



## 99TH GENERAL ASSEMBLY

### State of Illinois

### 2015 and 2016

### HB3127

by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

30 ILCS 740/2-2.02	from Ch. 111 2/3, par. 662.02
30 ILCS 740/2-2.04	from Ch. 111 2/3, par. 662.04
30 ILCS 740/2-14	from Ch. 111 2/3, par. 674
30 ILCS 740/2-15	from Ch. 111 2/3, par. 675.1
30 ILCS 740/3-1.02	from Ch. 111 2/3, par. 683

Amends the Downstate Public Transportation Act. Changes the definition of "participant" and "eligible operating expenses". Removes provisions concerning eligible operating expenses with respect to participants other than any Metro East Transit district participant and those receiving federal research development funds. Provides that any procurement by a participant on a project for which the participant will be requesting operating reimbursement of the debt service shall not be subject to the Department's procurement process, but shall be subject to a locally-approved procurement process. Effective immediately.

LRB099 08394 SXM 28546 b

1 AN ACT concerning finance.

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

4 Section 5. The Downstate Public Transportation Act is  
5 amended by changing Sections 2-2.02, 2-2.04, 2-14, 2-15, and  
6 3-1.02 as follows:

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

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

9 (1) a city, village, or incorporated town, a county, a  
10 county acting as the primary participant on behalf of entities  
11 bound by an intergovernmental agreement or a local mass transit  
12 district organized under the Local Mass Transit District Act  
13 (a) serving an urbanized area of over 50,000 population or (b)  
14 serving a nonurbanized area; or

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

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

22 (30 ILCS 740/2-2.04) (from Ch. 111 2/3, par. 662.04)

1           Sec. 2-2.04. "Eligible operating expenses" means all  
2 expenses required for public transportation, including  
3 employee wages and benefits, materials, fuels, supplies,  
4 rental of facilities, taxes other than income taxes, any  
5 payment made for debt service (including principal and  
6 interest) by all participants on publicly owned equipment or  
7 facilities, payment made to the Illinois municipal Retirement  
8 Fund on unfunded pension liability, and any other expenditure  
9 which is an operating expense according to standard accounting  
10 practices for the providing of public transportation. Eligible  
11 operating expenses shall not include allowances: (a) for  
12 depreciation whether funded or unfunded; (b) for amortization  
13 of any intangible costs; (c) for debt service on capital  
14 acquired with the assistance of capital grant funds provided by  
15 the State of Illinois; (d) for profits or return on investment;  
16 (e) for excessive payment to associated entities; (f) for  
17 Comprehensive Employment Training Act expenses; (g) (blank);  
18 ~~for costs reimbursed under Sections 6 and 8 of the "Urban Mass~~  
19 ~~Transportation Act of 1964", as amended;~~ (h) for entertainment  
20 expenses; (i) for charter expenses; (j) for fines and  
21 penalties; (k) for charitable donations; (l) for interest  
22 expense on long term borrowing and debt retirement other than  
23 on publicly owned equipment or facilities; (m) for income  
24 taxes; or (n) for such other expenses as the Department may  
25 determine consistent with federal Department of Transportation  
26 regulations or requirements. In consultation with

1 participants, the Department shall, by October 2008,  
2 promulgate or update rules, pursuant to the Illinois  
3 Administrative Procedure Act, concerning eligible expenses to  
4 ensure consistent application of the Act, and the Department  
5 shall provide written copies of those rules to all eligible  
6 recipients. The Department shall review this process in the  
7 same manner no less frequently than every 5 years.

8 ~~With respect to participants other than any Metro East~~  
9 ~~Transit District participant and those receiving federal~~  
10 ~~research development and demonstration funds pursuant to~~  
11 ~~Section 6 of the "Urban Mass Transportation Act of 1964", as~~  
12 ~~amended, during the fiscal year ending June 30, 1979, the~~  
13 ~~maximum eligible operating expenses for any such participant in~~  
14 ~~any fiscal year after Fiscal Year 1980 shall be the amount~~  
15 ~~appropriated for such participant for the fiscal year ending~~  
16 ~~June 30, 1980, plus in each year a 10% increase over the~~  
17 ~~maximum established for the preceding fiscal year. For Fiscal~~  
18 ~~Year 1980 the maximum eligible operating expenses for any such~~  
19 ~~participant shall be the amount of projected operating expenses~~  
20 ~~upon which the appropriation for such participant for Fiscal~~  
21 ~~Year 1980 is based.~~

22 ~~With respect to participants receiving federal research~~  
23 ~~development and demonstration operating assistance funds for~~  
24 ~~operating assistance pursuant to Section 6 of the "Urban Mass~~  
25 ~~Transportation Act of 1964", as amended, during the fiscal year~~  
26 ~~ending June 30, 1979, the maximum eligible operating expenses~~

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

11 With respect to all participants ~~other than any Metro East~~  
12 ~~Transit District participant,~~ the maximum eligible operating  
13 expenses for any such participant in any fiscal year after  
14 Fiscal Year 1985 (except Fiscal Year 2008 and Fiscal Year 2009)  
15 shall be the amount appropriated for such participant for the  
16 fiscal year ending June 30, 1985, plus in each year a 10%  
17 increase over the maximum established for the preceding year.  
18 For Fiscal Year 1985, the maximum eligible operating expenses  
19 for any such participant shall be the amount of projected  
20 operating expenses upon which the appropriation for such  
21 participant for Fiscal Year 1985 is based.

22 With respect to any mass transit district participant that  
23 has increased its district boundaries by annexing counties  
24 since 1998 and is maintaining a level of local financial  
25 support, including all income and revenues, equal to or greater  
26 than the level in the State fiscal year ending June 30, 2001,

1 the maximum eligible operating expenses for any State fiscal  
2 year after 2002 (except State fiscal years 2006 through 2009)  
3 shall be the amount appropriated for that participant for the  
4 State fiscal year ending June 30, 2002, plus, in each State  
5 fiscal year, a 10% increase over the preceding State fiscal  
6 year. For State fiscal year 2002, the maximum eligible  
7 operating expenses for any such participant shall be the amount  
8 of projected operating expenses upon which the appropriation  
9 for that participant for State fiscal year 2002 is based. For  
10 that participant, eligible operating expenses for State fiscal  
11 year 2002 in excess of the eligible operating expenses for the  
12 State fiscal year ending June 30, 2001, plus 10%, must be  
13 attributed to the provision of services in the newly annexed  
14 counties.

15 With respect to a participant that receives an initial  
16 appropriation in State fiscal year 2002 or thereafter, the  
17 maximum eligible operating expenses for any State fiscal year  
18 after 2003 (except State fiscal years 2006 through 2009) shall  
19 be the amount appropriated for that participant for the State  
20 fiscal year in which it received its initial appropriation,  
21 plus, in each year, a 10% increase over the preceding year. For  
22 the initial State fiscal year in which a participant received  
23 an appropriation, the maximum eligible operating expenses for  
24 any such participant shall be the amount of projected operating  
25 expenses upon which the appropriation for that participant for  
26 that State fiscal year is based.

1 With respect to the District serving primarily the counties  
2 of Monroe and St. Clair, beginning July 1, 2005, the St. Clair  
3 County Transit District shall no longer be included for new  
4 appropriation funding purposes as part of the Metro-East Public  
5 Transportation Fund and instead shall be included for new  
6 appropriation funding purposes as part of the Downstate Public  
7 Transportation Fund; provided, however, that nothing herein  
8 shall alter the eligibility of that District for previously  
9 appropriated funds to which it would otherwise be entitled.

10 With respect to the District serving primarily Madison  
11 County, beginning July 1, 2008, the Madison County Transit  
12 District shall no longer be included for new appropriation  
13 funding purposes as part of the Metro-East Public  
14 Transportation Fund and instead shall be included for new  
15 appropriation funding purposes as part of the Downstate Public  
16 Transportation Fund; provided, however, that nothing herein  
17 shall alter the eligibility of that District for previously  
18 appropriated funds to which it would otherwise be entitled.

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

1 County.

2 (Source: P.A. 94-70, eff. 6-22-05; 95-708, eff. 1-18-08.)

3 (30 ILCS 740/2-14) (from Ch. 111 2/3, par. 674)

4 Sec. 2-14. Grants. (a) Upon a determination by the  
5 Department that any initial or amended program of proposed  
6 expenditures is in compliance with the provisions of this Act,  
7 and upon approval thereof, the Department shall enter into one  
8 or more grant agreements with and shall make grants to that  
9 participant as necessary to implement the adopted program of  
10 expenditures.

11 (b) All grants by the Department pursuant to this Act shall  
12 be administered upon such conditions as the Secretary of  
13 Transportation shall determine, consistent with the provisions  
14 and purpose of this Act.

15 (c) Any procurement by a participant on a project for which  
16 the participant will be requesting operating reimbursement of  
17 the debt service pursuant to this Act, shall not be subject to  
18 the Department's procurement process, but shall be subject to a  
19 locally-approved procurement process that complies with all  
20 federal procurement standards.

21 (Source: P.A. 82-783.)

22 (30 ILCS 740/2-15) (from Ch. 111 2/3, par. 675.1)

23 Sec. 2-15. Residual fund balance.

24 (a) Except as otherwise provided in this Section, all funds



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

23 (b) Notwithstanding any other provision of law, in addition  
24 to any other transfers that may be provided by law, on July 1,  
25 2011, or as soon thereafter as practical, the State Comptroller  
26 shall direct and the State Treasurer shall transfer the

1 remaining balance from the Metro East Public Transportation  
2 Fund into the General Revenue Fund. Upon completion of the  
3 transfers, the Metro East Public Transportation Fund is  
4 dissolved, and any future deposits due to that Fund and any  
5 outstanding obligations or liabilities of that Fund pass to the  
6 General Revenue Fund.

7 (Source: P.A. 97-72, eff. 7-1-11.)

8 (30 ILCS 740/3-1.02) (from Ch. 111 2/3, par. 683)

9 Sec. 3-1.02. "Participant" means any county or county  
10 acting as the primary participant on behalf of entities bound  
11 by an intergovernmental agreement located outside the  
12 boundaries of the Regional Transportation Authority as  
13 established under the Regional Transportation Authority Act  
14 and outside the Bi-State Metropolitan Development District  
15 established under an Act approved July 26, 1949, except that  
16 beginning, July 1, 1987 the counties within the boundaries of  
17 the Bi-State Metropolitan Development District may be eligible  
18 for capital assistance only, or within such county any  
19 municipality with 20,000 or more population that is not  
20 included in an urbanized area or the boundaries of a local mass  
21 transit district; or within such county any municipality with  
22 20,000 or less population receiving State mass transportation  
23 operating assistance under the Downstate Public Transportation  
24 Act during Fiscal Year 1979; or within such county or counties  
25 a local mass transit district organized under the local Mass

1 Transit District Act which is not included in an urbanized area  
2 or the boundaries of a local mass transit district which  
3 includes an urbanized area; provided, however, that no such  
4 entity shall be eligible to participate unless it agrees to  
5 adhere to the regulations and requirements of the Secretary of  
6 Transportation of the federal Department of Transportation  
7 affecting Section 18 assistance or any other conditions as  
8 deemed reasonable and necessary by the Illinois Department of  
9 Transportation.

10 (Source: P.A. 87-1235.)

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