

1 AN ACT concerning State government.

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

4 ARTICLE 1. EMERGENCY BUDGET ACT OF FISCAL YEAR 2011

5 Section 1-1. Short title. This Act may be cited as the
6 Emergency Budget Act of Fiscal Year 2011. References in this
7 Article to "this Act" mean this Article.

8 Section 1-5. Legislative intent and purpose. The General
9 Assembly hereby finds and declares that the State is confronted
10 with an unprecedented fiscal crisis. It is the purpose of this
11 Act to authorize changes in State programs that are necessary
12 to implement the State fiscal year 2011 budget. It is also the
13 purpose of this Act to implement budget measures that
14 prioritize the payment of vouchers that (i) were submitted to
15 the State Comptroller prior to July 1, 2010 and (ii) are at
16 least 60 days past due on the effective date of this Act. This
17 Act is to be liberally construed and interpreted in a manner
18 that allows the State to address the fiscal crisis for the
19 State fiscal year 2011.

20 Section 1-10. Designation of contingency reserve.
21 Beginning on July 1, 2010 and until January 9, 2011, the

1 Governor may designate amounts to be set aside as a contingency
2 reserve from the amounts appropriated from the General Revenue
3 Fund, the Common School Fund, the Education Assistance Fund,
4 and any special fund of the State for State fiscal year 2011
5 for all boards, commissions, agencies, institutions,
6 authorities, colleges, universities, and bodies politic and
7 corporate of the State, but not other constitutional officers,
8 the legislative or judicial branch, the office of the Executive
9 Inspector General, or the Executive Ethics Commission. The
10 total contingency reserve may not exceed one-third of the sum
11 of (i) the total dollar amount of vouchers that have been
12 submitted to the State Comptroller for payment but for which
13 warrants have not been issued by the Comptroller as of July 1,
14 2010 and (ii) the total dollar amount of any fiscal year 2010
15 mandated statutory transfers that have not been executed as of
16 July 1, 2010. The State Comptroller shall certify the total
17 dollar amount of those outstanding vouchers and transfers to
18 the Governor on or before July 8, 2010.

19 Section 1-15. Contingency reserve restrictions. Until
20 January 9, 2011, the amounts placed in contingency reserve
21 shall not be transferred, obligated, encumbered, expended, or
22 otherwise committed unless the Governor authorizes the removal
23 of the amounts from the contingency reserve or the State, by an
24 Act of the 96th General Assembly, generates incremental
25 revenues sufficient to support such transfers, obligations,

1 encumbrances, expenditures, or other commitments.

2 Section 1-20. All State programs subject to appropriation.
3 Notwithstanding any other Act to the contrary, during State
4 fiscal year 2011, any expenditure from State funds authorized
5 or required by any State law are made subject to appropriation
6 through January 9, 2011 of that fiscal year. No moneys shall be
7 obligated or expended during that time unless they are
8 supported by available State fiscal year 2011 appropriations
9 that are not otherwise obligated or reserved pursuant to
10 Section 1-10 of this Act. The provisions of this Section do not
11 apply to non-appropriated funds, non-appropriated accounts,
12 locally held funds, or appropriations with continuing
13 authority.

14 Section 1-25. State agencies; review of contracts. As soon
15 as possible after the effective date of this Act, each State
16 agency of the executive branch shall review each of its
17 existing contracts. Those State agencies shall seek to modify
18 or terminate and re-bid those contracts if, upon review of the
19 contract, the agency determines that it is in the best interest
20 of the State to do so. For the purposes of this Section,
21 "contract" has the meaning ascribed to that term in the
22 Illinois Procurement Code.

23 Section 1-35. Act takes precedence. In case of any conflict

1 between the provisions of this Act and any other law, executive
2 order, or administrative regulation, the provisions of this Act
3 prevail and control.

4 Section 1-90. Repealer. This Act is repealed on July 1,
5 2011.

6 ARTICLE 3. RAILSPLITTER TOBACCO SETTLEMENT AUTHORITY ACT

7 Section 3-1. Short title. This Act may be cited as the
8 Railsplitter Tobacco Settlement Authority Act. References in
9 the Article to "this Act" mean this Article.

10 Section 3-2. Definitions. In this Act words or terms shall
11 have the following meanings unless the context or usage clearly
12 indicates that another meaning is intended.

13 (a) "Authority" means the Railsplitter Tobacco Settlement
14 Authority created and established pursuant to Section 3-4 of
15 this Act.

16 (b) "Authorized officer" means any of the members of the
17 Authority identified and described in Section 3-4 of this Act.

18 (c) "Bond" means any instrument evidencing the obligation
19 to pay money authorized or issued by or on behalf of the
20 Authority pursuant to the authorization granted by this Act,
21 including without limitation, bonds, notes, or certificates.

22 (d) "Bondholder" means, in the case of a bond issued in

1 registered form, the registered owner of the bond and
2 otherwise, the owner of the bond.

3 (e) "Budget Director" means the Director of the Governor's
4 Office of Management and Budget.

5 (f) "Consent Decree" means the Consent Decree and Final
6 Judgment of the Circuit Court of Cook County, Illinois, dated
7 December 8, 1998, as the same has been and may be corrected,
8 amended or modified, in the action entitled People of the State
9 of Illinois v. Philip Morris Incorporated, et al. (No. 96 L
10 13146).

11 (g) "Master Settlement Agreement" means the Master
12 Settlement Agreement, dated November 23, 1998, among the
13 attorneys general of 46 states, including the State of
14 Illinois, the District of Columbia, the Commonwealth of Puerto
15 Rico, Guam, the United States Virgin Islands, American Samoa
16 and the Territory of the Northern Mariana Islands, on the one
17 hand, and certain tobacco manufacturers, on the other hand, and
18 the subject of the Consent Decree.

19 (h) "Master Settlement Escrow Agent" means the escrow agent
20 under the Master Settlement Agreement.

21 (i) "Net proceeds of bonds" means the gross proceeds of the
22 sale of bonds issued under Section 3-6 of this Act, less any
23 amounts applied or to be applied to pay transaction and
24 administrative expenses, including underwriting discount, and
25 to fund any reserves deemed necessary or appropriate by the
26 Authority, but does not include any investment earnings

1 realized thereon.

2 (j) "Participating manufacturer" means a tobacco product
3 manufacturer that is or becomes a signatory to the Master
4 Settlement Agreement.

5 (k) "Pledged tobacco revenues" means the State's tobacco
6 settlement revenues sold to the Authority pursuant to the sale
7 agreement and pledged by the Authority for the payment of bonds
8 and any related bond facility.

9 (l) "Qualifying statute" has the meaning given that term in
10 the Master Settlement Agreement, constituting the Tobacco
11 Product Manufacturers' Escrow Act.

12 (m) "Related bond facility" means any interest rate
13 exchange or similar agreement or any bond insurance policy,
14 letter of credit or other credit enhancement facility,
15 liquidity facility, guaranteed investment or reinvestment
16 agreement, or other similar agreement, arrangement or
17 contract.

18 (n) "Residual interest in tobacco settlement revenues"
19 means any tobacco settlement revenues determined as moneys are
20 received, to be not required for the identified period in which
21 revenues are received, to pay principal or interest on bonds or
22 administrative or transaction expenses of the Authority or to
23 fund reserves or other requirements relating to bonds issued or
24 related bond facilities made under this Act.

25 (o) "Sale agreement" means any agreement authorized
26 pursuant to this Act in which the State provides for the sale

1 of all or a portion of the tobacco settlement revenues to the
2 Authority.

3 (p) "State" means the State of Illinois.

4 (q) "State Finance Act" means the State Finance Act of the
5 State, as amended (30 ILCS 105/1 et seq.).

6 (r) "Tobacco settlement bond proceeds account" means the
7 Account by that name within the Tobacco Settlement Recovery
8 Fund established under Section 6z-43(a) of the State Finance
9 Act.

10 (s) "Tobacco Settlement Residual Account" means the
11 Account by that name within the Tobacco Settlement Recovery
12 Fund established under Section 6z-43(a) of the State Finance
13 Act.

14 (t) "Tobacco settlement revenues" means all tobacco
15 settlement payments received by the State on and after the
16 effective date of this Act and required to be made, pursuant to
17 the terms of the Master Settlement Agreement, by participating
18 manufacturers and the State's rights to receive the tobacco
19 settlement payments on and after the effective date of this
20 Act, exclusive of any payments made with respect to liability
21 to make those payments for calendar years completed before the
22 effective date of this Act.

23 Section 3-3. Transfer and sale of State's right to tobacco
24 settlement revenues. During fiscal years 2010 and 2011, the
25 State may sell, convey, or otherwise transfer to the Authority

1 the tobacco settlement revenues in exchange for the net
2 proceeds of bonds and a right to the residual interest in
3 tobacco settlement revenues. Unless otherwise directed by
4 statute, the net proceeds of bonds shall be deposited in the
5 Tobacco Settlement Bond Proceeds Account, and the residual
6 interest in tobacco settlement revenues received by the State
7 from time to time shall be deposited in the Tobacco Settlement
8 Residual Account, in each case to be applied for the purposes
9 and in the manner described in this Act and in Section 6z-43 of
10 the State Finance Act.

11 Any sale, conveyance, or other transfer authorized by this
12 Section shall be evidenced by an instrument or agreement in
13 writing signed on behalf of the State by the Governor. A
14 certified copy of the instrument or agreement shall be filed
15 with the Governor, Comptroller, Treasurer, Budget Director,
16 Speaker and Minority Leader of the House of Representatives,
17 President and Minority Leader of the Senate, and the Commission
18 on Government Forecasting and Accountability promptly upon
19 execution and delivery thereof. The instrument or agreement may
20 include an irrevocable direction to the Master Settlement
21 Escrow Agent to pay all or a specified portion of the tobacco
22 settlement revenues directly to or upon the order of the
23 Authority, or to any escrow agent or any trustee under an
24 indenture or other agreement securing any bonds issued or
25 related bond facilities made under this Act. Upon execution and
26 delivery of the sale agreement as provided in this Act, the

1 sale, conveyance, or other transfer of the right to receive the
2 tobacco settlement revenues, shall, for all purposes, be a true
3 sale and absolute conveyance of all right, title, and interest
4 therein and not as a pledge or other security interest for any
5 borrowing, valid, binding, and enforceable in accordance with
6 the terms thereof and such instrument or agreements and any
7 related instrument, agreement, or other arrangement, including
8 any pledge, grant of security interest, or other encumbrance
9 made by Authority to secure any bonds issued by the Authority,
10 and shall not be subject to disavowal, disaffirmance,
11 cancellation, or avoidance by reason of insolvency of any
12 party, lack of consideration, or any other fact, occurrence, or
13 rule of law. On and after the effective date of the sale of any
14 portion (including all) of the tobacco settlement revenues, the
15 State shall have no right, title or interest in or to the
16 portion of the tobacco settlement revenues sold, and the
17 portion of the tobacco settlement revenues so sold shall be the
18 property of the Authority, and shall be received, held and
19 disbursed by the Authority in a trust fund outside the State
20 treasury. Any portions of the tobacco settlement revenues sold
21 and held in trust shall be invested in accordance with the
22 Public Funds Investment Act.

23 The State may not transfer any right to those amounts
24 received by the State which were deposited into the Disputed
25 Payments Account or withheld in accordance with Section
26 XI(f)(2) of the Master Settlement Agreement prior to the

1 closing of any bonds issued pursuant to this Act.

2 The procedures and requirements set forth in this Section
3 shall be the sole procedures and requirements applicable to the
4 sale of the tobacco settlement revenues.

5 Section 3-4. Establishment and Powers of Authority. The
6 Authority is hereby established as a special purpose
7 corporation which shall be body corporate and politic of, but
8 having a legal existence independent and separate from, the
9 State and, accordingly, the assets, liabilities, and funds of
10 the Authority shall be neither consolidated nor commingled with
11 those of the State treasury. The Authority and its corporate
12 existence shall continue until 6 months after all its
13 liabilities have been met or otherwise discharged. Upon the
14 termination of the existence of the Authority, all of its
15 rights and property shall pass to and be vested in the State.
16 The Authority shall be established for the express limited
17 public purposes set forth in this Act, and no part of the net
18 earnings of the Authority shall inure to any private
19 individual.

20 The Authority shall be governed by a 3-member board
21 consisting of the Budget Director and two other members
22 appointed by the Governor. The powers of the Authority shall be
23 subject to the terms, conditions, and limitations contained
24 within this Act, and any applicable covenants or agreements of
25 the Authority in any indenture or other agreement relating to

1 any then outstanding bonds or related bond facilities. The
2 Authority may enter into contracts regarding any matter
3 connected with any corporate purpose within the objects and
4 purposes of this Act. The members of the Authority and the
5 Chief Financial Officer of the Authority shall receive no
6 salary or other compensation, either direct or indirect, for
7 serving as members of the Authority, other than reimbursement
8 for actual and necessary expenses incurred in the performance
9 of such person's duties. The Authority may elect one of its
10 members as chairman, who shall sign instruments or agreements
11 authorized by this Act on behalf of the Authority. The
12 Authority may also appoint a Chief Financial Officer of the
13 Authority who may or may not be a member of the Authority in
14 order to provide financial analysis and advice regarding any
15 transaction of the Authority. Notwithstanding the foregoing,
16 the Authority shall not be authorized to make any covenant,
17 pledge, promise or agreement purporting to bind the State with
18 respect to tobacco settlement revenues, except as otherwise
19 specifically authorized by this Act.

20 The Authority may not file a voluntary petition under or be
21 or become a debtor or bankrupt under the federal bankruptcy
22 code or any other federal or State bankruptcy, insolvency, or
23 moratorium law or statute as may, from time to time, be in
24 effect and neither any public officer nor any organization,
25 entity, or other person shall authorize the Authority to be or
26 become a debtor or bankrupt under the federal bankruptcy code

1 or any other federal or State bankruptcy, insolvency, or
2 moratorium law or statute, as may, from time to time be in
3 effect.

4 The Authority may not guarantee the debts of another.

5 Section 3-5. Certain powers of the Authority. The Authority
6 shall have the power to:

7 (1) sue and be sued;

8 (2) have a seal and alter the same at pleasure;

9 (3) make and alter by-laws for its organization and
10 internal management and make rules and regulations governing
11 the use of its property and facilities;

12 (4) appoint by and with the consent of the Attorney
13 General, assistant attorneys for such Authority; those
14 assistant attorneys shall be under the control, direction, and
15 supervision of the Attorney General and shall serve at his or
16 her pleasure;

17 (5) retain special counsel, subject to the approval of the
18 Attorney General, as needed from time to time, and fix their
19 compensation, provided however, such special counsel shall be
20 subject to the control, direction and supervision of the
21 Attorney General and shall serve at his or her pleasure;

22 (6) make and execute contracts and all other instruments
23 necessary or convenient for the exercise of its powers and
24 functions under this Section and to commence any action to
25 protect or enforce any right conferred upon it by any law,

1 contract, or other agreement, provided that any underwriter,
2 financial advisor, bond counsel, or other professional
3 providing services to the Authority may be selected pursuant to
4 solicitations issued and completed by the Governor's Office of
5 Management and Budget for those services;

6 (7) appoint officers and agents, prescribe their duties and
7 qualifications, fix their compensation and engage the services
8 of private consultants and counsel on a contract basis for
9 rendering professional and technical assistance and advice,
10 provided that this shall not be construed to limit the
11 authority of the Attorney General provided in Section 4 of the
12 Attorney General Act;

13 (8) pay its operating expenses and its financing costs,
14 including its reasonable costs of issuance and sale and those
15 of the Attorney General, if any, in a total amount not greater
16 than 1% of the principal amount of the proceeds of the bond
17 sale;

18 (9) borrow money in its name and issue negotiable bonds and
19 provide for the rights of the holders thereof as otherwise
20 provided in this Act;

21 (10) procure insurance against any loss in connection with
22 its activities, properties, and assets in such amount and from
23 such insurers as it deems desirable;

24 (11) invest any funds or other moneys under its custody and
25 control in investment securities or under any related bond
26 facility;

1 (12) as security for the payment of the principal of and
2 interest on any bonds issued by it pursuant to this Act and any
3 agreement made in connection therewith and for its obligations
4 under any related bond facility, pledge all or any part of the
5 tobacco settlement revenues;

6 (13) do any and all things necessary or convenient to carry
7 out its purposes and exercise the powers expressly given and
8 granted in this Section.

9 Section 3-6. Bonds of the Authority.

10 (a) The Authority shall have power and is hereby authorized
11 to issue bonds, in an amount no greater than \$1,750,000,000, to
12 provide sufficient funds for the purchase of all or a portion
13 of the tobacco settlement revenues pursuant to Section 3-3 of
14 this Act and the payment or provision for financing costs.

15 The issuance of bonds shall be authorized by a resolution
16 of the Authority, adopted by a majority of the members of the
17 Authority without further authorization or approval. The issue
18 of the bonds of the Authority shall be special revenue
19 obligations payable from and secured by a pledge of the pledged
20 tobacco revenues, those proceeds of such bonds deposited in a
21 reserve fund for the benefit of bondholders, and earnings on
22 funds of the Authority, upon such terms and conditions as
23 specified by the Authority in the resolution under which the
24 bonds are issued or in a related trust indenture.

25 The Authority shall have the power and is hereby authorized

1 from time to time to issue bonds, whenever it deems refunding
2 expedient, to refund any outstanding bonds by the issuance of
3 new bonds, provided that the refunding debt matures within the
4 term of the bonds to be refunded. The refunding bonds may be
5 exchanged for the bonds to be refunded or sold and the proceeds
6 applied to the purchase, redemption, or payment of such bonds.

7 (b) The bonds of each issue shall be dated, shall bear
8 interest (which may be includable in or excludable from the
9 gross income of the owners for federal income tax purposes) at
10 such fixed or variable rates, payable at or prior to maturity,
11 and shall mature at such time or times, not more than 19 years
12 after the date of issuance, as may be determined by the
13 Authority and may be made redeemable before maturity, at the
14 option of the Authority, at such price or prices and under such
15 terms and conditions as may be fixed by the Authority. The
16 principal and interest of such bonds may be made payable in any
17 lawful medium. The resolution or the certificate of the officer
18 of the Authority approving the issuance of the bonds shall
19 determine the form of the bonds and the manner of execution of
20 the bonds and shall fix the denomination or denominations of
21 the bonds and the place or places of payment of principal and
22 interest thereof, which may be at any bank or trust company
23 within or outside the State. If any officer whose signature or
24 a facsimile thereof appears on any bonds shall cease to be such
25 officer before the delivery of such bonds, such signature or
26 facsimile shall nevertheless be valid and sufficient for all

1 purposes the same as if he had remained in office until such
2 delivery.

3 (c) The Authority may sell such bonds pursuant to notice of
4 sale and public bid or by negotiated sale in accordance with
5 the corresponding procedures applicable to like sales of
6 general obligation bonds under Section 11 of the General
7 Obligation Bond Act. The proceeds of such bonds shall be
8 disbursed for the purposes for which such bonds were issued
9 under such restrictions as the sale agreement and the
10 resolution authorizing the issuance of such bonds or the
11 related trust indenture may provide. Such bonds shall be issued
12 upon approval of the Authority and without any other approvals,
13 filings, proceedings or the happening of any other conditions
14 or things other than the approvals, findings, proceedings,
15 conditions, and things that are specified and required by this
16 Act.

17 (d) Any pledge made by the Authority shall be valid and
18 binding at the time the pledge is made. The assets, property,
19 revenues, reserves, or earnings so pledged shall immediately be
20 subject to the lien of such pledge without any physical
21 delivery thereof or further act and the lien of any such pledge
22 shall be valid and binding as against all parties having claims
23 of any kind in tort, contract, or otherwise against the
24 Authority, irrespective of whether such parties have notice
25 thereof. Notwithstanding any other provision of law to the
26 contrary, neither the resolution nor any indenture or other

1 instrument by which a pledge is created or by which the
2 Authority's interest in pledged assets, property, revenues,
3 reserves, or earnings thereon is assigned need be filed,
4 perfected or recorded in any public records in order to protect
5 the pledge thereof or perfect the lien thereof as against third
6 parties, except that a copy thereof shall be filed in the
7 records of the Authority.

8 (e) Whether or not the bonds of the Authority are of such
9 form and character as to be negotiable instruments under the
10 terms of the Uniform Commercial Code, the bonds are hereby made
11 negotiable instruments for all purposes, subject only to the
12 provisions of the bonds for registration.

13 (f) At the sole discretion of the Authority, any bonds
14 issued by the Authority and any related bond facility made
15 under the provisions of this Act shall be secured by a
16 resolution or trust indenture by and between the Authority and
17 the indenture trustee, which may be any trust company or bank
18 having the powers of a trust company, whether located within or
19 outside the State. Such trust indenture or resolution providing
20 for the issuance of such bonds shall, without limitation, (i)
21 provide for the creation and maintenance of such reserves as
22 the Authority shall determine to be proper; (ii) include
23 covenants setting forth the duties of the Authority in relation
24 to the bonds, the income of the Authority, the related sale
25 agreement and the related tobacco settlement revenues; (iii)
26 contain provisions relating to the prompt transfer of the

1 residual interest upon receipt of the tobacco settlement
2 revenues; (iv) contain provisions respecting the custody,
3 safeguarding, and application of all moneys and securities; (v)
4 contain such provisions for protecting and enforcing against
5 the Authority or the State the rights and remedies (pursuant
6 thereto and to the sale agreement) of the owners of the bonds
7 and any provider of a related bond facility as may be
8 reasonable and proper and not in violation of law; and (vi)
9 contain such other provisions as the Authority may deem
10 reasonable and proper for priorities and subordination among
11 the owners of the bonds and providers of related bond
12 facilities. Any reference in this Act to a resolution of the
13 Authority shall include any trust indenture authorized
14 thereby.

15 (g) The net proceeds of bonds and any earnings thereon
16 shall never be pledged to, nor made available for, payment of
17 the bonds or any interest or redemption price thereon or any
18 other debt or obligation of the Authority. The net proceeds of
19 bonds shall be deposited by the State in the Tobacco Settlement
20 Bond Proceeds Account, and shall be used by the State (either
21 directly or by reimbursement) for the payment of outstanding
22 obligations of the General Revenue Fund or to supplement the
23 Tobacco Settlement Residual Account to pay for appropriated
24 obligations of the Tobacco Settlement Recovery Fund for State
25 fiscal year 2011 through 2013. Any residual interest in tobacco
26 settlement revenues shall be deposited in the Tobacco

1 Settlement Residual Account, and shall be used by the State
2 (either directly or by reimbursement) in accordance with
3 Section 6z-43 of the State Finance Act for appropriated
4 obligations of the Tobacco Settlement Recovery Fund. With
5 respect to any bonds of the Authority, the interest on which is
6 intended to be excludable from the gross income of the owners
7 for federal income tax purposes, the Authority and the
8 authorized officers may provide restrictions on the use of net
9 proceeds of bonds and other amounts in the sale agreement or
10 otherwise in a tax regulatory agreement only as necessary to
11 assure such tax-exempt status.

12 (h) The Authority may enter into, amend, or terminate, as
13 it determines to be necessary or appropriate, any related bond
14 facility (i) to facilitate the issuance, sale, resale,
15 purchase, repurchase, or payment of bonds, interest rate
16 savings or market diversification, or the making or performance
17 of swap contracts, including without limitation bond
18 insurance, letters of credit and liquidity facilities, or (ii)
19 to attempt to manage or hedge risk or achieve a desirable
20 effective interest rate or cash flow. Such facility shall be
21 made upon the terms and conditions established by the
22 Authority, including without limitation provisions as to
23 security, default, termination, payment, remedy, jurisdiction
24 and consent to service of process.

25 (i) The Authority may enter into, amend, or terminate, as
26 it deems to be necessary or appropriate, any related bond

1 facility to place the obligations or investments of the
2 Authority, as represented by the bonds or the investment of
3 reserves securing the bonds or related bond facilities or other
4 tobacco settlement revenues or its other assets, in whole or in
5 part, on the interest rate, cash flow, or other basis approved
6 by the Authority, which facility may include without limitation
7 contracts commonly known as interest rate swap agreements,
8 forward purchase contracts, or guaranteed investment contracts
9 and futures or contracts providing for payments based on levels
10 of, or changes in, interest rates. These contracts or
11 arrangements may be entered into by the Authority in connection
12 with, or incidental to, entering into, or maintaining any (i)
13 agreement which secures bonds of the Authority or (ii)
14 investment or contract providing for investment of reserves or
15 similar facility guaranteeing an investment rate for a period
16 of years not to exceed the underlying term of the bonds. The
17 determination by the Authority that a related bond facility or
18 the amendment or termination thereof is necessary or
19 appropriate as aforesaid shall be conclusive. Any related bond
20 facility may contain such provisions as to security, default,
21 termination, payment, remedy, jurisdiction, and consent to
22 service of process and other terms and conditions as determined
23 by the Authority, after giving due consideration to the
24 creditworthiness of the counterparty or other obligated party,
25 including any rating by any nationally recognized rating
26 agency, and any other criteria as may be appropriate.

1 (j) Bonds or any related bond facility may contain a
2 recital that they are issued or executed, respectively,
3 pursuant to this Act, which recital shall be conclusive
4 evidence of their validity, respectively, and the regularity of
5 the proceedings relating thereto.

6 Section 3-7. State not liable on bonds or related bond
7 facilities. No bond or related bond facility shall constitute
8 an indebtedness or an obligation of the State of Illinois or
9 any subdivision thereof, within the purview of any
10 constitutional or statutory limitation or provision or a charge
11 against the general credit or taxing powers, if any, of any of
12 them but shall be payable solely from pledged tobacco revenues.
13 No owner of any bond or provider of any related bond facility
14 shall have the right to compel the exercise of the taxing power
15 of the State to pay any principal installment of, redemption
16 premium, if any, or interest on the bonds or to make any
17 payment due under any related bond facility.

18 Section 3-8. Agreement with the State.

19 (a) The State pledges and agrees with the Authority, and
20 the owners of the bonds of the Authority in which the Authority
21 has included such pledge and agreement, that the State shall
22 (i) irrevocably direct the escrow agent under the Master
23 Settlement Agreement to transfer all pledged tobacco revenues
24 directly to the Authority or its assignee, (ii) enforce its

1 right to collect all moneys due from the participating
2 manufacturers under the Master Settlement Agreement and, in
3 addition, shall diligently enforce the qualifying statute as
4 contemplated in Section IX(d)(2)(B) of the Master Settlement
5 Agreement against all nonparticipating manufacturers selling
6 tobacco products in the State and that are not in compliance
7 with the qualifying statute, in each case in the manner and to
8 the extent deemed necessary in the judgment of and consistent
9 with the discretion of the Attorney General of the State,
10 provided, however, that the sale agreement shall provide (a)
11 that the remedies available to the Authority and the
12 bondholders for any breach of the pledges and agreements of the
13 State set forth in this clause shall be limited to injunctive
14 relief, and (b) that the State shall be deemed to have
15 diligently enforced the qualifying statute so long as there has
16 been no judicial determination by a court of competent
17 jurisdiction in this State, in an action commenced by a
18 participating tobacco manufacturer under the Master Settlement
19 Agreement, that the State has failed to diligently enforce the
20 qualifying statute for the purposes of Section IX(d)(2)(B) of
21 the Master Settlement Agreement, (iii) in any materially
22 adverse way, neither amend the Master Settlement Agreement nor
23 the Consent Decree or take any other action that would (a)
24 impair the Authority's right to receive pledged tobacco
25 revenues, or (b) limit or alter the rights hereby vested in the
26 Authority to fulfill the terms of its agreements with the

1 bondholders, or (c) impair the rights and remedies of such
2 bondholders or the security for such bonds until such bonds,
3 together with the interest thereon and all costs and expenses
4 in connection with any action or proceedings by or on behalf of
5 such bondholders, are fully paid and discharged (provided, that
6 nothing herein shall be construed to preclude the State's
7 regulation of smoking, smoking cessation activities and laws,
8 and taxation and regulation of the sale of cigarettes or the
9 like or to restrict the right of the State to amend, modify,
10 repeal, or otherwise alter statutes imposing or relating to the
11 taxes), and (iv) not amend, supersede or repeal the Master
12 Settlement Agreement or the qualifying statute in any way that
13 would materially adversely affect the amount of any payment to,
14 or the rights to such payments of, the Authority or such
15 bondholders. This pledge and agreement may be included in the
16 sale agreement and the Authority may include this pledge and
17 agreement in any contract with the bondholders of the
18 Authority.

19 (b) The provisions of this Act, the bonds issued pursuant
20 to this Act, and the pledges and agreements by the State and
21 the Authority to the bondholders shall not be interpreted or
22 construed to limit or impair the authority or discretion of the
23 Attorney General to administer and enforce provisions of the
24 Master Settlement Agreement or to direct, control, and settle
25 any litigation or arbitration proceeding arising from or
26 relating to the Master Settlement Agreement.

1 Section 3-9. Enforcement of contract. The provisions of
2 this Act and of any resolution or proceeding authorizing the
3 issuance of bonds or a related bond facility shall constitute a
4 contract with the holders of the bonds or the related bond
5 facility, and the provisions thereof shall be enforceable
6 either by mandamus or other proceeding in any Illinois court of
7 competent jurisdiction to enforce and compel the performance of
8 all duties required by this Act and by any resolution
9 authorizing the issuance of bonds a related bond facility
10 adopted in response hereto.

11 Section 3-10. Bonds as legal investments. The State and all
12 counties, cities, villages, incorporated towns and other
13 municipal corporations, political subdivisions and public
14 bodies, and public officers of any thereof, all banks, bankers,
15 trust companies, savings banks and institutions, building and
16 loan associations, savings and loan associations, investment
17 companies, and other persons carrying on a banking business,
18 all insurance companies, insurance associations, and other
19 persons carrying on an insurance business, and all executors,
20 administrators, guardians, trustees, and other fiduciaries may
21 legally invest any sinking funds, moneys, or other funds
22 belonging to them or within their control in any bonds issued
23 pursuant to this Act, it being the purpose of this Section to
24 authorize the investment in such bonds of all sinking,

1 insurance, retirement, compensation, pension, and trust funds,
2 whether owned or controlled by private or public persons or
3 officers; provided, however, that nothing contained in this
4 Section may be construed as relieving any person, firm, or
5 corporation from any duty of exercising reasonable care in
6 selecting securities for purchase or investment.

7 Section 3-12. Exemption from taxation. It is hereby
8 determined that the creation of the Authority and the carrying
9 out of its corporate purposes are in all respects for the
10 benefit of the people of the State and are public purposes.
11 Accordingly, the property of the Authority, its income and its
12 operations shall be exempt from taxation. The Authority shall
13 not be required to pay any fees, taxes or assessments of any
14 kind, whether state or local, including, but not limited to,
15 fees, taxes, ad valorem taxes on real property, sales taxes or
16 other taxes, upon or with respect to any property owned by it
17 or under its jurisdiction, control or supervision, or upon the
18 uses thereof, or upon or with respect to its activities or
19 operations in furtherance of the powers conferred upon it by
20 this Act.

21 Section 3-13. Illinois State Auditing Act. The Auditor
22 General shall conduct financial audits and program audits of
23 the Authority, in accordance with the Illinois State Auditing
24 Act.

1 Section 3-15. Supplemental nature of Act; construction and
2 purpose. The powers conferred by this Act shall be in addition
3 to and supplemental to the powers conferred by any other law,
4 general or special, and may be exercised notwithstanding the
5 provisions of any other such law. Insofar as the provisions of
6 this Act are inconsistent with the provisions of any other law,
7 general or special, the provisions of this Act shall be
8 controlling.

9 Section 3-16. Severability. If any provision of this Act is
10 held invalid, such provision shall be deemed to be excised and
11 the invalidity thereof shall not affect any of the other
12 provisions of this Act. If the application of any provision of
13 this Act to any person or circumstance is held invalid, it
14 shall not affect the application of such provision to such
15 persons or circumstances other than those as to which it is
16 held invalid.

17 ARTICLE 5. AMENDATORY PROVISIONS

18 Section 5-5. The Illinois Administrative Procedure Act is
19 amended by changing Section 5-45 as follows:

20 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

21 Sec. 5-45. Emergency rulemaking.

1 (a) "Emergency" means the existence of any situation that
2 any agency finds reasonably constitutes a threat to the public
3 interest, safety, or welfare.

4 (b) If any agency finds that an emergency exists that
5 requires adoption of a rule upon fewer days than is required by
6 Section 5-40 and states in writing its reasons for that
7 finding, the agency may adopt an emergency rule without prior
8 notice or hearing upon filing a notice of emergency rulemaking
9 with the Secretary of State under Section 5-70. The notice
10 shall include the text of the emergency rule and shall be
11 published in the Illinois Register. Consent orders or other
12 court orders adopting settlements negotiated by an agency may
13 be adopted under this Section. Subject to applicable
14 constitutional or statutory provisions, an emergency rule
15 becomes effective immediately upon filing under Section 5-65 or
16 at a stated date less than 10 days thereafter. The agency's
17 finding and a statement of the specific reasons for the finding
18 shall be filed with the rule. The agency shall take reasonable
19 and appropriate measures to make emergency rules known to the
20 persons who may be affected by them.

21 (c) An emergency rule may be effective for a period of not
22 longer than 150 days, but the agency's authority to adopt an
23 identical rule under Section 5-40 is not precluded. No
24 emergency rule may be adopted more than once in any 24 month
25 period, except that this limitation on the number of emergency
26 rules that may be adopted in a 24 month period does not apply

1 to (i) emergency rules that make additions to and deletions
2 from the Drug Manual under Section 5-5.16 of the Illinois
3 Public Aid Code or the generic drug formulary under Section
4 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
5 emergency rules adopted by the Pollution Control Board before
6 July 1, 1997 to implement portions of the Livestock Management
7 Facilities Act, (iii) emergency rules adopted by the Illinois
8 Department of Public Health under subsections (a) through (i)
9 of Section 2 of the Department of Public Health Act when
10 necessary to protect the public's health, ~~or~~ (iv) emergency
11 rules adopted pursuant to subsection (n) of this Section, or
12 (v) emergency rules adopted pursuant to subsection (o) of this
13 Section. Two or more emergency rules having substantially the
14 same purpose and effect shall be deemed to be a single rule for
15 purposes of this Section.

16 (d) In order to provide for the expeditious and timely
17 implementation of the State's fiscal year 1999 budget,
18 emergency rules to implement any provision of Public Act 90-587
19 or 90-588 or any other budget initiative for fiscal year 1999
20 may be adopted in accordance with this Section by the agency
21 charged with administering that provision or initiative,
22 except that the 24-month limitation on the adoption of
23 emergency rules and the provisions of Sections 5-115 and 5-125
24 do not apply to rules adopted under this subsection (d). The
25 adoption of emergency rules authorized by this subsection (d)
26 shall be deemed to be necessary for the public interest,

1 safety, and welfare.

2 (e) In order to provide for the expeditious and timely
3 implementation of the State's fiscal year 2000 budget,
4 emergency rules to implement any provision of this amendatory
5 Act of the 91st General Assembly or any other budget initiative
6 for fiscal year 2000 may be adopted in accordance with this
7 Section by the agency charged with administering that provision
8 or initiative, except that the 24-month limitation on the
9 adoption of emergency rules and the provisions of Sections
10 5-115 and 5-125 do not apply to rules adopted under this
11 subsection (e). The adoption of emergency rules authorized by
12 this subsection (e) shall be deemed to be necessary for the
13 public interest, safety, and welfare.

14 (f) In order to provide for the expeditious and timely
15 implementation of the State's fiscal year 2001 budget,
16 emergency rules to implement any provision of this amendatory
17 Act of the 91st General Assembly or any other budget initiative
18 for fiscal year 2001 may be adopted in accordance with this
19 Section by the agency charged with administering that provision
20 or initiative, except that the 24-month limitation on the
21 adoption of emergency rules and the provisions of Sections
22 5-115 and 5-125 do not apply to rules adopted under this
23 subsection (f). The adoption of emergency rules authorized by
24 this subsection (f) shall be deemed to be necessary for the
25 public interest, safety, and welfare.

26 (g) In order to provide for the expeditious and timely

1 implementation of the State's fiscal year 2002 budget,
2 emergency rules to implement any provision of this amendatory
3 Act of the 92nd General Assembly or any other budget initiative
4 for fiscal year 2002 may be adopted in accordance with this
5 Section by the agency charged with administering that provision
6 or initiative, except that the 24-month limitation on the
7 adoption of emergency rules and the provisions of Sections
8 5-115 and 5-125 do not apply to rules adopted under this
9 subsection (g). The adoption of emergency rules authorized by
10 this subsection (g) shall be deemed to be necessary for the
11 public interest, safety, and welfare.

12 (h) In order to provide for the expeditious and timely
13 implementation of the State's fiscal year 2003 budget,
14 emergency rules to implement any provision of this amendatory
15 Act of the 92nd General Assembly or any other budget initiative
16 for fiscal year 2003 may be adopted in accordance with this
17 Section by the agency charged with administering that provision
18 or initiative, except that the 24-month limitation on the
19 adoption of emergency rules and the provisions of Sections
20 5-115 and 5-125 do not apply to rules adopted under this
21 subsection (h). The adoption of emergency rules authorized by
22 this subsection (h) shall be deemed to be necessary for the
23 public interest, safety, and welfare.

24 (i) In order to provide for the expeditious and timely
25 implementation of the State's fiscal year 2004 budget,
26 emergency rules to implement any provision of this amendatory

1 Act of the 93rd General Assembly or any other budget initiative
2 for fiscal year 2004 may be adopted in accordance with this
3 Section by the agency charged with administering that provision
4 or initiative, except that the 24-month limitation on the
5 adoption of emergency rules and the provisions of Sections
6 5-115 and 5-125 do not apply to rules adopted under this
7 subsection (i). The adoption of emergency rules authorized by
8 this subsection (i) shall be deemed to be necessary for the
9 public interest, safety, and welfare.

10 (j) In order to provide for the expeditious and timely
11 implementation of the provisions of the State's fiscal year
12 2005 budget as provided under the Fiscal Year 2005 Budget
13 Implementation (Human Services) Act, emergency rules to
14 implement any provision of the Fiscal Year 2005 Budget
15 Implementation (Human Services) Act may be adopted in
16 accordance with this Section by the agency charged with
17 administering that provision, except that the 24-month
18 limitation on the adoption of emergency rules and the
19 provisions of Sections 5-115 and 5-125 do not apply to rules
20 adopted under this subsection (j). The Department of Public Aid
21 may also adopt rules under this subsection (j) necessary to
22 administer the Illinois Public Aid Code and the Children's
23 Health Insurance Program Act. The adoption of emergency rules
24 authorized by this subsection (j) shall be deemed to be
25 necessary for the public interest, safety, and welfare.

26 (k) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2006 budget, emergency rules to implement any provision of this
3 amendatory Act of the 94th General Assembly or any other budget
4 initiative for fiscal year 2006 may be adopted in accordance
5 with this Section by the agency charged with administering that
6 provision or initiative, except that the 24-month limitation on
7 the adoption of emergency rules and the provisions of Sections
8 5-115 and 5-125 do not apply to rules adopted under this
9 subsection (k). The Department of Healthcare and Family
10 Services may also adopt rules under this subsection (k)
11 necessary to administer the Illinois Public Aid Code, the
12 Senior Citizens and Disabled Persons Property Tax Relief and
13 Pharmaceutical Assistance Act, the Senior Citizens and
14 Disabled Persons Prescription Drug Discount Program Act (now
15 the Illinois Prescription Drug Discount Program Act), and the
16 Children's Health Insurance Program Act. The adoption of
17 emergency rules authorized by this subsection (k) shall be
18 deemed to be necessary for the public interest, safety, and
19 welfare.

20 (1) In order to provide for the expeditious and timely
21 implementation of the provisions of the State's fiscal year
22 2007 budget, the Department of Healthcare and Family Services
23 may adopt emergency rules during fiscal year 2007, including
24 rules effective July 1, 2007, in accordance with this
25 subsection to the extent necessary to administer the
26 Department's responsibilities with respect to amendments to

1 the State plans and Illinois waivers approved by the federal
2 Centers for Medicare and Medicaid Services necessitated by the
3 requirements of Title XIX and Title XXI of the federal Social
4 Security Act. The adoption of emergency rules authorized by
5 this subsection (l) shall be deemed to be necessary for the
6 public interest, safety, and welfare.

7 (m) In order to provide for the expeditious and timely
8 implementation of the provisions of the State's fiscal year
9 2008 budget, the Department of Healthcare and Family Services
10 may adopt emergency rules during fiscal year 2008, including
11 rules effective July 1, 2008, in accordance with this
12 subsection to the extent necessary to administer the
13 Department's responsibilities with respect to amendments to
14 the State plans and Illinois waivers approved by the federal
15 Centers for Medicare and Medicaid Services necessitated by the
16 requirements of Title XIX and Title XXI of the federal Social
17 Security Act. The adoption of emergency rules authorized by
18 this subsection (m) shall be deemed to be necessary for the
19 public interest, safety, and welfare.

20 (n) In order to provide for the expeditious and timely
21 implementation of the provisions of the State's fiscal year
22 2010 budget, emergency rules to implement any provision of this
23 amendatory Act of the 96th General Assembly or any other budget
24 initiative authorized by the 96th General Assembly for fiscal
25 year 2010 may be adopted in accordance with this Section by the
26 agency charged with administering that provision or

1 initiative. The adoption of emergency rules authorized by this
2 subsection (n) shall be deemed to be necessary for the public
3 interest, safety, and welfare. The rulemaking authority
4 granted in this subsection (n) shall apply only to rules
5 promulgated during Fiscal Year 2010.

6 (o) In order to provide for the expeditious and timely
7 implementation of the provisions of the State's fiscal year
8 2011 budget, emergency rules to implement any provision of this
9 amendatory Act of the 96th General Assembly or any other budget
10 initiative authorized by the 96th General Assembly for fiscal
11 year 2011 may be adopted in accordance with this Section by the
12 agency charged with administering that provision or
13 initiative. The adoption of emergency rules authorized by this
14 subsection (o) is deemed to be necessary for the public
15 interest, safety, and welfare. The rulemaking authority
16 granted in this subsection (o) applies only to rules
17 promulgated on or after the effective date of this amendatory
18 Act of the 96th General Assembly through January 9, 2011.

19 (Source: P.A. 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 96-45,
20 eff. 7-15-09.)

21 Section 5-10. The General Assembly Compensation Act is
22 amended by adding Section 1.6 as follows:

23 (25 ILCS 115/1.6 new)

24 Sec. 1.6. FY11 furlough days. During the first 6 months of

1 the fiscal year beginning July 1, 2010, every member of the
2 96th General Assembly is mandatorily required to forfeit 6 days
3 of compensation. The State Comptroller shall deduct the
4 equivalent of 1/261st of the annual salary of each member of
5 the 96th General Assembly from the compensation of that member
6 in each of the first 6 months of the fiscal year. During the
7 second 6 months of the fiscal year beginning July 1, 2010,
8 every member of the 97th General Assembly is mandatorily
9 required to forfeit 6 days of compensation. The State
10 Comptroller shall deduct the equivalent of 1/261st of the
11 annual salary of each member of the 97th General Assembly from
12 the compensation of that member in each of the second 6 months
13 of the fiscal year. For purposes of this Section, annual
14 compensation includes compensation paid to each member by the
15 State for one year of service pursuant to Section 1, except any
16 payments made for mileage and allowances for travel and meals.
17 The forfeiture required by this Section is not considered a
18 change in salary and shall not impact pension or other benefits
19 provided to members of the General Assembly.

20 Section 5-15. The State Finance Act is amended by changing
21 Sections 6z-43, 14.1, and 25 and by adding Sections 5h and 14.2
22 as follows:

23 (30 ILCS 105/5h new)

24 Sec. 5h. Cash flow borrowing and general funds liquidity.

1 (a) In order to meet cash flow deficits and to maintain
2 liquidity in the General Revenue Fund and the Common School
3 Fund, on and after July 1, 2010 and through January 9, 2011,
4 the State Treasurer and the State Comptroller shall make
5 transfers to the General Revenue Fund or the Common School
6 Fund, as directed by the Governor, out of special funds of the
7 State, to the extent allowed by federal law. No transfer may be
8 made from a fund under this Section that would have the effect
9 of reducing the available balance in the fund to an amount less
10 than the amount remaining unexpended and unreserved from the
11 total appropriation from that fund estimated to be expended for
12 that fiscal year. No such transfer may reduce the cumulative
13 balance of all of the special funds of the State to an amount
14 less than the total debt service payable during the 12 months
15 immediately following the date of the transfer on any bonded
16 indebtedness of the State and any certificates issued under the
17 Short Term Borrowing Act. Notwithstanding any other provision
18 of this Section, no such transfer may be made from any special
19 fund that is exclusively collected by or appropriated to any
20 other constitutional officer without the written approval of
21 that constitutional officer.

22 (b) If moneys have been transferred to the General Revenue
23 Fund or the Common School Fund pursuant to subsection (a) of
24 this Section, this amendatory Act of the 96th General Assembly
25 shall constitute the irrevocable and continuing authority for
26 and direction to the State Treasurer and State Comptroller to

1 reimburse the funds of origin from the General Revenue Fund or
2 the Common School Fund, as appropriate, by transferring to the
3 funds of origin, at such times and in such amounts as directed
4 by the Governor when necessary to support appropriated
5 expenditures from the funds, an amount equal to that
6 transferred from them plus any interest that would have accrued
7 thereon had the transfer not occurred, except that any moneys
8 transferred pursuant to subsection (a) of this Section shall be
9 repaid to the fund of origin within 18 months after the date on
10 which they were borrowed.

11 (c) On the first day of each quarterly period in each
12 fiscal year, the Governor's Office of Management and Budget
13 shall provide to the President and the Minority Leader of the
14 Senate, the Speaker and the Minority Leader of the House of
15 Representatives, and the Commission on Government Forecasting
16 and Accountability a report on all transfers made pursuant to
17 this Section in the prior quarterly period. The report must be
18 provided in both written and electronic format. The report must
19 include all of the following:

20 (1) The date each transfer was made.

21 (2) The amount of each transfer.

22 (3) In the case of a transfer from the General Revenue
23 Fund or the Common School Fund to a fund of origin pursuant
24 to subsection (b) of this Section, the amount of interest
25 being paid to the fund of origin.

26 (4) The end of day balance of both the fund of origin

1 and the General Revenue Fund or the Common School Fund,
2 whichever the case may be, on the date the transfer was
3 made.

4 (30 ILCS 105/6z-43)

5 Sec. 6z-43. Tobacco Settlement Recovery Fund.

6 (a) There is created in the State Treasury a special fund
7 to be known as the Tobacco Settlement Recovery Fund, which
8 shall contain 3 accounts: (i) the General Account, (ii) the
9 Tobacco Settlement Bond Proceeds Account and (iii) the Tobacco
10 Settlement Residual Account. There shall be deposited into the
11 several accounts of the Tobacco Settlement Recovery Fund ~~into~~
12 ~~which shall be deposited~~ all monies paid to the State pursuant
13 to (1) the Master Settlement Agreement entered in the case of
14 People of the State of Illinois v. Philip Morris, et al.
15 (Circuit Court of Cook County, No. 96-L13146) and (2) any
16 settlement with or judgment against any tobacco product
17 manufacturer other than one participating in the Master
18 Settlement Agreement in satisfaction of any released claim as
19 defined in the Master Settlement Agreement, as well as any
20 other monies as provided by law. Moneys ~~All earnings on Fund~~
21 ~~investments~~ shall be deposited into the Tobacco Settlement Bond
22 Proceeds Account and the Tobacco Settlement Residual Account as
23 provided by the terms of the Railsplitter Tobacco Settlement
24 Authority Act, provided that an annual amount not less than
25 \$2,500,000, subject to appropriation, shall be deposited into

1 the Tobacco Settlement Residual Account for use by the Attorney
2 General for enforcement of the Master Settlement Agreement. All
3 other moneys available to be deposited into the Tobacco
4 Settlement Recovery Fund shall be deposited into the General
5 Account. An investment made from moneys credited to a specific
6 account constitutes part of that account and such account shall
7 be credited with all income from the investment of such moneys.
8 ~~Fund. Upon the creation of the Fund, the State Comptroller~~
9 ~~shall order the State Treasurer to transfer into the Fund any~~
10 ~~moneys paid to the State as described in item (1) or (2) of~~
11 ~~this Section before the creation of the Fund plus any interest~~
12 ~~earned on the investment of those moneys. The Treasurer may~~
13 ~~invest the moneys in the several accounts the Fund in the same~~
14 ~~manner, in the same types of investments, and subject to the~~
15 ~~same limitations provided in the Illinois Pension Code for the~~
16 ~~investment of pension funds other than those established under~~
17 ~~Article 3 or 4 of the Code. Notwithstanding the foregoing, to~~
18 ~~the extent necessary to preserve the tax-exempt status of any~~
19 ~~bonds issued pursuant to the Railsplitter Tobacco Settlement~~
20 ~~Authority Act, the interest on which is intended to be~~
21 ~~excludable from the gross income of the owners for federal~~
22 ~~income tax purposes, moneys on deposit in the Tobacco~~
23 ~~Settlement Bond Proceeds Account and the Tobacco Settlement~~
24 ~~Residual Account may be invested in obligations the interest~~
25 ~~upon which is tax-exempt under the provisions of Section 103 of~~
26 ~~the Internal Revenue Code of 1986, as now or hereafter amended,~~

1 or any successor code or provision.

2 (b) Moneys on deposit in the Tobacco Settlement Bond
3 Proceeds Account and the Tobacco Settlement Residual Account
4 may be expended, subject to appropriation, for the purposes
5 authorized in Section 6(g) of the Railsplitter Tobacco
6 Settlement Authority Act.

7 (c) ~~(b)~~ As soon as may be practical after June 30, 2001,
8 upon notification from and at the direction of the Governor,
9 the State Comptroller shall direct and the State Treasurer
10 shall transfer the unencumbered balance in the Tobacco
11 Settlement Recovery Fund as of June 30, 2001, as determined by
12 the Governor, into the Budget Stabilization Fund. The Treasurer
13 may invest the moneys in the Budget Stabilization Fund in the
14 same manner, in the same types of investments, and subject to
15 the same limitations provided in the Illinois Pension Code for
16 the investment of pension funds other than those established
17 under Article 3 or 4 of the Code.

18 ~~(c) In addition to any other deposits authorized by law,~~
19 ~~after any delivery of any bonds as authorized by Section 7.5 of~~
20 ~~the General Obligation Bond Act for deposits to the General~~
21 ~~Revenue Fund and the Budget Stabilization Fund (referred to as~~
22 ~~"tobacco securitization general obligation bonds"), the~~
23 ~~Governor shall certify, on or before June 30, 2003 and June 30~~
24 ~~of each year thereafter, to the State Comptroller and State~~
25 ~~Treasurer the total amount of principal of, interest on, and~~
26 ~~premium, if any, due on those bonds in the next fiscal year~~

~~beginning with amounts due in fiscal year 2004. As soon as practical after the annual payment of tobacco settlement moneys to the Tobacco Settlement Recovery Fund as described in item (1) of subsection (a), the State Treasurer and State Comptroller shall transfer from the Tobacco Settlement Recovery Fund to the General Obligation Bond Retirement and Interest Fund the amount certified by the Governor, plus any cumulative deficiency in those transfers for prior years.~~

(d) All federal financial participation moneys received pursuant to expenditures from the Fund shall be deposited into the General Account Fund.

(Source: P.A. 95-331, eff. 8-21-07.)

(30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

Sec. 14.1. Appropriations for State contributions to the State Employees' Retirement System; payroll requirements.

(a) Appropriations for State contributions to the State Employees' Retirement System of Illinois shall be expended in the manner provided in this Section. Except as otherwise provided in subsections (a-1) and (a-2), at the time of each payment of salary to an employee under the personal services line item, payment shall be made to the State Employees' Retirement System, from the amount appropriated for State contributions to the State Employees' Retirement System, of an amount calculated at the rate certified for the applicable fiscal year by the Board of Trustees of the State Employees'

1 Retirement System under Section 14-135.08 of the Illinois
2 Pension Code. If a line item appropriation to an employer for
3 this purpose is exhausted or is unavailable due to any
4 limitation on appropriations that may apply, (including, but
5 not limited to, limitations on appropriations from the Road
6 Fund under Section 8.3 of the State Finance Act), the amounts
7 shall be paid under the continuing appropriation for this
8 purpose contained in the State Pension Funds Continuing
9 Appropriation Act.

10 (a-1) Beginning on the effective date of this amendatory
11 Act of the 93rd General Assembly through the payment of the
12 final payroll from fiscal year 2004 appropriations,
13 appropriations for State contributions to the State Employees'
14 Retirement System of Illinois shall be expended in the manner
15 provided in this subsection (a-1). At the time of each payment
16 of salary to an employee under the personal services line item
17 from a fund other than the General Revenue Fund, payment shall
18 be made for deposit into the General Revenue Fund from the
19 amount appropriated for State contributions to the State
20 Employees' Retirement System of an amount calculated at the
21 rate certified for fiscal year 2004 by the Board of Trustees of
22 the State Employees' Retirement System under Section 14-135.08
23 of the Illinois Pension Code. This payment shall be made to the
24 extent that a line item appropriation to an employer for this
25 purpose is available or unexhausted. No payment from
26 appropriations for State contributions shall be made in

1 conjunction with payment of salary to an employee under the
2 personal services line item from the General Revenue Fund.

3 (a-2) For fiscal year 2010 only, at the time of each
4 payment of salary to an employee under the personal services
5 line item from a fund other than the General Revenue Fund,
6 payment shall be made for deposit into the State Employees'
7 Retirement System of Illinois from the amount appropriated for
8 State contributions to the State Employees' Retirement System
9 of Illinois of an amount calculated at the rate certified for
10 fiscal year 2010 by the Board of Trustees of the State
11 Employees' Retirement System of Illinois under Section
12 14-135.08 of the Illinois Pension Code. This payment shall be
13 made to the extent that a line item appropriation to an
14 employer for this purpose is available or unexhausted. For
15 fiscal year 2010 only, no payment from appropriations for State
16 contributions shall be made in conjunction with payment of
17 salary to an employee under the personal services line item
18 from the General Revenue Fund.

19 (a-3) For fiscal year 2011 only, at the time of each
20 payment of salary to an employee under the personal services
21 line item from a fund other than the General Revenue Fund,
22 payment shall be made for deposit into the State Employees'
23 Retirement System of Illinois from the amount appropriated for
24 State contributions to the State Employees' Retirement System
25 of Illinois of an amount calculated at the rate certified for
26 fiscal year 2011 by the Board of Trustees of the State

1 Employees' Retirement System of Illinois under Section
2 14-135.08 of the Illinois Pension Code. This payment shall be
3 made to the extent that a line item appropriation to an
4 employer for this purpose is available or unexhausted. For
5 fiscal year 2011 only, no payment from appropriations for State
6 contributions shall be made in conjunction with payment of
7 salary to an employee under the personal services line item
8 from the General Revenue Fund.

9 (b) Except during the period beginning on the effective
10 date of this amendatory Act of the 93rd General Assembly and
11 ending at the time of the payment of the final payroll from
12 fiscal year 2004 appropriations, the State Comptroller shall
13 not approve for payment any payroll voucher that (1) includes
14 payments of salary to eligible employees in the State
15 Employees' Retirement System of Illinois and (2) does not
16 include the corresponding payment of State contributions to
17 that retirement system at the full rate certified under Section
18 14-135.08 for that fiscal year for eligible employees, unless
19 the balance in the fund on which the payroll voucher is drawn
20 is insufficient to pay the total payroll voucher, or
21 unavailable due to any limitation on appropriations that may
22 apply, including, but not limited to, limitations on
23 appropriations from the Road Fund under Section 8.3 of the
24 State Finance Act. If the State Comptroller approves a payroll
25 voucher under this Section for which the fund balance is
26 insufficient to pay the full amount of the required State

1 contribution to the State Employees' Retirement System, the
2 Comptroller shall promptly so notify the Retirement System.

3 (b-1) For fiscal year 2010 only, the State Comptroller
4 shall not approve for payment any non-General Revenue Fund
5 payroll voucher that (1) includes payments of salary to
6 eligible employees in the State Employees' Retirement System of
7 Illinois and (2) does not include the corresponding payment of
8 State contributions to that retirement system at the full rate
9 certified under Section 14-135.08 for that fiscal year for
10 eligible employees, unless the balance in the fund on which the
11 payroll voucher is drawn is insufficient to pay the total
12 payroll voucher, or unavailable due to any limitation on
13 appropriations that may apply, including, but not limited to,
14 limitations on appropriations from the Road Fund under Section
15 8.3 of the State Finance Act. If the State Comptroller approves
16 a payroll voucher under this Section for which the fund balance
17 is insufficient to pay the full amount of the required State
18 contribution to the State Employees' Retirement System of
19 Illinois, the Comptroller shall promptly so notify the
20 retirement system.

21 (c) Notwithstanding any other provisions of law, beginning
22 July 1, 2007, required State and employee contributions to the
23 State Employees' Retirement System of Illinois relating to
24 affected legislative staff employees shall be paid out of
25 moneys appropriated for that purpose to the Commission on
26 Government Forecasting and Accountability, rather than out of

1 the lump-sum appropriations otherwise made for the payroll and
2 other costs of those employees.

3 These payments must be made pursuant to payroll vouchers
4 submitted by the employing entity as part of the regular
5 payroll voucher process.

6 For the purpose of this subsection, "affected legislative
7 staff employees" means legislative staff employees paid out of
8 lump-sum appropriations made to the General Assembly, an
9 Officer of the General Assembly, or the Senate Operations
10 Commission, but does not include district-office staff or
11 employees of legislative support services agencies.

12 (Source: P.A. 95-707, eff. 1-11-08; 96-45, eff. 7-15-09.)

13 (30 ILCS 105/14.2 new)

14 Sec. 14.2. Fiscal year 2011 State officer compensation
15 forfeiture.

16 (a) During the fiscal year beginning on July 1, 2010, each
17 State officer listed in subsection (b) is required to forfeit
18 one day of compensation each month. The State Comptroller shall
19 deduct the equivalent of 1/261st of the annual compensation of
20 each of those State officers that is paid from the General
21 Revenue Fund from the compensation of that State officer in
22 each month of the fiscal year. For purposes of this Section,
23 annual compensation includes compensation paid to each of those
24 State officers by the State for one year of service, except any
25 payments made for mileage and allowances for travel and meals.

1 The forfeiture required by this Section is not considered a
2 change in salary and shall not impact pension or other benefits
3 provided to those State officers.

4 (b) "State officers" for the purposes of subsection (a) are
5 the following:

6 Governor

7 Lieutenant Governor

8 Secretary of State

9 Attorney General

10 Comptroller

11 State Treasurer

12 Department on Aging: Director

13 Department of Agriculture: Director and Assistant

14 Director

15 Department of Central Management Services: Director

16 and Assistant Directors

17 Department of Children and Family Services: Director

18 Department of Corrections: Director and Assistant

19 Director

20 Department of Commerce and Economic Opportunity:

21 Director and Assistant Director

22 Environmental Protection Agency: Director

23 Department of Financial and Professional Regulation:

24 Secretary and Directors

25 Department of Human Services: Secretary and Assistant

26 Secretaries

1 Department of Juvenile Justice: Director

2 Department of Labor: Director, Assistant Director,
3 Chief Factory Inspector, and Superintendent of Safety
4 Inspection and Education

5 Department of State Police: Director and Assistant
6 Director

7 Department of Military Affairs: Adjutant General and
8 Chief Assistants to the Adjutant General

9 Department of Natural Resources: Director, Assistant
10 Director, Mine Officers, and Miners' Examining Officers

11 Illinois Labor Relations Board: Chairman, State Labor
12 Relations Board members, and Local Labor Relations Board
13 members

14 Department of Healthcare and Family Services: Director
15 and Assistant Director

16 Department of Public Health: Director and Assistant
17 Director

18 Department of Revenue: Director and Assistant Director
19 Property Tax Appeal Board: Chairman and members

20 Department of Veterans' Affairs: Director and
21 Assistant Director

22 Civil Service Commission: Chairman and members

23 Commerce Commission: Chairman and members

24 State Board of Elections: Chairman, Vice-Chairman, and
25 members

26 Illinois Emergency Management Agency: Director and

1 Assistant Director

2 Department of Human Rights: Director

3 Human Rights Commission: Chairman and members

4 Illinois Workers' Compensation Commission: Chairman
5 and members

6 Liquor Control Commission: Chairman, members, and
7 Secretary

8 Executive Ethics Commission: members

9 Illinois Power Agency: Director

10 Pollution Control Board: Chairman and members

11 Prisoner Review Board: Chairman and members

12 Secretary of State Merit Commission: Chairman and
13 members

14 Educational Labor Relations Board: Chairman and
15 members

16 Department of Transportation: Secretary and Assistant
17 Secretary

18 Office of Small Business Utility Advocate: small
19 business utility advocate

20 Executive Inspector General for the Office of the
21 Governor

22 Executive Inspector General for the Office of the
23 Attorney General

24 Executive Inspector General for the Office of the
25 Secretary of State

26 Executive Inspector General for the Office of the

1 Comptroller
2 Executive Inspector General for the Office of the
3 Treasurer
4 Office of Auditor General: Auditor General and Deputy
5 Auditors General.

6 (30 ILCS 105/25) (from Ch. 127, par. 161)

7 Sec. 25. Fiscal year limitations.

8 (a) All appropriations shall be available for expenditure
9 for the fiscal year or for a lesser period if the Act making
10 that appropriation so specifies. A deficiency or emergency
11 appropriation shall be available for expenditure only through
12 June 30 of the year when the Act making that appropriation is
13 enacted unless that Act otherwise provides.

14 (b) Outstanding liabilities as of June 30, payable from
15 appropriations which have otherwise expired, may be paid out of
16 the expiring appropriations during the 2-month period ending at
17 the close of business on August 31. Any service involving
18 professional or artistic skills or any personal services by an
19 employee whose compensation is subject to income tax
20 withholding must be performed as of June 30 of the fiscal year
21 in order to be considered an "outstanding liability as of June
22 30" that is thereby eligible for payment out of the expiring
23 appropriation.

24 However, payment of tuition reimbursement claims under
25 Section 14-7.03 or 18-3 of the School Code may be made by the

1 State Board of Education from its appropriations for those
2 respective purposes for any fiscal year, even though the claims
3 reimbursed by the payment may be claims attributable to a prior
4 fiscal year, and payments may be made at the direction of the
5 State Superintendent of Education from the fund from which the
6 appropriation is made without regard to any fiscal year
7 limitations.

8 All outstanding liabilities as of June 30, 2010, payable
9 from appropriations that would otherwise expire at the
10 conclusion of the lapse period for fiscal year 2010, and
11 interest penalties payable on those liabilities under the State
12 Prompt Payment Act, may be paid out of the expiring
13 appropriations until December 31, 2010, without regard to the
14 fiscal year in which the payment is made, as long as vouchers
15 for the liabilities are received by the Comptroller no later
16 than August 31, 2010.

17 Medical payments may be made by the Department of Veterans'
18 Affairs from its appropriations for those purposes for any
19 fiscal year, without regard to the fact that the medical
20 services being compensated for by such payment may have been
21 rendered in a prior fiscal year.

22 Medical payments may be made by the Department of
23 Healthcare and Family Services and medical payments and child
24 care payments may be made by the Department of Human Services
25 (as successor to the Department of Public Aid) from
26 appropriations for those purposes for any fiscal year, without

1 regard to the fact that the medical or child care services
2 being compensated for by such payment may have been rendered in
3 a prior fiscal year; and payments may be made at the direction
4 of the Department of Central Management Services from the
5 Health Insurance Reserve Fund and the Local Government Health
6 Insurance Reserve Fund without regard to any fiscal year
7 limitations.

8 Medical payments may be made by the Department of Human
9 Services from its appropriations relating to substance abuse
10 treatment services for any fiscal year, without regard to the
11 fact that the medical services being compensated for by such
12 payment may have been rendered in a prior fiscal year, provided
13 the payments are made on a fee-for-service basis consistent
14 with requirements established for Medicaid reimbursement by
15 the Department of Healthcare and Family Services.

16 Additionally, payments may be made by the Department of
17 Human Services from its appropriations, or any other State
18 agency from its appropriations with the approval of the
19 Department of Human Services, from the Immigration Reform and
20 Control Fund for purposes authorized pursuant to the
21 Immigration Reform and Control Act of 1986, without regard to
22 any fiscal year limitations.

23 Further, with respect to costs incurred in fiscal years
24 2002 and 2003 only, payments may be made by the State Treasurer
25 from its appropriations from the Capital Litigation Trust Fund
26 without regard to any fiscal year limitations.

1 Lease payments may be made by the Department of Central
2 Management Services under the sale and leaseback provisions of
3 Section 7.4 of the State Property Control Act with respect to
4 the James R. Thompson Center and the Elgin Mental Health Center
5 and surrounding land from appropriations for that purpose
6 without regard to any fiscal year limitations.

7 Lease payments may be made under the sale and leaseback
8 provisions of Section 7.5 of the State Property Control Act
9 with respect to the Illinois State Toll Highway Authority
10 headquarters building and surrounding land without regard to
11 any fiscal year limitations.

12 (c) Further, payments may be made by the Department of
13 Public Health and the Department of Human Services (acting as
14 successor to the Department of Public Health under the
15 Department of Human Services Act) from their respective
16 appropriations for grants for medical care to or on behalf of
17 persons suffering from chronic renal disease, persons
18 suffering from hemophilia, rape victims, and premature and
19 high-mortality risk infants and their mothers and for grants
20 for supplemental food supplies provided under the United States
21 Department of Agriculture Women, Infants and Children
22 Nutrition Program, for any fiscal year without regard to the
23 fact that the services being compensated for by such payment
24 may have been rendered in a prior fiscal year.

25 (d) The Department of Public Health and the Department of
26 Human Services (acting as successor to the Department of Public

1 Health under the Department of Human Services Act) shall each
2 annually submit to the State Comptroller, Senate President,
3 Senate Minority Leader, Speaker of the House, House Minority
4 Leader, and the respective Chairmen and Minority Spokesmen of
5 the Appropriations Committees of the Senate and the House, on
6 or before December 31, a report of fiscal year funds used to
7 pay for services provided in any prior fiscal year. This report
8 shall document by program or service category those
9 expenditures from the most recently completed fiscal year used
10 to pay for services provided in prior fiscal years.

11 (e) The Department of Healthcare and Family Services, the
12 Department of Human Services (acting as successor to the
13 Department of Public Aid), and the Department of Human Services
14 making fee-for-service payments relating to substance abuse
15 treatment services provided during a previous fiscal year shall
16 each annually submit to the State Comptroller, Senate
17 President, Senate Minority Leader, Speaker of the House, House
18 Minority Leader, the respective Chairmen and Minority
19 Spokesmen of the Appropriations Committees of the Senate and
20 the House, on or before November 30, a report that shall
21 document by program or service category those expenditures from
22 the most recently completed fiscal year used to pay for (i)
23 services provided in prior fiscal years and (ii) services for
24 which claims were received in prior fiscal years.

25 (f) The Department of Human Services (as successor to the
26 Department of Public Aid) shall annually submit to the State

1 Comptroller, Senate President, Senate Minority Leader, Speaker
2 of the House, House Minority Leader, and the respective
3 Chairmen and Minority Spokesmen of the Appropriations
4 Committees of the Senate and the House, on or before December
5 31, a report of fiscal year funds used to pay for services
6 (other than medical care) provided in any prior fiscal year.
7 This report shall document by program or service category those
8 expenditures from the most recently completed fiscal year used
9 to pay for services provided in prior fiscal years.

10 (g) In addition, each annual report required to be
11 submitted by the Department of Healthcare and Family Services
12 under subsection (e) shall include the following information
13 with respect to the State's Medicaid program:

14 (1) Explanations of the exact causes of the variance
15 between the previous year's estimated and actual
16 liabilities.

17 (2) Factors affecting the Department of Healthcare and
18 Family Services' liabilities, including but not limited to
19 numbers of aid recipients, levels of medical service
20 utilization by aid recipients, and inflation in the cost of
21 medical services.

22 (3) The results of the Department's efforts to combat
23 fraud and abuse.

24 (h) As provided in Section 4 of the General Assembly
25 Compensation Act, any utility bill for service provided to a
26 General Assembly member's district office for a period

1 including portions of 2 consecutive fiscal years may be paid
2 from funds appropriated for such expenditure in either fiscal
3 year.

4 (i) An agency which administers a fund classified by the
5 Comptroller as an internal service fund may issue rules for:

6 (1) billing user agencies in advance for payments or
7 authorized inter-fund transfers based on estimated charges
8 for goods or services;

9 (2) issuing credits, refunding through inter-fund
10 transfers, or reducing future inter-fund transfers during
11 the subsequent fiscal year for all user agency payments or
12 authorized inter-fund transfers received during the prior
13 fiscal year which were in excess of the final amounts owed
14 by the user agency for that period; and

15 (3) issuing catch-up billings to user agencies during
16 the subsequent fiscal year for amounts remaining due when
17 payments or authorized inter-fund transfers received from
18 the user agency during the prior fiscal year were less than
19 the total amount owed for that period.

20 User agencies are authorized to reimburse internal service
21 funds for catch-up billings by vouchers drawn against their
22 respective appropriations for the fiscal year in which the
23 catch-up billing was issued or by increasing an authorized
24 inter-fund transfer during the current fiscal year. For the
25 purposes of this Act, "inter-fund transfers" means transfers
26 without the use of the voucher-warrant process, as authorized

1 by Section 9.01 of the State Comptroller Act.

2 (Source: P.A. 95-331, eff. 8-21-07.)

3 Section 5-20. The State Pension Funds Continuing
4 Appropriation Act is amended by changing Section 1.2 as
5 follows:

6 (40 ILCS 15/1.2)

7 Sec. 1.2. Appropriations for the State Employees'
8 Retirement System.

9 (a) From each fund from which an amount is appropriated for
10 personal services to a department or other employer under
11 Article 14 of the Illinois Pension Code, there is hereby
12 appropriated to that department or other employer, on a
13 continuing annual basis for each State fiscal year, an
14 additional amount equal to the amount, if any, by which (1) an
15 amount equal to the percentage of the personal services line
16 item for that department or employer from that fund for that
17 fiscal year that the Board of Trustees of the State Employees'
18 Retirement System of Illinois has certified under Section
19 14-135.08 of the Illinois Pension Code to be necessary to meet
20 the State's obligation under Section 14-131 of the Illinois
21 Pension Code for that fiscal year, exceeds (2) the amounts
22 otherwise appropriated to that department or employer from that
23 fund for State contributions to the State Employees' Retirement
24 System for that fiscal year. From the effective date of this

1 amendatory Act of the 93rd General Assembly through the final
2 payment from a department or employer's personal services line
3 item for fiscal year 2004, payments to the State Employees'
4 Retirement System that otherwise would have been made under
5 this subsection (a) shall be governed by the provisions in
6 subsection (a-1).

7 (a-1) If a Fiscal Year 2004 Shortfall is certified under
8 subsection (f) of Section 14-131 of the Illinois Pension Code,
9 there is hereby appropriated to the State Employees' Retirement
10 System of Illinois on a continuing basis from the General
11 Revenue Fund an additional aggregate amount equal to the Fiscal
12 Year 2004 Shortfall.

13 (a-2) If a Fiscal Year 2010 Shortfall is certified under
14 subsection (g) of Section 14-131 of the Illinois Pension Code,
15 there is hereby appropriated to the State Employees' Retirement
16 System of Illinois on a continuing basis from the General
17 Revenue Fund an additional aggregate amount equal to the Fiscal
18 Year 2010 Shortfall.

19 (b) The continuing appropriations provided for by this
20 Section shall first be available in State fiscal year 1996.

21 (c) Beginning in Fiscal Year 2005, any continuing
22 appropriation under this Section arising out of an
23 appropriation for personal services from the Road Fund to the
24 Department of State Police or the Secretary of State shall be
25 payable from the General Revenue Fund rather than the Road
26 Fund.

1 (d) For State fiscal year 2010 only, a continuing
2 appropriation is provided to the State Employees' Retirement
3 System equal to the amount certified by the System on or before
4 December 31, 2008, less the gross proceeds of the bonds sold in
5 fiscal year 2010 under the authorization contained in
6 subsection (a) of Section 7.2 of the General Obligation Bond
7 Act.

8 (e) For State fiscal year 2011 only, the continuing
9 appropriation under this Section provided to the State
10 Employees' Retirement System is limited to an amount equal to
11 the amount certified by the System on or before December 31,
12 2009, less any amounts received pursuant to subsection (a-3) of
13 Section 14.1 of the State Finance Act.

14 (Source: P.A. 96-43, eff. 7-15-09; 96-45, eff. 7-15-09; revised
15 11-3-09.)

16 ARTICLE 25. ADDITIONAL AMENDATORY PROVISIONS

17 Section 25-5. The State Budget Law of the Civil
18 Administrative Code of Illinois is amended by changing Sections
19 50-5 and 50-10 and by adding Sections 50-7 and 50-25 as
20 follows:

21 (15 ILCS 20/50-5)

22 Sec. 50-5. Governor to submit State budget.

23 (a) The Governor shall, as soon as possible and not later

1 than the second Wednesday in March in 2010 (March 10, 2010) and
2 the third Wednesday in February of each year beginning in 2011,
3 except as otherwise provided in this Section, submit a State
4 budget, embracing therein the amounts recommended by the
5 Governor to be appropriated to the respective departments,
6 offices, and institutions, and for all other public purposes,
7 the estimated revenues from taxation, the estimated revenues
8 from sources other than taxation, and an estimate of the amount
9 required to be raised by taxation. The amounts recommended by
10 the Governor for appropriation to the respective departments,
11 offices and institutions shall be formulated according to the
12 various functions and activities for which the respective
13 department, office or institution of the State government
14 (including the elective officers in the executive department
15 and including the University of Illinois and the judicial
16 department) is responsible. The amounts relating to particular
17 functions and activities shall be further formulated in
18 accordance with the object classification specified in Section
19 13 of the State Finance Act. In addition, the amounts
20 recommended by the Governor for appropriation shall take into
21 account each State agency's effectiveness in achieving its
22 prioritized goals for the previous fiscal year, as set forth in
23 Section 50-25 of this Law, giving priority to agencies and
24 programs that have demonstrated a focus on the prevention of
25 waste and the maximum yield from resources.

26 Beginning in fiscal year 2011, the Governor shall

1 distribute written quarterly budget statements to the General
2 Assembly and the State Comptroller. The statements shall be
3 submitted on Wednesday of the last week of the last month of
4 each quarter of the fiscal year and, as is currently the
5 practice on the effective date of this amendatory Act of the
6 96th General Assembly, shall be posted on the Comptroller's
7 website on the same day. The statements shall be prepared and
8 presented in an executive summary format that includes, for the
9 fiscal year to date, individual itemizations for each revenue
10 source as well as individual itemizations of expenditures and
11 obligations, by the classified line items set forth in Section
12 13 of the State Finance Act and for other purposes, with an
13 appropriate level of detail. The statement shall include a
14 calculation of the actual total budget surplus or deficit. The
15 Governor shall also present periodic budget addresses
16 throughout the fiscal year at the invitation of the General
17 Assembly.

18 The Governor shall not propose expenditures and the General
19 Assembly shall not enact appropriations that exceed the
20 resources estimated to be available, as provided in this
21 Section. Appropriations may be adjusted during the fiscal year
22 by means of one or more supplemental appropriation bills if any
23 State agency either fails to meet or exceeds the goals set
24 forth in Section 50-25 of this Law.

25 For the purposes of Article VIII, Section 2 of the 1970
26 Illinois Constitution, the State budget for the following funds

1 shall be prepared on the basis of revenue and expenditure
2 measurement concepts that are in concert with generally
3 accepted accounting principles for governments:

- 4 (1) General Revenue Fund.
- 5 (2) Common School Fund.
- 6 (3) Educational Assistance Fund.
- 7 (4) Road Fund.
- 8 (5) Motor Fuel Tax Fund.
- 9 (6) Agricultural Premium Fund.

10 These funds shall be known as the "budgeted funds". The
11 revenue estimates used in the State budget for the budgeted
12 funds shall include the estimated beginning fund balance, plus
13 revenues estimated to be received during the budgeted year,
14 plus the estimated receipts due the State as of June 30 of the
15 budgeted year that are expected to be collected during the
16 lapse period following the budgeted year, minus the receipts
17 collected during the first 2 months of the budgeted year that
18 became due to the State in the year before the budgeted year.
19 Revenues shall also include estimated federal reimbursements
20 associated with the recognition of Section 25 of the State
21 Finance Act liabilities. For any budgeted fund for which
22 current year revenues are anticipated to exceed expenditures,
23 the surplus shall be considered to be a resource available for
24 expenditure in the budgeted fiscal year.

25 Expenditure estimates for the budgeted funds included in
26 the State budget shall include the costs to be incurred by the

1 State for the budgeted year, to be paid in the next fiscal
2 year, excluding costs paid in the budgeted year which were
3 carried over from the prior year, where the payment is
4 authorized by Section 25 of the State Finance Act. For any
5 budgeted fund for which expenditures are expected to exceed
6 revenues in the current fiscal year, the deficit shall be
7 considered as a use of funds in the budgeted fiscal year.

8 Revenues and expenditures shall also include transfers
9 between funds that are based on revenues received or costs
10 incurred during the budget year.

11 Appropriations for expenditures shall also include all
12 anticipated statutory continuing appropriation obligations
13 that are expected to be incurred during the budgeted fiscal
14 year.

15 By March 15 of each year, the Commission on Government
16 Forecasting and Accountability shall prepare revenue and fund
17 transfer estimates in accordance with the requirements of this
18 Section and report those estimates to the General Assembly and
19 the Governor.

20 For all funds other than the budgeted funds, the proposed
21 expenditures shall not exceed funds estimated to be available
22 for the fiscal year as shown in the budget. Appropriation for a
23 fiscal year shall not exceed funds estimated by the General
24 Assembly to be available during that year.

25 (b) This subsection applies only to the process for the
26 proposed fiscal year 2011 budget.

1 By February 24, 2010, the Governor must file a written
2 report with the Secretary of the Senate and the Clerk of the
3 House of Representatives containing the following:

4 (1) for fiscal year 2010, the revenues for all budgeted
5 funds, both actual to date and estimated for the full
6 fiscal year;

7 (2) for fiscal year 2010, the expenditures for all
8 budgeted funds, both actual to date and estimated for the
9 full fiscal year;

10 (3) for fiscal year 2011, the estimated revenues for
11 all budgeted funds, including without limitation the
12 affordable General Revenue Fund appropriations, for the
13 full fiscal year; and

14 (4) for fiscal year 2011, an estimate of the
15 anticipated liabilities for all budgeted funds, including
16 without limitation the affordable General Revenue Fund
17 appropriations, debt service on bonds issued, and the
18 State's contributions to the pension systems, for the full
19 fiscal year.

20 Between February 24, 2010 and March 10, 2010, the members
21 of the General Assembly and members of the public may make
22 written budget recommendations to the Governor, and the
23 Governor shall promptly make those recommendations available
24 to the public through the Governor's Internet website.

25 (Source: P.A. 96-1, eff. 2-17-09; 96-320, eff. 1-1-10; 96-881,
26 eff. 2-11-10.)

1 (15 ILCS 20/50-7 new)

2 Sec. 50-7. Online budget survey. Beginning in February of
3 2011, and during February of each year thereafter, the
4 Governor's Office of Management and Budget shall post on its
5 website a survey that will allow residents of the State to
6 prioritize proposed spending measures for the next fiscal year.
7 The Office shall post the results of each survey on its
8 website.

9 (15 ILCS 20/50-10) (was 15 ILCS 20/38.1)

10 Sec. 50-10. Budget contents. The budget shall be submitted
11 by the Governor with line item and program data. The budget
12 shall also contain performance data presenting an estimate for
13 the current fiscal year, projections for the budget year, and
14 information for the 3 prior fiscal years comparing department
15 objectives with actual accomplishments, formulated according
16 to the various functions and activities, and, wherever the
17 nature of the work admits, according to the work units, for
18 which the respective departments, offices, and institutions of
19 the State government (including the elective officers in the
20 executive department and including the University of Illinois
21 and the judicial department) are responsible.

22 For the fiscal year beginning July 1, 1992 and for each
23 fiscal year thereafter, the budget shall include the
24 performance measures of each department's accountability

1 report.

2 For the fiscal year beginning July 1, 1997 and for each
3 fiscal year thereafter, the budget shall include one or more
4 line items appropriating moneys to the Department of Human
5 Services to fund participation in the Home-Based Support
6 Services Program for Mentally Disabled Adults under the
7 Developmental Disability and Mental Disability Services Act by
8 persons described in Section 2-17 of that Act.

9 The budget shall contain a capital development section in
10 which the Governor will present (1) information on the capital
11 projects and capital programs for which appropriations are
12 requested, (2) the capital spending plans, which shall document
13 the first and subsequent years cash requirements by fund for
14 the proposed bonded program, and (3) a statement that shall
15 identify by year the principal and interest costs until
16 retirement of the State's general obligation debt. In addition,
17 the principal and interest costs of the budget year program
18 shall be presented separately, to indicate the marginal cost of
19 principal and interest payments necessary to retire the
20 additional bonds needed to finance the budget year's capital
21 program. In 2004 only, the capital development section of the
22 State budget shall be submitted by the Governor not later than
23 the fourth Tuesday of March (March 23, 2004).

24 For the budget year, the current year, and 3 prior fiscal
25 years, the Governor shall also include in the budget estimates
26 of or actual values for the assets and liabilities for General

1 Assembly Retirement System, State Employees' Retirement System
2 of Illinois, State Universities Retirement System, Teachers'
3 Retirement System of the State of Illinois, and Judges
4 Retirement System of Illinois.

5 The budget submitted by the Governor shall contain, in
6 addition, in a separate book, a tabulation of all position and
7 employment titles in each such department, office, and
8 institution, the number of each, and the salaries for each,
9 formulated according to divisions, bureaus, sections, offices,
10 departments, boards, and similar subdivisions, which shall
11 correspond as nearly as practicable to the functions and
12 activities for which the department, office, or institution is
13 responsible.

14 Together with the budget, the Governor shall transmit the
15 estimates of receipts and expenditures, as received by the
16 Director of the Governor's Office of Management and Budget, of
17 the elective officers in the executive and judicial departments
18 and of the University of Illinois.

19 An applicable appropriations committee of each chamber of
20 the General Assembly, for fiscal year 2012 and thereafter, must
21 review individual line item appropriations and the total budget
22 for each State agency, as defined in the Illinois State
23 Auditing Act.

24 (Source: P.A. 93-662, eff. 2-11-04.)

25 (15 ILCS 20/50-25 new)

1 Sec. 50-25. Statewide prioritized goals. For fiscal year
2 2012 and each fiscal year thereafter, prior to the submission
3 of the State budget, the Governor, in consultation with the
4 appropriation committees of the General Assembly, shall: (i)
5 prioritize outcomes that are most important for each State
6 agency of the executive branch under the jurisdiction of the
7 Governor to achieve for the next fiscal year and (ii) set goals
8 to accomplish those outcomes according to the priority of the
9 outcome. In addition, each other constitutional officer of the
10 executive branch, in consultation with the appropriation
11 committees of the General Assembly, shall: (i) prioritize
12 outcomes that are most important for his or her office to
13 achieve for the next fiscal year and (ii) set goals to
14 accomplish those outcomes according to the priority of the
15 outcome. The Governor and each constitutional officer shall
16 separately conduct performance analyses to determine which
17 programs, strategies, and activities will best achieve those
18 desired outcomes. The Governor shall recommend that
19 appropriations be made to State agencies and officers for the
20 next fiscal year based on the agreed upon goals and priorities.
21 Each agency and officer may develop its own strategies for
22 meeting those goals and shall review and analyze those
23 strategies on a regular basis. The Governor shall also
24 implement procedures to measure annual progress toward the
25 State's highest priority outcomes and shall develop a statewide
26 reporting system that compares the actual results with budgeted

1 results. Those performance measures and results shall be posted
2 on the State Comptroller's website, and compiled for
3 distribution in the Comptroller's Public Accountability
4 Report, as is currently the practice on the effective date of
5 this amendatory Act of the 96th General Assembly.

6 Section 25-10. The Governor's Office of Management and
7 Budget Act is amended by changing Section 2.1 as follows:

8 (20 ILCS 3005/2.1) (from Ch. 127, par. 412.1)

9 Sec. 2.1.

10 To assist the Governor in submitting a recommended budget,
11 including estimated receipts and revenue, to the General
12 Assembly, and to consult with the Commission on Government
13 Forecasting and Accountability, at the Commission's request,
14 in compiling a report on the estimated income of the State, as
15 required under Section 4 of the Commission on Government
16 Forecasting and Accountability Act.

17 (Source: P.A. 76-2411.)

18 Section 25-15. The Commission on Government Forecasting
19 and Accountability Act is amended by changing Sections 3 and 4
20 as follows:

21 (25 ILCS 155/3) (from Ch. 63, par. 343)

22 Sec. 3. The Commission shall:

1 (1) Study from time to time and report to the General
2 Assembly on economic development and trends in the State.

3 (2) Make such special economic and fiscal studies as it
4 deems appropriate or desirable or as the General Assembly may
5 request.

6 (3) Based on its studies, recommend such State fiscal and
7 economic policies as it deems appropriate or desirable to
8 improve the functioning of State government and the economy of
9 the various regions within the State.

10 (4) Prepare annually a State economic report.

11 (5) Provide information for all appropriate legislative
12 organizations and personnel on economic trends in relation to
13 long range planning and budgeting.

14 (6) Study and make such recommendations as it deems
15 appropriate to the General Assembly on local and regional
16 economic and fiscal policy and on federal fiscal policy as it
17 may affect Illinois.

18 (7) Review capital expenditures, appropriations and
19 authorizations for both the State's general obligation and
20 revenue bonding authorities. At the direction of the
21 Commission, specific reviews may include economic feasibility
22 reviews of existing or proposed revenue bond projects to
23 determine the accuracy of the original estimate of useful life
24 of the projects, maintenance requirements and ability to meet
25 debt service requirements through their operating expenses.

26 (8) Receive and review all executive agency and revenue

1 bonding authority annual and 3 year plans. The Commission shall
2 prepare a consolidated review of these plans, an updated
3 assessment of current State agency capital plans, a report on
4 the outstanding and unissued bond authorizations, an
5 evaluation of the State's ability to market further bond issues
6 and shall submit them as the "Legislative Capital Plan
7 Analysis" to the House and Senate Appropriations Committees at
8 least once a year. The Commission shall annually submit to the
9 General Assembly on the first Wednesday of April a report on
10 the State's long-term capital needs, with particular emphasis
11 upon and detail of the 5-year period in the immediate future.

12 (9) Study and make recommendations it deems appropriate to
13 the General Assembly on State bond financing, bondability
14 guidelines, and debt management. At the direction of the
15 Commission, specific studies and reviews may take into
16 consideration short and long-run implications of State bonding
17 and debt management policy.

18 (10) Comply with the provisions of the "State Debt Impact
19 Note Act" as now or hereafter amended.

20 (11) Comply with the provisions of the Pension Impact Note
21 Act, as now or hereafter amended.

22 (12) By August 1st of each year, the Commission must
23 prepare and cause to be published a summary report of State
24 appropriations for the State fiscal year beginning the previous
25 July 1st. The summary report must discuss major categories of
26 appropriations, the issues the General Assembly faced in

1 allocating appropriations, comparisons with appropriations for
2 previous State fiscal years, and other matters helpful in
3 providing the citizens of Illinois with an overall
4 understanding of appropriations for that fiscal year. The
5 summary report must be written in plain language and designed
6 for readability. Publication must be in newspapers of general
7 circulation in the various areas of the State to ensure
8 distribution statewide. The summary report must also be
9 published on the General Assembly's web site.

10 (13) Comply with the provisions of the State Facilities
11 Closure Act.

12 (14) For fiscal year 2012 and thereafter, develop a 3-year
13 budget forecast for the State, including opportunities and
14 threats concerning anticipated revenues and expenditures, with
15 an appropriate level of detail.

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

26 (Source: P.A. 92-67, eff. 7-12-01; 93-632, eff. 2-1-04; 93-839,

1 eff. 7-30-04.)

2 (25 ILCS 155/4) (from Ch. 63, par. 344)

3 Sec. 4. (a) The Commission shall publish, at the convening
4 of each regular session of the General Assembly, a report on
5 the estimated income of the State from all applicable revenue
6 sources for the next ensuing fiscal year and of any other funds
7 estimated to be available for such fiscal year. The Commission,
8 in its discretion, may consult with the Governor's Office of
9 Management and Budget in preparing the report. On the third
10 Wednesday in March after the session convenes, the Commission
11 shall issue a revised and updated set of revenue figures
12 reflecting the latest available information. The House and
13 Senate by joint resolution shall adopt or modify such estimates
14 as may be appropriate. The joint resolution shall constitute
15 the General Assembly's estimate, under paragraph (b) of Section
16 2 of Article VIII of the Constitution, of the funds estimated
17 to be available during the next fiscal year.

18 (b) On the third Wednesday in March, the Commission shall
19 issue estimated:

20 (1) pension funding requirements under P.A. 86-273;

21 and

22 (2) liabilities of the State employee group health
23 insurance program.

24 These estimated costs shall be for the fiscal year
25 beginning the following July 1.

1 (c) The requirement for reporting to the General Assembly
2 shall be satisfied by filing copies of the report with the
3 Speaker, the Minority Leader and the Clerk of the House of
4 Representatives and the President, the Minority Leader and the
5 Secretary of the Senate and the Legislative Research unit, as
6 required by Section 3.1 of the General Assembly Organization
7 Act, and filing such additional copies with the State
8 Government Report Distribution Center for the General Assembly
9 as is required under paragraph (t) of Section 7 of the State
10 Library Act.

11 (Source: P.A. 93-632, eff. 2-1-04.)

12 ARTICLE 30. GENERAL ASSEMBLY PER DIEM

13 Section 5. The General Assembly Compensation Act is amended
14 by changing Section 1 as follows:

15 (25 ILCS 115/1) (from Ch. 63, par. 14)

16 Sec. 1. Each member of the General Assembly shall receive
17 an annual salary of \$28,000 or as set by the Compensation
18 Review Board, whichever is greater. The following named
19 officers, committee chairmen and committee minority spokesmen
20 shall receive additional amounts per year for their services as
21 such officers, committee chairmen and committee minority
22 spokesmen respectively, as set by the Compensation Review Board
23 or, as follows, whichever is greater: Beginning the second

1 Wednesday in January 1989, the Speaker and the minority leader
2 of the House of Representatives and the President and the
3 minority leader of the Senate, \$16,000 each; the majority
4 leader in the House of Representatives \$13,500; 6 assistant
5 majority leaders and 5 assistant minority leaders in the
6 Senate, \$12,000 each; 6 assistant majority leaders and 6
7 assistant minority leaders in the House of Representatives,
8 \$10,500 each; 2 Deputy Majority leaders in the House of
9 Representatives \$11,500 each; and 2 Deputy Minority leaders in
10 the House of Representatives, \$11,500 each; the majority caucus
11 chairman and minority caucus chairman in the Senate, \$12,000
12 each; and beginning the second Wednesday in January, 1989, the
13 majority conference chairman and the minority conference
14 chairman in the House of Representatives, \$10,500 each;
15 beginning the second Wednesday in January, 1989, the chairman
16 and minority spokesman of each standing committee of the
17 Senate, except the Rules Committee, the Committee on
18 Committees, and the Committee on Assignment of Bills, \$6,000
19 each; and beginning the second Wednesday in January, 1989, the
20 chairman and minority spokesman of each standing and select
21 committee of the House of Representatives, \$6,000 each. A
22 member who serves in more than one position as an officer,
23 committee chairman, or committee minority spokesman shall
24 receive only one additional amount based on the position paying
25 the highest additional amount. The compensation provided for in
26 this Section to be paid per year to members of the General

1 Assembly, including the additional sums payable per year to
2 officers of the General Assembly shall be paid in 12 equal
3 monthly installments. The first such installment is payable on
4 January 31, 1977. All subsequent equal monthly installments are
5 payable on the last working day of the month. A member who has
6 held office any part of a month is entitled to compensation for
7 an entire month.

8 Mileage shall be paid at the rate of 20 cents per mile
9 before January 9, 1985, and at the mileage allowance rate in
10 effect under regulations promulgated pursuant to 5 U.S.C.
11 5707(b)(2) beginning January 9, 1985, for the number of actual
12 highway miles necessarily and conveniently traveled by the most
13 feasible route to be present upon convening of the sessions of
14 the General Assembly by such member in each and every trip
15 during each session in going to and returning from the seat of
16 government, to be computed by the Comptroller. A member
17 traveling by public transportation for such purposes, however,
18 shall be paid his actual cost of that transportation instead of
19 on the mileage rate if his cost of public transportation
20 exceeds the amount to which he would be entitled on a mileage
21 basis. No member may be paid, whether on a mileage basis or for
22 actual costs of public transportation, for more than one such
23 trip for each week the General Assembly is actually in session.
24 Each member shall also receive an allowance of \$36 per day for
25 lodging and meals while in attendance at sessions of the
26 General Assembly before January 9, 1985; beginning January 9,

1 1985, such food and lodging allowance shall be equal to the
2 amount per day permitted to be deducted for such expenses under
3 the Internal Revenue Code; however, beginning May 31, 1995, no
4 allowance for food and lodging while in attendance at sessions
5 is authorized for periods of time after the last day in May of
6 each calendar year, except (i) if the General Assembly is
7 convened in special session by either the Governor or the
8 presiding officers of both houses, as provided by subsection
9 (b) of Section 5 of Article IV of the Illinois Constitution or
10 (ii) if the General Assembly is convened to consider bills
11 vetoed, item vetoed, reduced, or returned with specific
12 recommendations for change by the Governor as provided in
13 Section 9 of Article IV of the Illinois Constitution.
14 Notwithstanding any other provision, for fiscal year 2011 only
15 (i) the allowance for lodging and meals is \$111 per day and
16 (ii) mileage for automobile travel shall be reimbursed at a
17 rate of \$0.39 per mile.

18 If a member dies having received only a portion of the
19 amount payable as compensation, the unpaid balance shall be
20 paid to the surviving spouse of such member, or, if there be
21 none, to the estate of such member.

22 (Source: P.A. 89-405, eff. 11-8-95.)

23 ARTICLE 35. FY11 COLAS

24 Section 35-5. The Compensation Review Act is amended by

1 changing Section 5.6 and by adding Section 5.7 as follows:

2 (25 ILCS 120/5.6)

3 Sec. 5.6. FY10 COLA's prohibited. Notwithstanding any
4 former or current provision of this Act, any other law, any
5 report of the Compensation Review Board, or any resolution of
6 the General Assembly to the contrary, members of the General
7 Assembly, State's attorneys, other than the county supplement,
8 the elected constitutional officers of State government, and
9 certain appointed officers of State government, including
10 members of State departments, agencies, boards, and
11 commissions whose annual compensation was recommended or
12 determined by the Compensation Review Board, are prohibited
13 from receiving and shall not receive any increase in
14 compensation that would otherwise apply based on a cost of
15 living adjustment, as authorized by Senate Joint Resolution 192
16 of the 86th General Assembly, for or during the fiscal year
17 beginning July 1, 2009. ~~That cost of living adjustment shall~~
18 ~~apply again in the fiscal year beginning July 1, 2010 and~~
19 ~~thereafter.~~

20 (Source: P.A. 96-800, eff. 10-30-09.)

21 (25 ILCS 120/5.7 new)

22 Sec. 5.7. FY11 COLA's prohibited. Notwithstanding any
23 former or current provision of this Act, any other law, any
24 report of the Compensation Review Board, or any resolution of

1 the General Assembly to the contrary, members of the General
2 Assembly, State's attorneys, other than the county supplement,
3 elected executive branch constitutional officers of State
4 government, and persons in certain appointed offices of State
5 government, including the membership of State departments,
6 agencies, boards, and commissions, whose annual compensation
7 previously was recommended or determined by the Compensation
8 Review Board, are prohibited from receiving and shall not
9 receive any increase in compensation that would otherwise apply
10 based on a cost of living adjustment, as authorized by Senate
11 Joint Resolution 192 of the 86th General Assembly, for or
12 during the fiscal year beginning July 1, 2010. That cost of
13 living adjustment shall apply again in the fiscal year
14 beginning July 1, 2011 and thereafter.

15 ARTICLE 97. SEVERABILITY

16 Section 97-1. Severability. The provisions of this Act are
17 severable under Section 1.31 of the Statute on Statutes.

18 ARTICLE 99. EFFECTIVE DATE

19 Section 99-1. Effective date. This Act takes effect upon
20 becoming law.