



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5752

by Rep. Michael W. Tryon

SYNOPSIS AS INTRODUCED:

70 ILCS 3615/4.01

from Ch. 111 2/3, par. 704.01

Amends the Regional Transportation Authority Act. Requires each Service Board to furnish to the Board access to its financial information systems and other documents, papers or records that the Board may from time to time require, including, but not limited to, audits and draft reports. Provides that the Board may examine the financial information systems and other documents, papers, or records, and the Service Board shall comply with any such request made by the Board within 30 days or an extended time provided by the Board.

LRB098 20227 JLK 55578 b

1 AN ACT concerning local government.

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

4 Section 5. The Regional Transportation Authority Act is
5 amended by changing Section 4.01 as follows:

6 (70 ILCS 3615/4.01) (from Ch. 111 2/3, par. 704.01)
7 Sec. 4.01. Budget and Program.

8 (a) The Board shall control the finances of the Authority.
9 It shall by ordinance adopted by the affirmative vote of at
10 least 12 of its then Directors (i) appropriate money to perform
11 the Authority's purposes and provide for payment of debts and
12 expenses of the Authority, (ii) take action with respect to the
13 budget and two-year financial plan of each Service Board, as
14 provided in Section 4.11, and (iii) adopt an Annual Budget and
15 Two-Year Financial Plan for the Authority that includes the
16 annual budget and two-year financial plan of each Service Board
17 that has been approved by the Authority. The Annual Budget and
18 Two-Year Financial Plan shall contain a statement of the funds
19 estimated to be on hand for the Authority and each Service
20 Board at the beginning of the fiscal year, the funds estimated
21 to be received from all sources for such year, the estimated
22 expenses and obligations of the Authority and each Service
23 Board for all purposes, including expenses for contributions to

1 be made with respect to pension and other employee benefits,
2 and the funds estimated to be on hand at the end of such year.
3 The fiscal year of the Authority and each Service Board shall
4 begin on January 1st and end on the succeeding December 31st.
5 By July 1st of each year the Director of the Illinois
6 Governor's Office of Management and Budget (formerly Bureau of
7 the Budget) shall submit to the Authority an estimate of
8 revenues for the next fiscal year of the Authority to be
9 collected from the taxes imposed by the Authority and the
10 amounts to be available in the Public Transportation Fund and
11 the Regional Transportation Authority Occupation and Use Tax
12 Replacement Fund and the amounts otherwise to be appropriated
13 by the State to the Authority for its purposes. The Authority
14 shall file a copy of its Annual Budget and Two-Year Financial
15 Plan with the General Assembly and the Governor after its
16 adoption. Before the proposed Annual Budget and Two-Year
17 Financial Plan is adopted, the Authority shall hold at least
18 one public hearing thereon in the metropolitan region, and
19 shall meet with the county board or its designee of each of the
20 several counties in the metropolitan region. After conducting
21 such hearings and holding such meetings and after making such
22 changes in the proposed Annual Budget and Two-Year Financial
23 Plan as the Board deems appropriate, the Board shall adopt its
24 annual appropriation and Annual Budget and Two-Year Financial
25 Plan ordinance. The ordinance may be adopted only upon the
26 affirmative votes of 12 of its then Directors. The ordinance

1 shall appropriate such sums of money as are deemed necessary to
2 defray all necessary expenses and obligations of the Authority,
3 specifying purposes and the objects or programs for which
4 appropriations are made and the amount appropriated for each
5 object or program. Additional appropriations, transfers
6 between items and other changes in such ordinance may be made
7 from time to time by the Board upon the affirmative votes of 12
8 of its then Directors.

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

16 The Annual Budget and Two-Year Financial Plan must show:

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

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

1 passenger security including grants, contracts, personnel,
2 equipment and administrative expenses, except in the case
3 of the Chicago Transit Authority, in which case the term
4 does not include costs spent annually by that entity for
5 protection against crime as required by Section 27a of the
6 Metropolitan Transit Authority Act; the payment by the
7 Chicago Transit Authority of Debt Service, as defined in
8 Section 12c of the Metropolitan Transit Authority Act, on
9 bonds or notes issued pursuant to that Section; the payment
10 by the Commuter Rail Division of debt service on bonds
11 issued pursuant to Section 3B.09; expenses incurred by the
12 Suburban Bus Division for the cost of new public
13 transportation services funded from grants pursuant to
14 Section 2.01e of this amendatory Act of the 95th General
15 Assembly for a period of 2 years from the date of
16 initiation of each such service; costs as exempted by the
17 Board for projects pursuant to Section 2.09 of this Act;
18 or, beginning with the 2007 fiscal year, expenses related
19 to providing ADA paratransit service pursuant to Section
20 2.30 of the Regional Transportation Authority Act; and in
21 fiscal years 2008 through 2012 inclusive, costs in the
22 amount of \$200,000,000 in fiscal year 2008, reducing by
23 \$40,000,000 in each fiscal year thereafter until this
24 exemption is eliminated; and

25 (ii) that the level of fares charged for ADA
26 paratransit services is sufficient to cause the aggregate

1 of all projected revenues from such fares charged and
2 received in each fiscal year to equal at least 10% of the
3 aggregate costs of providing such ADA paratransit
4 services. For purposes of this Act, the percentages in this
5 subsection (b)(ii) shall be referred to as the "system
6 generated ADA paratransit services revenue recovery
7 ratio". For purposes of the system generated ADA
8 paratransit services revenue recovery ratio, "costs" shall
9 include all items properly included as operating costs
10 consistent with generally accepted accounting principles.
11 However, the Board may exclude from costs an amount that
12 does not exceed the allowable "capital costs of
13 contracting" for ADA paratransit services pursuant to the
14 Federal Transit Administration guidelines for the
15 Urbanized Area Formula Program.

16 (c) The actual administrative expenses of the Authority for
17 the fiscal year commencing January 1, 1985 may not exceed
18 \$5,000,000. The actual administrative expenses of the
19 Authority for the fiscal year commencing January 1, 1986, and
20 for each fiscal year thereafter shall not exceed the maximum
21 administrative expenses for the previous fiscal year plus 5%.
22 "Administrative expenses" are defined for purposes of this
23 Section as all expenses except: (1) capital expenses and
24 purchases of the Authority on behalf of the Service Boards; (2)
25 payments to Service Boards; and (3) payment of principal and
26 interest on bonds, notes or other evidence of obligation for

1 borrowed money issued by the Authority; (4) costs for passenger
2 security including grants, contracts, personnel, equipment and
3 administrative expenses; (5) payments with respect to public
4 transportation facilities made pursuant to subsection (b) of
5 Section 2.20 of this Act; and (6) any payments with respect to
6 rate protection contracts, credit enhancements or liquidity
7 agreements made pursuant to Section 4.14.

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

1 Replacement Fund from the County and Mass Transit District Fund
2 attributable to retail sales within Cook County outside of the
3 city of Chicago shall be allocated 30% to the Chicago Transit
4 Authority, 55% to the Commuter Rail Board and 15% to the
5 Suburban Bus Board; and (3) an amount equal to 85% of the
6 proceeds of the taxes collected within the Counties of DuPage,
7 Kane, Lake, McHenry and Will shall be allocated 70% to the
8 Commuter Rail Board and 30% to the Suburban Bus Board.

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

1 to the total amount distributed to all of the Service Boards
2 pursuant to subsection (d) of Section 4.01 for the immediately
3 preceding calendar year.

4 (f) To carry out its duties and responsibilities under this
5 Act, the Board shall employ staff which shall: (1) propose for
6 adoption by the Board of the Authority rules for the Service
7 Boards that establish (i) forms and schedules to be used and
8 information required to be provided with respect to a five-year
9 capital program, annual budgets, and two-year financial plans
10 and regular reporting of actual results against adopted budgets
11 and financial plans, (ii) financial practices to be followed in
12 the budgeting and expenditure of public funds, (iii)
13 assumptions and projections that must be followed in preparing
14 and submitting its annual budget and two-year financial plan or
15 a five-year capital program; (2) evaluate for the Board public
16 transportation programs operated or proposed by the Service
17 Boards and transportation agencies in terms of the goals and
18 objectives set out in the Strategic Plan; (3) keep the Board
19 and the public informed of the extent to which the Service
20 Boards and transportation agencies are meeting the goals and
21 objectives adopted by the Authority in the Strategic Plan; and
22 (4) assess the efficiency or adequacy of public transportation
23 services provided by a Service Board and make recommendations
24 for change in that service to the end that the moneys available
25 to the Authority may be expended in the most economical manner
26 possible with the least possible duplication.

1 (g) All Service Boards, transportation agencies,
2 comprehensive planning agencies, including the Chicago
3 Metropolitan Agency for Planning, or transportation planning
4 agencies in the metropolitan region shall furnish to the
5 Authority such information pertaining to public transportation
6 or relevant for plans therefor as it may from time to time
7 require. The Executive Director, or his or her designee, shall,
8 for the purpose of securing any such information necessary or
9 appropriate to carry out any of the powers and responsibilities
10 of the Authority under this Act, have access to, and the right
11 to examine, all books, documents, papers or records of a
12 Service Board or any transportation agency receiving funds from
13 the Authority or Service Board, and such Service Board or
14 transportation agency shall comply with any request by the
15 Executive Director, or his or her designee, within 30 days or
16 an extended time provided by the Executive Director.

17 (h) No Service Board shall undertake any capital
18 improvement which is not identified in the Five-Year Capital
19 Program.

20 (i) Each Service Board shall furnish to the Board access to
21 its financial information systems and other documents, papers
22 or records that the Board may from time to time require,
23 including, but not limited to, audits and draft reports. The
24 Board may examine the financial information systems and other
25 documents, papers, or records, and the Service Board shall
26 comply with any request made by the Board under this subsection

1 (i) within 30 days or an extended time provided by the Board.

2 (Source: P.A. 94-370, eff. 7-29-05; 95-708, eff. 1-18-08;

3 95-906, eff. 8-26-08.)