shall also certify to the Authority (i) the amount of taxes  
5 collected in each County other than Cook County in the  
6 metropolitan region, (ii) ~~less the amount necessary for the~~  
7 ~~payment of refunds to taxpayers in the County. With regard to~~  
8 ~~the County of Cook, the certification shall specify the amount~~  
9 of taxes collected within the City of Chicago, less the amount  
10 ~~necessary for the payment of refunds to taxpayers in the City~~  
11 ~~of Chicago~~ and (iii) the amount collected in that portion of  
12 Cook County outside of Chicago, each amount less the amount  
13 necessary for the payment of refunds to taxpayers located in  
14 those areas described in items (i), (ii), and (iii) in that  
15 ~~portion of Cook County outside of Chicago.~~ Within 10 days after  
16 receipt by the Comptroller of the certification of the amounts  
17 ~~amount to be paid to the Authority,~~ the Comptroller shall cause  
18 an order to be drawn for the payment of two-thirds of the  
19 amounts certified in item (i) of this subsection to the  
20 Authority and one-third of the amounts certified in item (i) of  
21 this subsection to the respective counties other than Cook  
22 County and the amount certified in items (ii) and (iii) of this  
23 subsection to the Authority ~~for the amount in accordance with~~  
24 ~~the direction in the certification.~~

25 In addition to the disbursement required by the preceding  
26 paragraph, an allocation shall be made in July 1991 and each

1 year thereafter to the Regional Transportation Authority. The  
2 allocation shall be made in an amount equal to the average  
3 monthly distribution during the preceding calendar year  
4 (excluding the 2 months of lowest receipts) and the allocation  
5 shall include the amount of average monthly distribution from  
6 the Regional Transportation Authority Occupation and Use Tax  
7 Replacement Fund. The distribution made in July 1992 and each  
8 year thereafter under this paragraph and the preceding  
9 paragraph shall be reduced by the amount allocated and  
10 disbursed under this paragraph in the preceding calendar year.  
11 The Department of Revenue shall prepare and certify to the  
12 Comptroller for disbursement the allocations made in  
13 accordance with this paragraph.

14 (o) Failure to adopt a budget ordinance or otherwise to  
15 comply with Section 4.01 of this Act or to adopt a Five-year  
16 Capital Program or otherwise to comply with paragraph (b) of  
17 Section 2.01 of this Act shall not affect the validity of any  
18 tax imposed by the Authority otherwise in conformity with law.

19 (p) At no time shall a public transportation tax or motor  
20 vehicle parking tax authorized under paragraphs (b), (c) and  
21 (d) of this Section be in effect at the same time as any  
22 retailers' occupation, use or service occupation tax  
23 authorized under paragraphs (e), (f) and (g) of this Section is  
24 in effect.

25 Any taxes imposed under the authority provided in  
26 paragraphs (b), (c) and (d) shall remain in effect only until

1 the time as any tax authorized by paragraphs (e), (f) or (g) of  
2 this Section are imposed and becomes effective. Once any tax  
3 authorized by paragraphs (e), (f) or (g) is imposed the Board  
4 may not reimpose taxes as authorized in paragraphs (b), (c) and  
5 (d) of the Section unless any tax authorized by paragraphs (e),  
6 (f) or (g) of this Section becomes ineffective by means other  
7 than an ordinance of the Board.

8 (q) Any existing rights, remedies and obligations  
9 (including enforcement by the Regional Transportation  
10 Authority) arising under any tax imposed under paragraphs (b),  
11 (c) or (d) of this Section shall not be affected by the  
12 imposition of a tax under paragraphs (e), (f) or (g) of this  
13 Section.

14 (Source: P.A. 92-221, eff. 8-2-01; 92-651, eff. 7-11-02;  
15 93-1068, eff. 1-15-05.)

16 (70 ILCS 3615/4.03.3 new)

17 Sec. 4.03.3. Distribution of Revenues. This Section  
18 applies only after the Department begins administering and  
19 enforcing an increased tax under Section 4.03(m) as authorized  
20 by this amendatory Act of the 95th General Assembly. After  
21 providing for payment of its obligations with respect to bonds  
22 and notes issued under the provisions of Section 4.04 and  
23 obligations related to those bonds and notes, the Authority  
24 shall disburse the remaining proceeds from taxes it has  
25 received from the Department of Revenue under this Article IV

1 and the remaining proceeds it has received from the State under  
2 Section 4.09(a) as follows:

3 (a) With respect to taxes imposed by the Authority under  
4 Section 4.03, after withholding 15% of 80% of the receipts from  
5 those taxes collected in Cook County at a rate of 1.25%, 15% of  
6 75% of the receipts from those taxes collected in Cook County  
7 at the rate of 1%, 15% of one-half of the receipts from those  
8 taxes collected in DuPage, Kane, Lake, McHenry, and Will  
9 Counties, and 15% of money received by the Authority from the  
10 Regional Transportation Authority Occupation and Use Tax  
11 Replacement Fund or from the Regional Transportation Authority  
12 Sales Tax Fund, the Board shall allocate the proceeds and money  
13 remaining to the Service Boards as follows:

14 (1) an amount equal to (i) 85% of 80% of the receipts  
15 from those taxes collected within the City of Chicago at a  
16 rate of 1.25%, (ii) 85% of 75% of the receipts from those  
17 taxes collected in the City of Chicago at the rate of 1%,  
18 and (iii) 85% of the money received by the Authority on  
19 account of transfers to the Regional Transportation  
20 Authority Occupation and Use Tax Replacement Fund or to the  
21 Regional Transportation Authority Sales Tax Fund from the  
22 County and Mass Transit District Fund attributable to  
23 retail sales within the City of Chicago shall be allocated  
24 to the Chicago Transit Authority;

25 (2) an amount equal to (i) 85% of 80% of the receipts  
26 from those taxes collected within Cook County outside of

1       the City of Chicago at a rate of 1.25%, (ii) 85% of 75% of  
2       the receipts from those taxes collected within Cook County  
3       outside the City of Chicago at a rate of 1%, and (iii) 85%  
4       of the money received by the Authority on account of  
5       transfers to the Regional Transportation Authority  
6       Occupation and Use Tax Replacement Fund from the County and  
7       Mass Transit District Fund attributable to retail sales  
8       within Cook County outside of the City of Chicago shall be  
9       allocated 30% to the Chicago Transit Authority, 55% to the  
10       Commuter Rail Board, and 15% to the Suburban Bus Board; and

11       (3) an amount equal to 85% of one-half of the receipts  
12       from the taxes collected within the Counties of DuPage,  
13       Kane, Lake, McHenry, and Will shall be allocated 70% to the  
14       Commuter Rail Board and 30% to the Suburban Bus Board.

15       (b) Moneys received by the Authority on account of  
16       transfers to the Regional Transportation Authority Occupation  
17       and Use Tax Replacement Fund from the State and Local Sales Tax  
18       Reform Fund shall be allocated among the Authority and the  
19       Service Boards as follows: 15% of such moneys shall be retained  
20       by the Authority and the remaining 85% shall be transferred to  
21       the Service Boards as soon as may be practicable after the  
22       Authority receives payment. Moneys which are distributable to  
23       the Service Boards pursuant to the preceding sentence shall be  
24       allocated among the Service Boards on the basis of each Service  
25       Board's distribution ratio. The term "distribution ratio"  
26       means, for purposes of this subsection (b), the ratio of the

1 total amount distributed to a Service Board pursuant to  
2 subsection (a) of Section 4.03.3 for the immediately preceding  
3 calendar year to the total amount distributed to all of the  
4 Service Boards pursuant to subsection (a) of Section 4.03.3 for  
5 the immediately preceding calendar year.

6 (c) (i) 20% of the receipts from those taxes collected in  
7 Cook County under Section 4.03 at the rate of 1.25%, (ii) 25%  
8 of the receipts from those taxes collected in Cook County under  
9 Section 4.03 at the rate of 1%, (iii) 50% of the receipts from  
10 those taxes collected in DuPage, Kane, Lake, McHenry, and Will  
11 Counties under Section 4.03, and (iv) amounts received from the  
12 State under Section 4.09 (a) (2) and items (i), (ii), and (iii)  
13 of Section 4.09 (a) (3) shall be allocated as follows: in 2008,  
14 \$100,000,000 shall be deposited in the ADA Paratransit Fund  
15 described in Section 2.01d, \$20,000,000 shall be deposited in  
16 the Suburban Community Mobility Fund described in Section  
17 2.01e, and \$10,000,000 shall be deposited in the Innovation,  
18 Coordination and Enhancement Fund described in Section 2.01c,  
19 and the balance shall be allocated 48% to the Chicago Transit  
20 Authority, 39% to the Commuter Rail Board, and 13% to the  
21 Suburban Bus Board; and in 2009 and each year thereafter, the  
22 amounts deposited in the ADA Paratransit Fund, the Suburban  
23 Community Mobility Fund and the Innovation, Coordination and  
24 Enhancement Fund respectively shall equal the amount deposited  
25 in the previous year increased or decreased by the percentage  
26 growth or decline in revenues received by the Authority from

1 taxes imposed under Section 4.03 in the previous year, and the  
2 balance shall be allocated 48% to the Chicago Transit  
3 Authority, 39% to the Commuter Rail Board and 13% to the  
4 Suburban Bus Board.

5 (d) Amounts received from the State under Section 4.09  
6 (a)(3)(iv) shall be distributed 100% to the Chicago Transit  
7 Authority.

8 (e) With respect to those taxes collected in DuPage, Kane,  
9 Lake, McHenry, and Will Counties and paid directly to the  
10 counties under Section 4.03, the County Board of each county  
11 shall use those amounts to fund operating and capital costs of  
12 public transportation services or facilities or to fund  
13 operating, capital, right-of-way, construction, and  
14 maintenance costs of other transportation purposes, including  
15 road, bridge, public safety, and transit purposes intended to  
16 improve mobility or reduce congestion in the county. The  
17 receipt of funding by such counties pursuant to this paragraph  
18 shall not be used as the basis for reducing any funds that such  
19 counties would otherwise have received from the State of  
20 Illinois, any agency or instrumentality thereof, the  
21 Authority, or the Service Boards.

22 (f) The Authority by ordinance adopted by 10 of its then  
23 Directors shall apportion to the Service Boards funds provided  
24 by the State of Illinois under Section 4.09(a)(1) as it shall  
25 determine and shall make payment of the amounts to each Service  
26 Board as soon as may be practicable upon their receipt provided

1 the Authority has adopted a balanced budget as required by  
2 Section 4.01 and further provided the Service Board is in  
3 compliance with the requirements in Section 4.11.

4 (g) Beginning January 1, 2009, before making any payments,  
5 transfers, or expenditures under this Section to a Service  
6 Board, the Authority must first comply with Section 4.02a or  
7 4.02b of this Act, whichever may be applicable.

8 (70 ILCS 3615/4.04) (from Ch. 111 2/3, par. 704.04)

9 Sec. 4.04. Issuance and Pledge of Bonds and Notes.

10 (a) The Authority shall have the continuing power to borrow  
11 money and to issue its negotiable bonds or notes as provided in  
12 this Section. Unless otherwise indicated in this Section, the  
13 term "notes" also includes bond anticipation notes, which are  
14 notes which by their terms provide for their payment from the  
15 proceeds of bonds thereafter to be issued. Bonds or notes of  
16 the Authority may be issued for any or all of the following  
17 purposes: to pay costs to the Authority or a Service Board of  
18 constructing or acquiring any public transportation facilities  
19 (including funds and rights relating thereto, as provided in  
20 Section 2.05 of this Act); to repay advances to the Authority  
21 or a Service Board made for such purposes; to pay other  
22 expenses of the Authority or a Service Board incident to or  
23 incurred in connection with such construction or acquisition;  
24 to provide funds for any transportation agency to pay principal  
25 of or interest or redemption premium on any bonds or notes,



1 whether as such amounts become due or by earlier redemption,  
2 issued prior to the date of this amendatory Act by such  
3 transportation agency to construct or acquire public  
4 transportation facilities or to provide funds to purchase such  
5 bonds or notes; and to provide funds for any transportation  
6 agency to construct or acquire any public transportation  
7 facilities, to repay advances made for such purposes, and to  
8 pay other expenses incident to or incurred in connection with  
9 such construction or acquisition; and to provide funds for  
10 payment of obligations, including the funding of reserves,  
11 under any self-insurance plan or joint self-insurance pool or  
12 entity.

13 In addition to any other borrowing as may be authorized by  
14 this Section, the Authority may issue its notes, from time to  
15 time, in anticipation of tax receipts of the Authority or of  
16 other revenues or receipts of the Authority, in order to  
17 provide money for the Authority or the Service Boards to cover  
18 any cash flow deficit which the Authority or a Service Board  
19 anticipates incurring. Any such notes are referred to in this  
20 Section as "Working Cash Notes". No Working Cash Notes shall be  
21 issued for a term of longer than 24 ~~18~~ months. Proceeds of  
22 Working Cash Notes may be used to pay day to day operating  
23 expenses of the Authority or the Service Boards, consisting of  
24 wages, salaries and fringe benefits, professional and  
25 technical services (including legal, audit, engineering and  
26 other consulting services), office rental, furniture, fixtures

1 and equipment, insurance premiums, claims for self-insured  
2 amounts under insurance policies, public utility obligations  
3 for telephone, light, heat and similar items, travel expenses,  
4 office supplies, postage, dues, subscriptions, public hearings  
5 and information expenses, fuel purchases, and payments of  
6 grants and payments under purchase of service agreements for  
7 operations of transportation agencies, prior to the receipt by  
8 the Authority or a Service Board from time to time of funds for  
9 paying such expenses. In addition to any Working Cash Notes  
10 that the Board of the Authority may determine to issue, the  
11 Suburban Bus Board, the Commuter Rail Board or the Board of the  
12 Chicago Transit Authority may demand and direct that the  
13 Authority issue its Working Cash Notes in such amounts and  
14 having such maturities as the Service Board may determine.

15 Notwithstanding any other provision of this Act, any  
16 amounts necessary to pay principal of and interest on any  
17 Working Cash Notes issued at the demand and direction of a  
18 Service Board or any Working Cash Notes the proceeds of which  
19 were used for the direct benefit of a Service Board or any  
20 other Bonds or Notes of the Authority the proceeds of which  
21 were used for the direct benefit of a Service Board shall  
22 constitute a reduction of the amount of any other funds  
23 provided by the Authority to that Service Board. The Authority  
24 shall, after deducting any costs of issuance, tender the net  
25 proceeds of any Working Cash Notes issued at the demand and  
26 direction of a Service Board to such Service Board as soon as

1 may be practicable after the proceeds are received. The  
2 Authority may also issue notes or bonds to pay, refund or  
3 redeem any of its notes and bonds, including to pay redemption  
4 premiums or accrued interest on such bonds or notes being  
5 renewed, paid or refunded, and other costs in connection  
6 therewith. The Authority may also utilize the proceeds of any  
7 such bonds or notes to pay the legal, financial, administrative  
8 and other expenses of such authorization, issuance, sale or  
9 delivery of bonds or notes or to provide or increase a debt  
10 service reserve fund with respect to any or all of its bonds or  
11 notes. The Authority may also issue and deliver its bonds or  
12 notes in exchange for any public transportation facilities,  
13 (including funds and rights relating thereto, as provided in  
14 Section 2.05 of this Act) or in exchange for outstanding bonds  
15 or notes of the Authority, including any accrued interest or  
16 redemption premium thereon, without advertising or submitting  
17 such notes or bonds for public bidding.

18 (b) The ordinance providing for the issuance of any such  
19 bonds or notes shall fix the date or dates of maturity, the  
20 dates on which interest is payable, any sinking fund account or  
21 reserve fund account provisions and all other details of such  
22 bonds or notes and may provide for such covenants or agreements  
23 necessary or desirable with regard to the issue, sale and  
24 security of such bonds or notes. The rate or rates of interest  
25 on its bonds or notes may be fixed or variable and the  
26 Authority shall determine or provide for the determination of

1 the rate or rates of interest of its bonds or notes issued  
2 under this Act in an ordinance adopted by the Authority prior  
3 to the issuance thereof, none of which rates of interest shall  
4 exceed that permitted in the Bond Authorization Act. Interest  
5 may be payable at such times as are provided for by the Board.  
6 Bonds and notes issued under this Section may be issued as  
7 serial or term obligations, shall be of such denomination or  
8 denominations and form, including interest coupons to be  
9 attached thereto, be executed in such manner, shall be payable  
10 at such place or places and bear such date as the Authority  
11 shall fix by the ordinance authorizing such bond or note and  
12 shall mature at such time or times, within a period not to  
13 exceed forty years from the date of issue, and may be  
14 redeemable prior to maturity with or without premium, at the  
15 option of the Authority, upon such terms and conditions as the  
16 Authority shall fix by the ordinance authorizing the issuance  
17 of such bonds or notes. No bond anticipation note or any  
18 renewal thereof shall mature at any time or times exceeding 5  
19 years from the date of the first issuance of such note. The  
20 Authority may provide for the registration of bonds or notes in  
21 the name of the owner as to the principal alone or as to both  
22 principal and interest, upon such terms and conditions as the  
23 Authority may determine. The ordinance authorizing bonds or  
24 notes may provide for the exchange of such bonds or notes which  
25 are fully registered, as to both principal and interest, with  
26 bonds or notes which are registerable as to principal only. All

1 bonds or notes issued under this Section by the Authority other  
2 than those issued in exchange for property or for bonds or  
3 notes of the Authority shall be sold at a price which may be at  
4 a premium or discount but such that the interest cost  
5 (excluding any redemption premium) to the Authority of the  
6 proceeds of an issue of such bonds or notes, computed to stated  
7 maturity according to standard tables of bond values, shall not  
8 exceed that permitted in the Bond Authorization Act. The  
9 Authority shall notify the Governor's Office of Management and  
10 Budget and the State Comptroller at least 30 days before any  
11 bond sale and shall file with the Governor's Office of  
12 Management and Budget and the State Comptroller a certified  
13 copy of any ordinance authorizing the issuance of bonds at or  
14 before the issuance of the bonds. After December 31, 1994, any  
15 such bonds or notes shall be sold to the highest and best  
16 bidder on sealed bids as the Authority shall deem. As such  
17 bonds or notes are to be sold the Authority shall advertise for  
18 proposals to purchase the bonds or notes which advertisement  
19 shall be published at least once in a daily newspaper of  
20 general circulation published in the metropolitan region at  
21 least 10 days before the time set for the submission of bids.  
22 The Authority shall have the right to reject any or all bids.  
23 Notwithstanding any other provisions of this Section, Working  
24 Cash Notes or bonds or notes to provide funds for  
25 self-insurance or a joint self-insurance pool or entity may be  
26 sold either upon competitive bidding or by negotiated sale

1 (without any requirement of publication of intention to  
2 negotiate the sale of such Notes), as the Board shall determine  
3 by ordinance adopted with the affirmative votes of at least 7  
4 Directors. In case any officer whose signature appears on any  
5 bonds, notes or coupons authorized pursuant to this Section  
6 shall cease to be such officer before delivery of such bonds or  
7 notes, such signature shall nevertheless be valid and  
8 sufficient for all purposes, the same as if such officer had  
9 remained in office until such delivery. Neither the Directors  
10 of the Authority nor any person executing any bonds or notes  
11 thereof shall be liable personally on any such bonds or notes  
12 or coupons by reason of the issuance thereof.

13 (c) All bonds or notes of the Authority issued pursuant to  
14 this Section shall be general obligations of the Authority to  
15 which shall be pledged the full faith and credit of the  
16 Authority, as provided in this Section. Such bonds or notes  
17 shall be secured as provided in the authorizing ordinance,  
18 which may, notwithstanding any other provision of this Act,  
19 include in addition to any other security, a specific pledge or  
20 assignment of and lien on or security interest in any or all  
21 tax receipts of the Authority and on any or all other revenues  
22 or moneys of the Authority from whatever source, which may by  
23 law be utilized for debt service purposes and a specific pledge  
24 or assignment of and lien on or security interest in any funds  
25 or accounts established or provided for by the ordinance of the  
26 Authority authorizing the issuance of such bonds or notes. Any

1 such pledge, assignment, lien or security interest for the  
2 benefit of holders of bonds or notes of the Authority shall be  
3 valid and binding from the time the bonds or notes are issued  
4 without any physical delivery or further act and shall be valid  
5 and binding as against and prior to the claims of all other  
6 parties having claims of any kind against the Authority or any  
7 other person irrespective of whether such other parties have  
8 notice of such pledge, assignment, lien or security interest.  
9 The obligations of the Authority incurred pursuant to this  
10 Section shall be superior to and have priority over any other  
11 obligations of the Authority.

12 The Authority may provide in the ordinance authorizing the  
13 issuance of any bonds or notes issued pursuant to this Section  
14 for the creation of, deposits in, and regulation and  
15 disposition of sinking fund or reserve accounts relating to  
16 such bonds or notes. The ordinance authorizing the issuance of  
17 any bonds or notes pursuant to this Section may contain  
18 provisions as part of the contract with the holders of the  
19 bonds or notes, for the creation of a separate fund to provide  
20 for the payment of principal and interest on such bonds or  
21 notes and for the deposit in such fund from any or all the tax  
22 receipts of the Authority and from any or all such other moneys  
23 or revenues of the Authority from whatever source which may by  
24 law be utilized for debt service purposes, all as provided in  
25 such ordinance, of amounts to meet the debt service  
26 requirements on such bonds or notes, including principal and

1 interest, and any sinking fund or reserve fund account  
2 requirements as may be provided by such ordinance, and all  
3 expenses incident to or in connection with such fund and  
4 accounts or the payment of such bonds or notes. Such ordinance  
5 may also provide limitations on the issuance of additional  
6 bonds or notes of the Authority. No such bonds or notes of the  
7 Authority shall constitute a debt of the State of Illinois.  
8 Nothing in this Act shall be construed to enable the Authority  
9 to impose any ad valorem tax on property.

10 (d) The ordinance of the Authority authorizing the issuance  
11 of any bonds or notes may provide additional security for such  
12 bonds or notes by providing for appointment of a corporate  
13 trustee (which may be any trust company or bank having the  
14 powers of a trust company within the state) with respect to  
15 such bonds or notes. The ordinance shall prescribe the rights,  
16 duties and powers of the trustee to be exercised for the  
17 benefit of the Authority and the protection of the holders of  
18 such bonds or notes. The ordinance may provide for the trustee  
19 to hold in trust, invest and use amounts in funds and accounts  
20 created as provided by the ordinance with respect to the bonds  
21 or notes. The ordinance may provide for the assignment and  
22 direct payment to the trustee of any or all amounts produced  
23 from the sources provided in Section 4.03 and Section 4.09 of  
24 this Act and provided in Section 6z-17 of "An Act in relation  
25 to State finance", approved June 10, 1919, as amended. Upon  
26 receipt of notice of any such assignment, the Department of



1 Revenue and the Comptroller of the State of Illinois shall  
2 thereafter, notwithstanding the provisions of Section 4.03 and  
3 Section 4.09 of this Act and Section 6z-17 of "An Act in  
4 relation to State finance", approved June 10, 1919, as amended,  
5 provide for such assigned amounts to be paid directly to the  
6 trustee instead of the Authority, all in accordance with the  
7 terms of the ordinance making the assignment. The ordinance  
8 shall provide that amounts so paid to the trustee which are not  
9 required to be deposited, held or invested in funds and  
10 accounts created by the ordinance with respect to bonds or  
11 notes or used for paying bonds or notes to be paid by the  
12 trustee to the Authority.

13 (e) Any bonds or notes of the Authority issued pursuant to  
14 this Section shall constitute a contract between the Authority  
15 and the holders from time to time of such bonds or notes. In  
16 issuing any bond or note, the Authority may include in the  
17 ordinance authorizing such issue a covenant as part of the  
18 contract with the holders of the bonds or notes, that as long  
19 as such obligations are outstanding, it shall make such  
20 deposits, as provided in paragraph (c) of this Section. It may  
21 also so covenant that it shall impose and continue to impose  
22 taxes, as provided in Section 4.03 of this Act and in addition  
23 thereto as subsequently authorized by law, sufficient to make  
24 such deposits and pay the principal and interest and to meet  
25 other debt service requirements of such bonds or notes as they  
26 become due. A certified copy of the ordinance authorizing the

1 issuance of any such obligations shall be filed at or prior to  
2 the issuance of such obligations with the Comptroller of the  
3 State of Illinois and the Illinois Department of Revenue.

4 (f) The State of Illinois pledges to and agrees with the  
5 holders of the bonds and notes of the Authority issued pursuant  
6 to this Section that the State will not limit or alter the  
7 rights and powers vested in the Authority by this Act so as to  
8 impair the terms of any contract made by the Authority with  
9 such holders or in any way impair the rights and remedies of  
10 such holders until such bonds and notes, together with interest  
11 thereon, with interest on any unpaid installments of interest,  
12 and all costs and expenses in connection with any action or  
13 proceedings by or on behalf of such holders, are fully met and  
14 discharged. In addition, the State pledges to and agrees with  
15 the holders of the bonds and notes of the Authority issued  
16 pursuant to this Section that the State will not limit or alter  
17 the basis on which State funds are to be paid to the Authority  
18 as provided in this Act, or the use of such funds, so as to  
19 impair the terms of any such contract. The Authority is  
20 authorized to include these pledges and agreements of the State  
21 in any contract with the holders of bonds or notes issued  
22 pursuant to this Section.

23 (g) (1) Except as provided in subdivisions (g)(2) and  
24 (g)(3) of Section 4.04 of this Act, the Authority shall not  
25 at any time issue, sell or deliver any bonds or notes  
26 (other than Working Cash Notes) pursuant to this Section

1 4.04 which will cause it to have issued and outstanding at  
2 any time in excess of \$800,000,000 of such bonds and notes  
3 (other than Working Cash Notes). The Authority shall not at  
4 any time issue, sell, or deliver any Working Cash Notes  
5 pursuant to this Section that will cause it to have issued  
6 and outstanding at any time in excess of \$100,000,000.  
7 Notwithstanding the foregoing, before January 1, 2009, the  
8 Authority may issue and have outstanding an additional  
9 \$300,000,000 in Working Cash Notes, provided that no such  
10 note shall mature later than December 31, 2010. The  
11 ~~Authority shall not at any time issue, sell or deliver any~~  
12 ~~Working Cash Notes pursuant to this Section which will~~  
13 ~~cause it to have issued and outstanding at any time in~~  
14 ~~excess of \$100,000,000 of Working Cash Notes.~~ Bonds or  
15 notes which are being paid or retired by such issuance,  
16 sale or delivery of bonds or notes, and bonds or notes for  
17 which sufficient funds have been deposited with the paying  
18 agency of such bonds or notes to provide for payment of  
19 principal and interest thereon or to provide for the  
20 redemption thereof, all pursuant to the ordinance  
21 authorizing the issuance of such bonds or notes, shall not  
22 be considered to be outstanding for the purposes of the  
23 first two sentences of this subsection.

24 (2) In addition to the authority provided by paragraphs  
25 (1) and (3), the Authority is authorized to issue, sell and  
26 deliver bonds or notes for Strategic Capital Improvement

1 Projects approved pursuant to Section 4.13 as follows:

2 \$100,000,000 is authorized to be issued on or after  
3 January 1, 1990;

4 an additional \$100,000,000 is authorized to be issued  
5 on or after January 1, 1991;

6 an additional \$100,000,000 is authorized to be issued  
7 on or after January 1, 1992;

8 an additional \$100,000,000 is authorized to be issued  
9 on or after January 1, 1993;

10 an additional \$100,000,000 is authorized to be issued  
11 on or after January 1, 1994; and

12 the aggregate total authorization of bonds and notes  
13 for Strategic Capital Improvement Projects as of January 1,  
14 1994, shall be \$500,000,000.

15 The Authority is also authorized to issue, sell, and  
16 deliver bonds or notes in such amounts as are necessary to  
17 provide for the refunding or advance refunding of bonds or  
18 notes issued for Strategic Capital Improvement Projects  
19 under this subdivision (g)(2), provided that no such  
20 refunding bond or note shall mature later than the final  
21 maturity date of the series of bonds or notes being  
22 refunded, and provided further that the debt service  
23 requirements for such refunding bonds or notes in the  
24 current or any future fiscal year shall not exceed the debt  
25 service requirements for that year on the refunded bonds or  
26 notes.

1           (3) In addition to the authority provided by paragraphs  
2           (1) and (2), the Authority is authorized to issue, sell,  
3           and deliver bonds or notes for Strategic Capital  
4           Improvement Projects approved pursuant to Section 4.13 as  
5           follows:

6           \$260,000,000 is authorized to be issued on or after  
7           January 1, 2000;

8           an additional \$260,000,000 is authorized to be issued  
9           on or after January 1, 2001;

10          an additional \$260,000,000 is authorized to be issued  
11          on or after January 1, 2002;

12          an additional \$260,000,000 is authorized to be issued  
13          on or after January 1, 2003;

14          an additional \$260,000,000 is authorized to be issued  
15          on or after January 1, 2004; and

16          the aggregate total authorization of bonds and notes  
17          for Strategic Capital Improvement Projects pursuant to  
18          this paragraph (3) as of January 1, 2004 shall be  
19          \$1,300,000,000.

20          The Authority is also authorized to issue, sell, and  
21          deliver bonds or notes in such amounts as are necessary to  
22          provide for the refunding or advance refunding of bonds or  
23          notes issued for Strategic Capital Improvement projects  
24          under this subdivision (g)(3), provided that no such  
25          refunding bond or note shall mature later than the final  
26          maturity date of the series of bonds or notes being

1           refunded, and provided further that the debt service  
2           requirements for such refunding bonds or notes in the  
3           current or any future fiscal year shall not exceed the debt  
4           service requirements for that year on the refunded bonds or  
5           notes.

6           (h) The Authority, subject to the terms of any agreements  
7           with noteholders or bond holders as may then exist, shall have  
8           power, out of any funds available therefor, to purchase notes  
9           or bonds of the Authority, which shall thereupon be cancelled.

10          (i) In addition to any other authority granted by law, the  
11          State Treasurer may, with the approval of the Governor, invest  
12          or reinvest, at a price not to exceed par, any State money in  
13          the State Treasury which is not needed for current expenditures  
14          due or about to become due in Working Cash Notes.

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

16           (70 ILCS 3615/4.09) (from Ch. 111 2/3, par. 704.09)

17          Sec. 4.09. Public Transportation Fund and the Regional  
18          Transportation Authority Occupation and Use Tax Replacement  
19          Fund.

20          (a) (1) ~~(a) As soon as possible after the first day of each~~  
21 ~~month, beginning November 1, 1983, the Comptroller shall order~~  
22 ~~transferred and the Treasurer shall transfer from the General~~  
23 ~~Revenue Fund to a special fund in the State Treasury, to be~~  
24 ~~known as the "Public Transportation Fund" \$9,375,000 for each~~  
25 ~~month remaining in State fiscal year 1984.~~ As soon as possible

1 after the first day of each month, beginning July 1, 1984, upon  
2 certification of the Department of Revenue, the Comptroller  
3 shall order transferred and the Treasurer shall transfer from  
4 the General Revenue Fund to the Public Transportation Fund an  
5 amount equal to 25% of the net revenue, before the deduction of  
6 the serviceman and retailer discounts pursuant to Section 9 of  
7 the Service Occupation Tax Act and Section 3 of the Retailers'  
8 Occupation Tax Act, realized from any tax imposed by the  
9 Authority pursuant to Sections 4.03 and 4.03.1 and 25% of the  
10 amounts deposited into the Regional Transportation Authority  
11 tax fund created by Section 4.03 of this Act, from the County  
12 and Mass Transit District Fund as provided in Section 6z-20 of  
13 the State Finance Act and 25% of the amounts deposited into the  
14 Regional Transportation Authority Occupation and Use Tax  
15 Replacement Fund from the State and Local Sales Tax Reform Fund  
16 as provided in Section 6z-17 of the State Finance Act. On the  
17 first day of the month following the date that the Department  
18 receives revenues from increased taxes under Section 4.03(m) as  
19 authorized by this amendatory Act of the 95th General Assembly,  
20 in lieu of the transfers authorized in the preceding sentence,  
21 upon certification of the Department of Revenue, the  
22 Comptroller shall order transferred and the Treasurer shall  
23 transfer from the General Revenue Fund to the Public  
24 Transportation Fund an amount equal to 25% of the net revenue,  
25 before the deduction of the serviceman and retailer discounts  
26 pursuant to Section 9 of the Service Occupation Tax Act and

1 Section 3 of the Retailers' Occupation Tax Act, realized from  
2 (i) 80% of the proceeds of any tax imposed by the Authority at  
3 a rate of 1.25% in Cook County, (ii) 75% of the proceeds of any  
4 tax imposed by the Authority at the rate of 1% in Cook County,  
5 and (iii) one-third of the proceeds of any tax imposed by the  
6 Authority at the rate of 0.75% in the Counties of DuPage, Kane,  
7 Lake, McHenry, and Will, all pursuant to Section 4.03, and 25%  
8 of the net revenue realized from any tax imposed by the  
9 Authority pursuant to Section 4.03.1, and 25% of the amounts  
10 deposited into the Regional Transportation Authority Tax Fund  
11 created by Section 4.03 of this Act from the County and Mass  
12 Transit District Fund as provided in Section 6z-20 of the State  
13 Finance Act, and 25% of the amounts deposited into the Regional  
14 Transportation Authority Occupation and Use Tax Replacement  
15 Fund from the State and Local Sales Tax Reform Fund as provided  
16 in Section 6z-17 of the State Finance Act. As used in this  
17 Section, net ~~Net~~ revenue realized for a month shall be the  
18 revenue collected by the State pursuant to Sections 4.03 and  
19 4.03.1 during the previous month from within the metropolitan  
20 region, less the amount paid out during that same month as  
21 refunds to taxpayers for overpayment of liability in the  
22 metropolitan region under Sections 4.03 and 4.03.1.

23 (2) On the first day of the month following the effective  
24 date of this amendatory Act of the 95th General Assembly and  
25 each month thereafter, upon certification by the Department of  
26 Revenue, the Comptroller shall order transferred and the



1 Treasurer shall transfer from the General Revenue Fund to the  
2 Public Transportation Fund an amount equal to 5% of the net  
3 revenue, before the deduction of the serviceman and retailer  
4 discounts pursuant to Section 9 of the Service Occupation Tax  
5 Act and Section 3 of the Retailers' Occupation Tax Act,  
6 realized from the proceeds of any tax imposed by the Authority  
7 under the provisions of Section 4.03 and certified by the  
8 Department of Revenue under Section 4.03(n) of this Act to be  
9 paid to the Authority and 5% of the revenue realized by the  
10 Chicago Transit Authority as financial assistance from the City  
11 of Chicago from the proceeds of any tax imposed by the City  
12 under Section 8-3-19 of the Illinois Municipal Code.

13 (3) As soon as possible after the first day of January,  
14 2009 and each month thereafter, upon certification of the  
15 Department of Revenue with respect to the taxes collected under  
16 Section 4.03, the Comptroller shall order transferred and the  
17 Treasurer shall transfer from the General Revenue Fund to the  
18 Public Transportation Fund an amount equal to 25% of the net  
19 revenue, before the deduction of the serviceman and retailer  
20 discounts pursuant to Section 9 of the Service Occupation Tax  
21 Act and Section 3 of the Retailers' Occupation Tax Act,  
22 realized from (i) 20% of the proceeds of any tax imposed by the  
23 Authority at a rate of 1.25% in Cook County, (ii) 25% of the  
24 proceeds of any tax imposed by the Authority at the rate of 1%  
25 in Cook County, and (iii) one-third of the proceeds of any tax  
26 imposed by the Authority at the rate of 0.75% in the Counties

1 of DuPage, Kane, Lake, McHenry, and Will, all pursuant to  
2 Section 4.03, and the Comptroller shall order transferred and  
3 the Treasurer shall transfer from the General Revenue Fund to  
4 the Public Transportation Fund (iv) an amount equal to 25% of  
5 the revenue realized by the Chicago Transit Authority as  
6 financial assistance from the City of Chicago from the proceeds  
7 of any tax imposed by the City under Section 8-3-19 of the  
8 Municipal Code.

9 (b) (1) All moneys deposited in the Public Transportation  
10 Fund and the Regional Transportation Authority Occupation and  
11 Use Tax Replacement Fund, whether deposited pursuant to this  
12 Section or otherwise, are allocated to the Authority. Pursuant  
13 to appropriation, the Comptroller, as soon as possible after  
14 each monthly transfer provided in this Section and after each  
15 deposit into the Public Transportation Fund, shall order the  
16 Treasurer to pay to the Authority out of the Public  
17 Transportation Fund the amount so transferred or deposited. Any  
18 additional State assistance and additional financial  
19 assistance paid to the Authority under this Section shall be  
20 expended by the Authority for its purposes as provided in this  
21 Act. The balance of the amounts paid to the Authority from the  
22 Public Transportation Fund shall be expended by the Authority  
23 as provided in Section 4.03.3. ~~Such amounts paid to the~~  
24 ~~Authority may be expended by it for its purposes as provided in~~  
25 ~~this Act.~~ Subject to appropriation to the Department of  
26 Revenue, the Comptroller, as soon as possible after each

1 deposit into the Regional Transportation Authority Occupation  
2 and Use Tax Replacement Fund provided in this Section and  
3 Section 6z-17 of the State Finance Act, shall order the  
4 Treasurer to pay to the Authority out of the Regional  
5 Transportation Authority Occupation and Use Tax Replacement  
6 Fund the amount so deposited. Such amounts paid to the  
7 Authority may be expended by it for its purposes as provided in  
8 this Act. (2) Provided, however, no moneys deposited under  
9 subsection (a) of this Section shall be paid from the Public  
10 Transportation Fund to the Authority or its assignee for any  
11 fiscal year ~~beginning after the effective date of this~~  
12 ~~amendatory Act of 1983~~ until the Authority has certified to the  
13 Governor, the Comptroller, and the Mayor of the City of Chicago  
14 that it has adopted for that fiscal year an Annual Budget and  
15 Two-Year Financial Plan ~~a budget and financial plan~~ meeting the  
16 requirements in Section 4.01(b).

17 (c) In recognition of the efforts of the Authority to  
18 enhance the mass transportation facilities under its control,  
19 the State shall provide financial assistance ("Additional  
20 State Assistance") in excess of the amounts transferred to the  
21 Authority from the General Revenue Fund under subsection (a) of  
22 this Section. Additional State Assistance shall be calculated  
23 as provided in subsection (d), but shall in no event exceed the  
24 following specified amounts with respect to the following State  
25 fiscal years:

26 1990

\$5,000,000;

1	1991	\$5,000,000;
2	1992	\$10,000,000;
3	1993	\$10,000,000;
4	1994	\$20,000,000;
5	1995	\$30,000,000;
6	1996	\$40,000,000;
7	1997	\$50,000,000;
8	1998	\$55,000,000; and
9	each year thereafter	\$55,000,000.

10 (c-5) The State shall provide financial assistance  
11 ("Additional Financial Assistance") in addition to the  
12 Additional State Assistance provided by subsection (c) and the  
13 amounts transferred to the Authority from the General Revenue  
14 Fund under subsection (a) of this Section. Additional Financial  
15 Assistance provided by this subsection shall be calculated as  
16 provided in subsection (d), but shall in no event exceed the  
17 following specified amounts with respect to the following State  
18 fiscal years:

19	2000	\$0;
20	2001	\$16,000,000;
21	2002	\$35,000,000;
22	2003	\$54,000,000;
23	2004	\$73,000,000;
24	2005	\$93,000,000; and
25	each year thereafter	\$100,000,000.

26 (d) Beginning with State fiscal year 1990 and continuing

1 for each State fiscal year thereafter, the Authority shall  
2 annually certify to the State Comptroller and State Treasurer,  
3 separately with respect to each of subdivisions (g)(2) and  
4 (g)(3) of Section 4.04 of this Act, the following amounts:

5 (1) The amount necessary and required, during the State  
6 fiscal year with respect to which the certification is  
7 made, to pay its obligations for debt service on all  
8 outstanding bonds or notes issued by the Authority under  
9 subdivisions (g)(2) and (g)(3) of Section 4.04 of this Act.

10 (2) An estimate of the amount necessary and required to  
11 pay its obligations for debt service for any bonds or notes  
12 which the Authority anticipates it will issue under  
13 subdivisions (g)(2) and (g)(3) of Section 4.04 during that  
14 State fiscal year.

15 (3) Its debt service savings during the preceding State  
16 fiscal year from refunding or advance refunding of bonds or  
17 notes issued under subdivisions (g)(2) and (g)(3) of  
18 Section 4.04.

19 (4) The amount of interest, if any, earned by the  
20 Authority during the previous State fiscal year on the  
21 proceeds of bonds or notes issued pursuant to subdivisions  
22 (g)(2) and (g)(3) of Section 4.04, other than refunding or  
23 advance refunding bonds or notes.

24 The certification shall include a specific schedule of debt  
25 service payments, including the date and amount of each payment  
26 for all outstanding bonds or notes and an estimated schedule of

1 anticipated debt service for all bonds and notes it intends to  
2 issue, if any, during that State fiscal year, including the  
3 estimated date and estimated amount of each payment.

4 Immediately upon the issuance of bonds for which an  
5 estimated schedule of debt service payments was prepared, the  
6 Authority shall file an amended certification with respect to  
7 item (2) above, to specify the actual schedule of debt service  
8 payments, including the date and amount of each payment, for  
9 the remainder of the State fiscal year.

10 On the first day of each month of the State fiscal year in  
11 which there are bonds outstanding with respect to which the  
12 certification is made, the State Comptroller shall order  
13 transferred and the State Treasurer shall transfer from the  
14 General Revenue Fund to the Public Transportation Fund the  
15 Additional State Assistance and Additional Financial  
16 Assistance in an amount equal to the aggregate of (i)  
17 one-twelfth of the sum of the amounts certified under items (1)  
18 and (3) above less the amount certified under item (4) above,  
19 plus (ii) the amount required to pay debt service on bonds and  
20 notes issued during the fiscal year, if any, divided by the  
21 number of months remaining in the fiscal year after the date of  
22 issuance, or some smaller portion as may be necessary under  
23 subsection (c) or (c-5) of this Section for the relevant State  
24 fiscal year, plus (iii) any cumulative deficiencies in  
25 transfers for prior months, until an amount equal to the sum of  
26 the amounts certified under items (1) and (3) above, plus the

1 actual debt service certified under item (2) above, less the  
2 amount certified under item (4) above, has been transferred;  
3 except that these transfers are subject to the following  
4 limits:

5 (A) In no event shall the total transfers in any State  
6 fiscal year relating to outstanding bonds and notes issued  
7 by the Authority under subdivision (g)(2) of Section 4.04  
8 exceed the lesser of the annual maximum amount specified in  
9 subsection (c) or the sum of the amounts certified under  
10 items (1) and (3) above, plus the actual debt service  
11 certified under item (2) above, less the amount certified  
12 under item (4) above, with respect to those bonds and  
13 notes.

14 (B) In no event shall the total transfers in any State  
15 fiscal year relating to outstanding bonds and notes issued  
16 by the Authority under subdivision (g)(3) of Section 4.04  
17 exceed the lesser of the annual maximum amount specified in  
18 subsection (c-5) or the sum of the amounts certified under  
19 items (1) and (3) above, plus the actual debt service  
20 certified under item (2) above, less the amount certified  
21 under item (4) above, with respect to those bonds and  
22 notes.

23 The term "outstanding" does not include bonds or notes for  
24 which refunding or advance refunding bonds or notes have been  
25 issued.

26 (e) Neither Additional State Assistance nor Additional

1 Financial Assistance may be pledged, either directly or  
2 indirectly as general revenues of the Authority, as security  
3 for any bonds issued by the Authority. The Authority may not  
4 assign its right to receive Additional State Assistance or  
5 Additional Financial Assistance, or direct payment of  
6 Additional State Assistance or Additional Financial  
7 Assistance, to a trustee or any other entity for the payment of  
8 debt service on its bonds.

9 (f) The certification required under subsection (d) with  
10 respect to outstanding bonds and notes of the Authority shall  
11 be filed as early as practicable before the beginning of the  
12 State fiscal year to which it relates. The certification shall  
13 be revised as may be necessary to accurately state the debt  
14 service requirements of the Authority.

15 (g) Within 6 months of the end of ~~the 3 month period ending~~  
16 ~~December 31, 1983,~~ and each fiscal year thereafter, the  
17 Authority shall determine:

18 (i) whether the aggregate of all system generated  
19 revenues for public transportation in the metropolitan  
20 region which is provided by, or under grant or purchase of  
21 service contracts with, the Service Boards equals 50% of  
22 the aggregate of all costs of providing such public  
23 transportation. "System generated revenues" include all  
24 the proceeds of fares and charges for services provided,  
25 contributions received in connection with public  
26 transportation from units of local government other than



1 the Authority, except for contributions received by the  
2 Chicago Transit Authority from a real estate transfer tax  
3 imposed under subsection (i) of Section 8-3-19 of the  
4 Illinois Municipal Code, and from the State pursuant to  
5 subsection (i) of Section 2705-305 of the Department of  
6 Transportation Law (20 ILCS 2705/2705-305), and all other  
7 revenues properly included consistent with generally  
8 accepted accounting principles but may not include: the  
9 proceeds from any borrowing, and, beginning with the 2007  
10 fiscal year, all revenues and receipts, including but not  
11 limited to fares and grants received from the federal,  
12 State or any unit of local government or other entity,  
13 derived from providing ADA paratransit service pursuant to  
14 Section 2.30 of the Regional Transportation Authority Act.  
15 "Costs" include all items properly included as operating  
16 costs consistent with generally accepted accounting  
17 principles, including administrative costs, but do not  
18 include: depreciation; payment of principal and interest  
19 on bonds, notes or other evidences of obligations for  
20 borrowed money of the Authority; payments with respect to  
21 public transportation facilities made pursuant to  
22 subsection (b) of Section 2.20; any payments with respect  
23 to rate protection contracts, credit enhancements or  
24 liquidity agreements made under Section 4.14; any other  
25 cost as to which it is reasonably expected that a cash  
26 expenditure will not be made; costs ~~up to \$5,000,000~~

1 ~~annually~~ for passenger security including grants,  
2 contracts, personnel, equipment and administrative  
3 expenses, except in the case of the Chicago Transit  
4 Authority, in which case the term does not include costs  
5 spent annually by that entity for protection against crime  
6 as required by Section 27a of the Metropolitan Transit  
7 Authority Act; the costs of Debt Service paid by the  
8 Chicago Transit Authority, as defined in Section 12c of the  
9 Metropolitan Transit Authority Act, or bonds or notes  
10 issued pursuant to that Section; the payment by the  
11 Commuter Rail Division of debt service on bonds issued  
12 pursuant to Section 3B.09; expenses incurred by the  
13 Suburban Bus Division for the cost of new public  
14 transportation services funded from grants pursuant to  
15 Section 2.01e of this amendatory Act of the 95th General  
16 Assembly for a period of 2 years from the date of  
17 initiation of each such service; costs as exempted by the  
18 Board for projects pursuant to Section 2.09 of this Act;  
19 or, beginning with the 2007 fiscal year, expenses related  
20 to providing ADA paratransit service pursuant to Section  
21 2.30 of the Regional Transportation Authority Act; or in  
22 fiscal years 2008 through 2017 inclusive, costs in the  
23 amount of \$200,000,000 in fiscal year 2008, reducing by  
24 \$20,000,000 in each fiscal year thereafter until this  
25 exemption is eliminated. If said system generated revenues  
26 are less than 50% of said costs, the Board shall remit an

1 amount equal to the amount of the deficit to the State. The  
2 Treasurer shall deposit any such payment in the General  
3 Revenue Fund; and

4 (ii) whether, beginning with the 2007 fiscal year, the  
5 aggregate of all fares charged and received for ADA  
6 paratransit services equals the system generated ADA  
7 paratransit services revenue recovery ratio percentage of  
8 the aggregate of all costs of providing such ADA  
9 paratransit services.

10 (h) If the Authority makes any payment to the State under  
11 paragraph (g), the Authority shall reduce the amount provided  
12 to a Service Board from funds transferred under paragraph (a)  
13 in proportion to the amount by which that Service Board failed  
14 to meet its required system generated revenues recovery ratio.  
15 A Service Board which is affected by a reduction in funds under  
16 this paragraph shall submit to the Authority concurrently with  
17 its next due quarterly report a revised budget incorporating  
18 the reduction in funds. The revised budget must meet the  
19 criteria specified in clauses (i) through (vi) of Section  
20 4.11(b)(2). The Board shall review and act on the revised  
21 budget as provided in Section 4.11(b)(3).

22 (Source: P.A. 94-370, eff. 7-29-05.)"; and

23 (70 ILCS 3615/4.11) (from Ch. 111 2/3, par. 704.11)

24 Sec. 4.11. Budget Review Powers.

25 (a) ~~The provisions of this Section shall only be applicable~~

1 ~~to financial periods beginning after December 31, 1983. The~~  
2 ~~Transition Board shall adopt a timetable governing the~~  
3 ~~certification of estimates and any submissions required under~~  
4 ~~this Section for fiscal year 1984 which shall control over the~~  
5 ~~provisions of this Act.~~ Based upon estimates which shall be  
6 given to the Authority by the Director of the Governor's Office  
7 of Management and Budget (formerly Bureau of the Budget) of the  
8 receipts to be received by the Authority from the taxes imposed  
9 by the Authority and the authorized estimates of amounts to be  
10 available from State and other sources to the Service Boards,  
11 and the times at which such receipts and amounts will be  
12 available, the Board shall, not later than the next preceding  
13 September 15th prior to the beginning of the Authority's next  
14 fiscal year, advise each Service Board of the amounts estimated  
15 by the Board to be available for such Service Board during such  
16 fiscal year and the two following fiscal years and the times at  
17 which such amounts will be available. The Board shall, at the  
18 same time, also advise each Service Board of its required  
19 system generated revenues recovery ratio for the next fiscal  
20 year which shall be the percentage of the aggregate costs of  
21 providing public transportation by or under jurisdiction of  
22 that Service Board which must be recovered from system  
23 generated revenues. The Board shall, at the same time,  
24 beginning with the 2007 fiscal year, also advise each Service  
25 Board that provides ADA paratransit services of its required  
26 system generated ADA paratransit services revenue recovery

1 ratio for the next fiscal year which shall be the percentage of  
2 the aggregate costs of providing ADA paratransit services by or  
3 under jurisdiction of that Service Board which must be  
4 recovered from fares charged for such services, except that  
5 such required system generated ADA paratransit services  
6 revenue recovery ratio shall not exceed the minimum percentage  
7 established pursuant to Section 4.01(b)(ii) of this Act. In  
8 determining a Service Board's system generated revenue  
9 recovery ratio, the Board shall consider the historical system  
10 generated revenues recovery ratio for the services subject to  
11 the jurisdiction of that Service Board. The Board shall not  
12 increase a Service Board's system generated revenues recovery  
13 ratio for the next fiscal year over such ratio for the current  
14 fiscal year disproportionately or prejudicially to increases  
15 in such ratios for other Service Boards. The Board may, by  
16 ordinance, provide that (i) the cost of research and  
17 development projects in the fiscal year beginning January 1,  
18 1986 and ending December 31, 1986 conducted pursuant to Section  
19 2.09 of this Act, ~~and (ii) up to \$5,000,000 annually of the~~  
20 ~~costs for passenger security, and (iii) expenditures of amounts~~  
21 granted to a Service Board from the Innovation, Coordination,  
22 and Enhancement Fund for operating purposes may be exempted  
23 from the farebox recovery ratio or the system generated  
24 revenues recovery ratio of the Chicago Transit Authority, the  
25 Suburban Bus Board, and the Commuter Rail Board, or any of  
26 them. During fiscal years 2008 through 2017, the Board may also

1 allocate the exemption of \$200,000,000 and the reducing amounts  
2 of costs provided by this amendatory Act of the 95th General  
3 Assembly from the farebox recovery ratio or system generated  
4 revenues recovery ratio of each Service Board. For the fiscal  
5 year beginning January 1, 1986 and ending December 31, 1986,  
6 and for the fiscal year beginning January 1, 1987 and ending  
7 December 31, 1987, the Board shall, by ordinance, provide that:  
8 (1) the amount of a grant, pursuant to Section 2705-310 of the  
9 Department of Transportation Law (20 ILCS 2705/2705-310), from  
10 the Department of Transportation for the cost of services for  
11 the mobility limited provided by the Chicago Transit Authority,  
12 and (2) the amount of a grant, pursuant to Section 2705-310 of  
13 the Department of Transportation Law (20 ILCS 2705/2705-310),  
14 from the Department of Transportation for the cost of services  
15 for the mobility limited by the Suburban Bus Board or the  
16 Commuter Rail Board, be exempt from the farebox recovery ratio  
17 or the system generated revenues recovery ratio.

18 (b) (1) Not later than the next preceding November 15 prior  
19 to the commencement of such fiscal year, each Service Board  
20 shall submit to the Authority its proposed budget for such  
21 fiscal year and its proposed financial plan for the two  
22 following fiscal years. Such budget and financial plan shall  
23 (i) be prepared in the format, follow the financial and  
24 budgetary practices, and be based on any assumptions and  
25 projections required by the Authority and (ii) not project or  
26 assume a receipt of revenues from the Authority in amounts

1 greater than those set forth in the estimates provided by the  
2 Authority pursuant to subsection (a) of this Section.

3 (2) The Board shall review the proposed budget and two-year  
4 financial plan submitted by each Service Board, ~~and shall adopt~~  
5 ~~a consolidated budget and financial plan~~. The Board shall  
6 approve the budget and two-year financial plan of a Service  
7 Board if:

8 ~~(i) the Board has approved the proposed budget and cash~~  
9 ~~flow plan for such fiscal year of each Service Board,~~  
10 ~~pursuant to the conditions set forth in clauses (ii)~~  
11 ~~through (vii) of this paragraph;~~

12 (i) ~~(ii)~~ such budget and plan show a balance between  
13 (A) anticipated revenues from all sources including  
14 operating subsidies and (B) the costs of providing the  
15 services specified and of funding any operating deficits or  
16 encumbrances incurred in prior periods, including  
17 provision for payment when due of principal and interest on  
18 outstanding indebtedness;

19 (ii) ~~(iii)~~ such budget and plan show cash balances  
20 including the proceeds of any anticipated cash flow  
21 borrowing sufficient to pay with reasonable promptness all  
22 costs and expenses as incurred;

23 (iii) ~~(iv)~~ such budget and plan provide for a level of  
24 fares or charges and operating or administrative costs for  
25 the public transportation provided by or subject to the  
26 jurisdiction of such Service Board sufficient to allow the

1 Service Board to meet its required system generated revenue  
2 recovery ratio and, beginning with the 2007 fiscal year,  
3 system generated ADA paratransit services revenue recovery  
4 ratio;

5 (iv) ~~(v)~~ such budget and plan are based upon and employ  
6 assumptions and projections which are reasonable and  
7 prudent;

8 (v) ~~(vi)~~ such budget and plan have been prepared in  
9 accordance with sound financial practices as determined by  
10 the Board; ~~and~~

11 (vi) ~~(vii)~~ such budget and plan meet such other  
12 financial, budgetary, or fiscal requirements that the  
13 Board may by rule or regulation establish; ~~and~~ ~~—~~

14 (vii) such budget and plan are consistent with the  
15 goals and objectives adopted by the Authority in the  
16 Strategic Plan.

17 (3) (Blank) ~~In determining whether the budget and financial~~  
18 ~~plan provide a level of fares or charges sufficient to allow a~~  
19 ~~Service Board to meet its required system generated revenue~~  
20 ~~recovery ratio and, beginning with the 2007 fiscal year, system~~  
21 ~~generated ADA paratransit services revenue recovery ratio~~  
22 ~~under clause (iv) in subparagraph (2), the Board shall allow a~~  
23 ~~Service Board to carry over cash from farebox revenues to~~  
24 ~~subsequent fiscal years.~~

25 (4) Unless the Board by an affirmative vote of 10 ~~9~~ of the  
26 then Directors determines that the budget and financial plan of



1 a Service Board meets the criteria specified in clauses (i)  
2 ~~(ii)~~ through (vii) of subparagraph (2) of this paragraph (b),  
3 the Board shall not release to that Service Board any funds for  
4 the periods covered by such budget and financial plan after  
5 February 1, except 75% of ~~for~~ the cash proceeds of taxes  
6 imposed by the Authority under Section 4.03 and Section 4.03.1  
7 which are allocated to the Service Board under Section 4.03.3  
8 and received by the Authority after February 1 shall be  
9 released to the Service Board. The remainder of any cash  
10 proceeds of taxes imposed by the Authority under Section 4.03  
11 and Section 4.03.1 that are allocated to the Service Board  
12 under Section 4.01 shall be released to the Service Board only  
13 upon approval of a budget and financial plan under this Section  
14 or adoption of a budget and financial plan on behalf of the  
15 Service Board by the Authority 4.01.

16 (5) If the Board has not found that the budget and  
17 financial plan of a Service Board meets the criteria specified  
18 in clauses (i) through (vii) of subparagraph (2) of this  
19 paragraph (b), the Board, by the affirmative vote of at least  
20 10 of its then Directors, shall ~~shall, five working days after~~  
21 ~~the start of the Service Board's fiscal year~~ adopt a budget and  
22 financial plan meeting such criteria for that Service Board.

23 (c)(1) If the Board shall at any time have received a  
24 revised estimate, or revises any estimate the Board has made,  
25 pursuant to this Section of the receipts to be collected by the  
26 Authority which, in the judgment of the Board, requires a

1 change in the estimates on which the budget of any Service  
2 Board is based, the Board shall advise the affected Service  
3 Board of such revised estimates, and such Service Board shall  
4 within 30 days after receipt of such advice submit a revised  
5 budget incorporating such revised estimates. If the revised  
6 estimates require, in the judgment of the Board, that the  
7 system generated revenues recovery ratio of one or more Service  
8 Boards be revised in order to allow the Authority to meet its  
9 required ratio, the Board shall advise any such Service Board  
10 of its revised ratio and such Service Board shall within 30  
11 days after receipt of such advice submit a revised budget  
12 incorporating such revised estimates or ratio.

13 (2) Each Service Board shall, within such period after the  
14 end of each fiscal quarter as shall be specified by the Board,  
15 report to the Authority its financial condition and results of  
16 operations and the financial condition and results of  
17 operations of the public transportation services subject to its  
18 jurisdiction, as at the end of and for such quarter. If in the  
19 judgment of the Board such condition and results are not  
20 substantially in accordance with such Service Board's budget  
21 for such period, the Board shall so advise such Service Board  
22 and such Service Board shall within the period specified by the  
23 Board submit a revised budget incorporating such results.

24 (3) If the Board shall determine that a revised budget  
25 submitted by a Service Board pursuant to subparagraph (1) or  
26 (2) of this paragraph (c) does not meet the criteria specified

1 in clauses (i) ~~(ii)~~ through (vii) of subparagraph (2) of  
2 paragraph (b) of this Section, the Board shall not release any  
3 monies to that Service Board, except 75% of the cash proceeds  
4 of taxes imposed by the Authority under Section 4.03 or 4.03.1  
5 which are allocated to the Service Board under Section 4.03.3  
6 ~~4.01~~. If the Service Board submits a revised financial plan and  
7 budget which plan and budget shows that the criteria will be  
8 met within a four quarter period, the Board shall continue to  
9 release funds to the Service Board. The Board by the  
10 affirmative vote of at least 10 ~~a 9 vote~~ of its then Directors  
11 may require a Service Board to submit a revised financial plan  
12 and budget which shows that the criteria will be met in a time  
13 period less than four quarters.

14 (d) All budgets and financial plans, financial statements,  
15 audits and other information presented to the Authority  
16 pursuant to this Section or which may be required by the Board  
17 to permit it to monitor compliance with the provisions of this  
18 Section shall be prepared and presented in such manner and  
19 frequency and in such detail as shall have been prescribed by  
20 the Board, shall be prepared on both an accrual and cash flow  
21 basis as specified by the Board, shall present such information  
22 as the Authority shall prescribe that fairly presents the  
23 condition of any pension plan or trust for health care benefits  
24 with respect to retirees established by the Service Board and  
25 describes the plans of the Service Board to meet the  
26 requirements of Sections 4.02a and 4.02b, and shall identify

1 and describe the assumptions and projections employed in the  
2 preparation thereof to the extent required by the Board. If the  
3 Executive Director certifies that a Service Board has not  
4 presented its budget and two-year financial plan in conformity  
5 with the rules adopted by the Authority under the provisions of  
6 Section 4.01(f) and this subsection (d), and such certification  
7 is accepted by the affirmative vote of at least 10 of the then  
8 Directors of the Authority, the Authority shall not distribute  
9 to that Service Board any funds for operating purposes in  
10 excess of the amounts distributed for such purposes to the  
11 Service Board in the previous fiscal year. Except when the  
12 Board adopts a budget and a financial plan for a Service Board  
13 under paragraph (b) (5), a Service Board shall provide for such  
14 levels of transportation services and fares or charges therefor  
15 as it deems appropriate and necessary in the preparation of a  
16 budget and financial plan meeting the criteria set forth in  
17 clauses (i) ~~(ii)~~ through (vii) of subparagraph (2) of paragraph  
18 (b) of this Section. The Authority Board shall have access to  
19 and the right to examine and copy all books, documents, papers,  
20 records, or other source data of a Service Board relevant to  
21 any information submitted pursuant to this Section.

22 (e) Whenever this Section requires the Board to make  
23 determinations with respect to estimates, budgets or financial  
24 plans, or rules or regulations with respect thereto such  
25 determinations shall be made upon the affirmative vote of at  
26 least 10 ~~9~~ of the then Directors and shall be incorporated in a

1 written report of the Board and such report shall be submitted  
2 within 10 days after such determinations are made to the  
3 Governor, the Mayor of Chicago (if such determinations relate  
4 to the Chicago Transit Authority), and the Auditor General of  
5 Illinois.

6 (Source: P.A. 94-370, eff. 7-29-05.)

7 (70 ILCS 3615/4.13) (from Ch. 111 2/3, par. 704.13)

8 Sec. 4.13. Annual Capital Improvement Plan.

9 (a) With respect to each calendar year, the Authority shall  
10 prepare as part of its Five Year Program an Annual Capital  
11 Improvement Plan (the "Plan") which shall describe its intended  
12 development and implementation of the Strategic Capital  
13 Improvement Program. The Plan shall include the following  
14 information:

15 (i) a list of projects for which approval is sought  
16 from the Governor, with a description of each project  
17 stating at a minimum the project cost, its category, its  
18 location and the entity responsible for its  
19 implementation;

20 (ii) a certification by the Authority that the  
21 Authority and the Service Boards have applied for all  
22 grants, loans and other moneys made available by the  
23 federal government or the State of Illinois during the  
24 preceding federal and State fiscal years for financing its  
25 capital development activities;

1           (iii) a certification that, as of September 30 of the  
2 preceding calendar year or any later date, the balance of  
3 all federal capital grant funds and all other funds to be  
4 used as matching funds therefor which were committed to or  
5 possessed by the Authority or a Service Board but which had  
6 not been obligated was less than \$350,000,000, or a greater  
7 amount as authorized in writing by the Governor (for  
8 purposes of this subsection (a), "obligated" means  
9 committed to be paid by the Authority or a Service Board  
10 under a contract with a nongovernmental entity in  
11 connection with the performance of a project or committed  
12 under a force account plan approved by the federal  
13 government);

14           (iv) a certification that the Authority has adopted a  
15 balanced budget with respect to such calendar year under  
16 Section 4.01 of this Act;

17           (v) a schedule of all bonds or notes previously issued  
18 for Strategic Capital Improvement Projects and all debt  
19 service payments to be made with respect to all such bonds  
20 and the estimated additional debt service payments through  
21 June 30 of the following calendar year expected to result  
22 from bonds to be sold prior thereto;

23           (vi) a long-range summary of the Strategic Capital  
24 Improvement Program describing the projects to be funded  
25 through the Program with respect to project cost, category,  
26 location, and implementing entity, and presenting a

1 financial plan including an estimated time schedule for  
2 obligating funds for the performance of approved projects,  
3 issuing bonds, expending bond proceeds and paying debt  
4 service throughout the duration of the Program; and

5 (vii) the source of funding for each project in the  
6 Plan. For any project for which full funding has not yet  
7 been secured and which is not subject to a federal full  
8 funding contract, the Authority must identify alternative,  
9 dedicated funding sources available to complete the  
10 project. The Governor may waive this requirement on a  
11 project by project basis.

12 (b) The Authority shall submit the Plan with respect to any  
13 calendar year to the Governor on or before January 15 of that  
14 year, or as soon as possible thereafter; provided, however,  
15 that the Plan shall be adopted on the affirmative votes of 10 ~~9~~  
16 of the then Directors. The Plan may be revised or amended at  
17 any time, but any revision in the projects approved shall  
18 require the Governor's approval.

19 (c) The Authority shall seek approval from the Governor  
20 only through the Plan or an amendment thereto. The Authority  
21 shall not request approval of the Plan from the Governor in any  
22 calendar year in which it is unable to make the certifications  
23 required under items (ii), (iii) and (iv) of subsection (a). In  
24 no event shall the Authority seek approval of the Plan from the  
25 Governor for projects in an aggregate amount exceeding the  
26 proceeds of bonds or notes for Strategic Capital Improvement

1 Projects issued under Section 4.04 of this Act.

2 (d) The Governor may approve the Plan for which approval is  
3 requested. The Governor's approval is limited to the amount of  
4 the project cost stated in the Plan. The Governor shall not  
5 approve the Plan in a calendar year if the Authority is unable  
6 to make the certifications required under items (ii), (iii) and  
7 (iv) of subsection (a). In no event shall the Governor approve  
8 the Plan for projects in an aggregate amount exceeding the  
9 proceeds of bonds or notes for Strategic Capital Improvement  
10 Projects issued under Section 4.04 of this Act.

11 (e) With respect to capital improvements, only those  
12 capital improvements which are in a Plan approved by the  
13 Governor shall be financed with the proceeds of bonds or notes  
14 issued for Strategic Capital Improvement Projects.

15 (f) Before the Authority or a Service Board obligates any  
16 funds for a project for which the Authority or Service Board  
17 intends to use the proceeds of bonds or notes for Strategic  
18 Capital Improvement Projects, but which project is not included  
19 in an approved Plan, the Authority must notify the Governor of  
20 the intended obligation. No project costs incurred prior to  
21 approval of the Plan including that project may be paid from  
22 the proceeds of bonds or notes for Strategic Capital  
23 Improvement Projects issued under Section 4.04 of this Act.

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

25 (70 ILCS 3615/4.14) (from Ch. 111 2/3, par. 704.14)



1           Sec. 4.14. Rate Protection Contract. "Rate Protection  
2 Contract" means interest rate price exchange agreements;  
3 currency exchange agreements; forward payment conversion  
4 agreements; contracts providing for payment or receipt of funds  
5 based on levels of, or changes in, interest rates, currency  
6 exchange rates, stock or other indices; contracts to exchange  
7 cash flows or a series of payments; contracts, including  
8 without limitation, interest rate caps; interest rate floor;  
9 interest rate locks; interest rate collars; rate of return  
10 guarantees or assurances, to manage payment, currency, rate,  
11 spread or similar exposure; the obligation, right, or option to  
12 issue, put, lend, sell, grant a security interest in, buy,  
13 borrow or otherwise acquire, a bond, note or other security or  
14 interest therein as an investment, as collateral, as a hedge,  
15 or otherwise as a source or assurance of payment to or by the  
16 Authority or as a reduction of the Authority's or an obligor's  
17 risk exposure; repurchase agreements; securities lending  
18 agreements; and other agreements or arrangements similar to the  
19 foregoing.

20           Notwithstanding any provision in Section 2.20 (a) (ii) of  
21 this Act to the contrary, in connection with or incidental to  
22 the issuance by the Authority of its bonds or notes under the  
23 provisions of Section 4.04 or the exercise of its powers under  
24 subsection (b) of Section 2.20, the Authority, for its own  
25 benefit or for the benefit of the holders of its obligations or  
26 their trustee, may enter into rate protection contracts. The

1 Authority may enter into rate protection contracts only  
2 pursuant to a determination by a vote of 10 ~~9~~ of the then  
3 Directors that the terms of the contracts and any related  
4 agreements reduce the risk of loss to the Authority, or  
5 protect, preserve or enhance the value of its assets, or  
6 provide compensation to the Authority for losses resulting from  
7 changes in interest rates. The Authority's obligations under  
8 any rate protection contract or credit enhancement or liquidity  
9 agreement shall not be considered bonds or notes for purposes  
10 of this Act. For purposes of this Section a rate protection  
11 contract is a contract determined by the Authority as necessary  
12 or appropriate to permit it to manage payment, currency or  
13 interest rate risks or levels.

14 (Source: P.A. 87-764.)

15 (70 ILCS 3615/5.01) (from Ch. 111 2/3, par. 705.01)

16 Sec. 5.01. Hearings and Citizen Participation.

17 (a) The Authority shall provide for and encourage  
18 participation by the public in the development and review of  
19 public transportation policy, and in the process by which major  
20 decisions significantly affecting the provision of public  
21 transportation are made. The Authority shall coordinate such  
22 public participation processes with the Chicago Metropolitan  
23 Agency for Planning to the extent practicable.

24 (b) The Authority shall hold such public hearings as may be  
25 required by this Act or as the Authority may deem appropriate

1 to the performance of any of its functions. The Authority shall  
2 coordinate such public hearings with the Chicago Metropolitan  
3 Agency for Planning to the extent practicable.

4 (c) Unless such items are specifically provided for either  
5 in the Five-Year Capital Program or in the annual budget  
6 program which has been the subject of public hearings as  
7 provided in Sections 2.01 or 4.01 of this Act, the Board shall  
8 hold public hearings at which citizens may be heard prior to:

9 (i) the construction or acquisition of any public  
10 transportation facility, the aggregate cost of which exceeds \$5  
11 million; and

12 (ii) the extension of, or major addition to services  
13 provided by the Authority or by any transportation agency  
14 pursuant to a purchase of service agreement with the Authority.

15 (d) Unless such items are specifically provided for in the  
16 annual budget and program which has been the subject of public  
17 hearing, as provided in Section 4.01 of this Act, the Board  
18 shall hold public hearings at which citizens may be heard prior  
19 to the providing for or allowing, by means of any purchase of  
20 service agreement or any grant pursuant to Section 2.02 of this  
21 Act, any general increase or series of increases in fares or  
22 charges for public transportation, whether by the Authority or  
23 by any transportation agency, which increase or series of  
24 increases within any twelve months affects more than 25% of the  
25 consumers of service of the Authority or of the transportation  
26 agency; or so providing for or allowing any discontinuance of

1 any public transportation route, or major portion thereof,  
2 which has been in service for more than a year.

3 (e) At least twenty days prior notice of any public  
4 hearing, as required in this Section, shall be given by public  
5 advertisement in a newspaper of general circulation in the  
6 metropolitan region.

7 (f) The Authority may designate one or more Directors or  
8 may appoint one or more hearing officers to preside over any  
9 hearing pursuant to this Act. The Authority shall have the  
10 power in connection with any such hearing to issue subpoenas to  
11 require the attendance of witnesses and the production of  
12 documents, and the Authority may apply to any circuit court in  
13 the State to require compliance with such subpoenas.

14 (g) The Authority may require any Service Board to hold one  
15 or more public hearings with respect to any item described in  
16 paragraphs (c) and (d) of this Section 5.01, notwithstanding  
17 whether such item has been the subject of a public hearing  
18 under this Section 5.01 or Section 2.01 or 4.01 of this Act.

19 (Source: P.A. 78-3rd S.S.-5.)

20 (70 ILCS 3615/2.12a rep.)

21 (70 ILCS 3615/3.09 rep.)

22 (70 ILCS 3615/3.10 rep.)

23 Section 25. The Regional Transportation Authority Act is  
24 amended by repealing Sections 2.12a, 3.09, and 3.10.

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

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