



SENATE JOURNAL

STATE OF ILLINOIS

**ONE HUNDRED FIRST GENERAL
ASSEMBLY**

59TH LEGISLATIVE DAY

TUESDAY, OCTOBER 29, 2019

12:17 O'CLOCK P.M.

SENATE
Daily Journal Index
59th Legislative Day

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The Senate met pursuant to adjournment.
Senator Antonio Muñoz, Chicago, Illinois, presiding.
Prayer by Pastor Scott Marsh, Maroa Christian Church, Maroa, Illinois.
Senator Cunningham led the Senate in the Pledge of Allegiance.

Senator Hunter moved that reading and approval of the Journal of Monday, October 28, 2019, be postponed, pending arrival of the printed Journal.
The motion prevailed.

REPORT RECEIVED

The Secretary placed before the Senate the following report:

Operating Results of MPEA for September 2019, submitted by the Metropolitan Pier and Exposition Authority.

The foregoing report was ordered received and placed on file in the Secretary's Office.

LEGISLATIVE MEASURE FILED

The following Floor amendment to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Amendment No. 1 to Senate Bill 460

MESSAGE FROM THE PRESIDENT

**OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS**

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

October 29, 2019

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 3-2(c), I hereby appoint Senator David Koehler to temporarily replace Senator Martin Sandoval as a member of the Senate Executive Committee. This appointment is effective immediately and will automatically expire upon adjournment of the Senate Executive Committee.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader William Brady

PRESENTATION OF RESOLUTIONS

[October 29, 2019]

SENATE RESOLUTION NO. 751

Offered by Senator Hastings and all Senators:
Mourns the death of Jennifer Artis.

SENATE RESOLUTION NO. 752

Offered by Senator Hastings and all Senators:
Mourns the death of Joan Diane Alsberry.

SENATE RESOLUTION NO. 753

Offered by Senator Brady and all Senators:
Mourns the death of George B. Krug of Burr Ridge.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

REPORTS FROM STANDING COMMITTEES

Senator Bertino-Tarrant, Vice-Chairperson of the Committee on Licensed Activities, to which was referred the following Senate floor amendments, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 558
Senate Amendment No. 1 to Senate Bill 718

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Hastings, Chairperson of the Committee on Executive, to which was referred the following Senate floor amendment, reported that the Committee recommends do adopt:

Senate Amendment No. 1 to Senate Bill 639

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

INTRODUCTION OF BILLS

SENATE BILL NO. 2293. Introduced by Senator Tracy, a bill for AN ACT concerning State government.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

SENATE BILL NO. 2294. Introduced by Senator Hastings, a bill for AN ACT concerning employment.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

MOTION IN WRITING

Senator Rezin submitted the following Motion in Writing:

I move that Senate Bill 2026 do pass, notwithstanding the veto of the Governor.

10/28/19
DATE

s/Sue Rezin
SENATOR

[October 29, 2019]

The foregoing Motion in Writing was filed with the Secretary and ordered placed on the Senate Calendar.

At the hour of 12:30 o'clock p.m., the Chair announced that the Senate stands at ease.

AT EASE

At the hour of 12:39 o'clock p.m., the Senate resumed consideration of business.
Senator Koehler, presiding.

MESSAGE FROM THE PRESIDENT

**OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS**

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

October 29, 2019

Mr. Tim Anderson
Secretary of the Senate
Room 403 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to the provisions of Senate Rule 2-10, I hereby extend the 3rd reading deadline to November 14, 2019, for the following bill:

HB 2957

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Republican Leader William E. Brady

REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Lightford, Chairperson of the Committee on Assignments, during its October 29, 2019 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Education: **Floor Amendment No. 1 to Senate Bill 460.**

Public Health: **House Bill 3840.**

Senator Lightford, Chairperson of the Committee on Assignments, during its October 29, 2019 meeting, to which was referred **House Bill No. 2957** on May 31, 2019, pursuant to Rule 3-9(a), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

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And **House Bill No. 2957** was returned to the order of third reading.

Senator Lightford, Chairperson of the Committee on Assignments, during its October 29, 2019 meeting, reported that the following Legislative Measure has been approved for consideration:

Senate Resolution No. 728

The foregoing resolution was placed on the Secretary's Desk.

At the hour of 12:48 o'clock p.m., Senator Muñoz, presiding.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A SECOND TIME

On motion of Senator Rezin, **House Bill No. 3608** having been printed, was taken up and read by title a second time.

Senator Rezin offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO HOUSE BILL 3608

AMENDMENT NO. 1. Amend House Bill 3608 by replacing everything after the enacting clause with the following:

"Section 5. The Use Tax Act is amended by changing Section 3-50 as follows:
(35 ILCS 105/3-50) (from Ch. 120, par. 439.3-50)

Sec. 3-50. Manufacturing and assembly exemption. The manufacturing and assembling machinery and equipment exemption includes machinery and equipment that replaces machinery and equipment in an existing manufacturing facility as well as machinery and equipment that are for use in an expanded or new manufacturing facility. The machinery and equipment exemption also includes machinery and equipment used in the general maintenance or repair of exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. Beginning on July 1, 2017, the manufacturing and assembling machinery and equipment exemption also includes graphic arts machinery and equipment, as defined in paragraph (6) of Section 3-5. The machinery and equipment exemption does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of this amendatory Act of the 98th General Assembly are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of this exemption, terms have the following meanings:

(1) "Manufacturing process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by a procedure commonly regarded as manufacturing, processing, fabricating, or refining that changes some existing material into a material with a different form, use, or name. In relation to a recognized integrated business composed of a series of operations that collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process commences with the first operation or stage of production in the series and does not end until the completion of the final product in the last operation or stage of production in the series. For purposes of this exemption, photoprocessing is a manufacturing process of tangible personal property for wholesale or retail sale.

(2) "Assembling process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling that results in an article or material of a different form, use, or name.

(3) "Machinery" means major mechanical machines or major components of those machines contributing to a manufacturing or assembling process.

(4) "Equipment" includes an independent device or tool separate from machinery but

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essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; any subunit or assembly comprising a component of any machinery or auxiliary, adjunct, or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns, and molds; and any parts that require periodic replacement in the course of normal operation; but does not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease.

(5) "Production related tangible personal property" means all tangible personal property that is used or consumed by the purchaser in a manufacturing facility in which a manufacturing process takes place and includes, without limitation, tangible personal property that is purchased for incorporation into real estate within a manufacturing facility, supplies and consumables used in a manufacturing facility including fuels, coolants, solvents, oils, lubricants, and adhesives, hand tools, protective apparel, and fire and safety equipment used or consumed within a manufacturing facility, and tangible personal property that is used or consumed in activities such as research and development, preproduction material handling, receiving, quality control, inventory control, storage, staging, and packaging for shipping and transportation purposes. "Production related tangible personal property" does not include (i) tangible personal property that is used, within or without a manufacturing facility, in sales, purchasing, accounting, fiscal management, marketing, personnel recruitment or selection, or landscaping or (ii) tangible personal property that is required to be titled or registered with a department, agency, or unit of federal, State, or local government.

The manufacturing and assembling machinery and equipment exemption includes production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008 and on or after July 1, 2019. The exemption for production related tangible personal property purchased on or after July 1, 2007 and on or before June 30, 2008 is subject to both of the following limitations:

(1) The maximum amount of the exemption for any one taxpayer may not exceed 5% of the purchase price of production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008. A credit under Section 3-85 of this Act may not be earned by the purchase of production related tangible personal property for which an exemption is received under this Section.

(2) The maximum aggregate amount of the exemptions for production related tangible personal property purchased on or after July 1, 2007 and on or before June 30, 2008 awarded under this Act and the Retailers' Occupation Tax Act to all taxpayers may not exceed \$10,000,000. If the claims for the exemption exceed \$10,000,000, then the Department shall reduce the amount of the exemption to each taxpayer on a pro rata basis.

The Department shall adopt rules to implement and administer the exemption for production related tangible personal property.

The manufacturing and assembling machinery and equipment exemption includes the sale of materials to a purchaser who produces exempted types of machinery, equipment, or tools and who rents or leases that machinery, equipment, or tools to a manufacturer of tangible personal property. This exemption also includes the sale of materials to a purchaser who manufactures those materials into an exempted type of machinery, equipment, or tools that the purchaser uses himself or herself in the manufacturing of tangible personal property. This exemption includes the sale of exempted types of machinery or equipment to a purchaser who is not the manufacturer, but who rents or leases the use of the property to a manufacturer. The purchaser of the machinery and equipment who has an active resale registration number shall furnish that number to the seller at the time of purchase. A purchaser user of the machinery, equipment, or tools without an active resale registration number shall prepare a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, and that certificate shall be available to the Department for inspection or audit. The Department shall prescribe the form of the certificate. Informal rulings, opinions, or letters issued by the Department in response to an inquiry or request for an opinion from any person regarding the coverage and applicability of this exemption to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion, or letter contains trade secrets or other confidential information, where possible, the Department shall delete that information before publication. Whenever informal rulings, opinions, or letters contain a policy of general applicability, the Department shall formulate and adopt that policy as a rule in accordance with the Illinois Administrative Procedure Act.

The manufacturing and assembling machinery and equipment exemption is exempt from the provisions of Section 3-90.

(Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19.)

Section 10. The Service Use Tax Act is amended by changing Section 2 as follows:
(35 ILCS 110/2) (from Ch. 120, par. 439.32)

Sec. 2. Definitions. In this Act:

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, but does not include the sale or use for demonstration by him of that property in any form as tangible personal property in the regular course of business. "Use" does not mean the interim use of tangible personal property nor the physical incorporation of tangible personal property, as an ingredient or constituent, into other tangible personal property, (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois.

"Purchased from a serviceman" means the acquisition of the ownership of, or title to, tangible personal property through a sale of service.

"Purchaser" means any person who, through a sale of service, acquires the ownership of, or title to, any tangible personal property.

"Cost price" means the consideration paid by the serviceman for a purchase valued in money, whether paid in money or otherwise, including cash, credits and services, and shall be determined without any deduction on account of the supplier's cost of the property sold or on account of any other expense incurred by the supplier. When a serviceman contracts out part or all of the services required in his sale of service, it shall be presumed that the cost price to the serviceman of the property transferred to him or her by his or her subcontractor is equal to 50% of the subcontractor's charges to the serviceman in the absence of proof of the consideration paid by the subcontractor for the purchase of such property.

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits and service, and shall be determined without any deduction on account of the serviceman's cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, limited liability company, and any receiver, executor, trustee, guardian or other representative appointed by order of any court.

"Sale of service" means any transaction except:

(1) a retail sale of tangible personal property taxable under the Retailers' Occupation Tax Act or under the Use Tax Act.

(2) a sale of tangible personal property for the purpose of resale made in compliance with Section 2c of the Retailers' Occupation Tax Act.

(3) except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body, or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes.

(4) (blank).

(4a) a sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors, or shippers of tangible personal property which is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce so long as so used by interstate carriers for hire, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(4a-5) on and after July 1, 2003 and through June 30, 2004, a sale or transfer of a motor vehicle of the second division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section

3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(5) a sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Use Tax or Service Occupation Tax, rather than Use Tax or Retailers' Occupation Tax. The exemption provided by this paragraph (5) includes production related tangible personal property, as defined in Section 3-50 of the Use Tax Act, purchased on or after July 1, 2019. The exemption provided by this paragraph (5) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. The exemption under this paragraph (5) is exempt from the provisions of Section 3-75.

(5a) the repairing, reconditioning or remodeling, for a common carrier by rail, of tangible personal property which belongs to such carrier for hire, and as to which such carrier receives the physical possession of the repaired, reconditioned or remodeled item of tangible personal property in Illinois, and which such carrier transports, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the person who repaired, reconditioned or remodeled the property to a destination outside Illinois, for use outside Illinois.

(5b) a sale or transfer of tangible personal property which is produced by the seller thereof on special order in such a way as to have made the applicable tax the Service Occupation Tax or the Service Use Tax, rather than the Retailers' Occupation Tax or the Use Tax, for an interstate carrier by rail which receives the physical possession of such property in Illinois, and which transports such property, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(6) until July 1, 2003, a sale or transfer of distillation machinery and equipment, sold as a unit or kit and assembled or installed by the retailer, which machinery and equipment is certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of such user and not subject to sale or resale.

(7) at the election of any serviceman not required to be otherwise registered as a retailer under Section 2a of the Retailers' Occupation Tax Act, made for each fiscal year sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35%, or 75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production, of the aggregate annual total gross receipts from all sales of service. The purchase of such tangible personal property by the serviceman shall be subject to tax under the Retailers' Occupation Tax Act and the Use Tax Act. However, if a primary serviceman who has made the election described in this paragraph subcontracts service work to a secondary serviceman who has also made the election described in this paragraph, the primary serviceman does not incur a Use Tax liability if the secondary serviceman (i) has paid or will pay Use Tax on his or her cost price of any tangible personal property transferred to the primary serviceman and (ii) certifies that fact in writing to the primary serviceman.

Tangible personal property transferred incident to the completion of a maintenance agreement is exempt from the tax imposed pursuant to this Act.

Exemption (5) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. On and after July 1, 2017, exemption (5) also includes graphic arts machinery and equipment, as defined in paragraph (5) of Section 3-5. The machinery and equipment exemption does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes,

pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of exemption (5), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further, for purposes of exemption (5), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process; and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The purchaser user of such machinery and equipment and tools without an active resale registration number shall prepare a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, which certificate shall be available to the Department for inspection or audit. The Department shall prescribe the form of the certificate.

Any informal rulings, opinions or letters issued by the Department in response to an inquiry or request for any opinion from any person regarding the coverage and applicability of exemption (5) to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion or letter contains trade secrets or other confidential information, where possible the Department shall delete such information prior to publication. Whenever such informal rulings, opinions, or letters contain any policy of general applicability, the Department shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act.

On and after July 1, 1987, no entity otherwise eligible under exemption (3) of this Section shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of service or of tangible personal property within the meaning of this Act.

"Serviceman" means any person who is engaged in the occupation of making sales of service.

"Sale at retail" means "sale at retail" as defined in the Retailers' Occupation Tax Act.

"Supplier" means any person who makes sales of tangible personal property to servicemen for the purpose of resale as an incident to a sale of service.

"Serviceman maintaining a place of business in this State", or any like term, means and includes any serviceman:

(1) having or maintaining within this State, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the serviceman or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such serviceman or subsidiary is licensed to do business in this State;

(1.1) having a contract with a person located in this State under which the person, for a commission or other consideration based on the sale of service by the serviceman, directly or indirectly refers potential customers to the serviceman by providing to the potential customers a promotional code

or other mechanism that allows the serviceman to track purchases referred by such persons. Examples of mechanisms that allow the serviceman to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of service by the serviceman to customers who are referred to the serviceman by all persons in this State under such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December; a serviceman meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods;

(1.2) beginning July 1, 2011, having a contract with a person located in this State under which:

(A) the serviceman sells the same or substantially similar line of services as the person located in this State and does so using an identical or substantially similar name, trade name, or trademark as the person located in this State; and

(B) the serviceman provides a commission or other consideration to the person located in this State based upon the sale of services by the serviceman.

The provisions of this paragraph (1.2) shall apply only if the cumulative gross receipts from sales of service by the serviceman to customers in this State under all such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December;

(2) soliciting orders for tangible personal property by means of a telecommunication or television shopping system (which utilizes toll free numbers) which is intended by the retailer to be broadcast by cable television or other means of broadcasting, to consumers located in this State;

(3) pursuant to a contract with a broadcaster or publisher located in this State, soliciting orders for tangible personal property by means of advertising which is disseminated primarily to consumers located in this State and only secondarily to bordering jurisdictions;

(4) soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities;

(5) being owned or controlled by the same interests which own or control any retailer engaging in business in the same or similar line of business in this State;

(6) having a franchisee or licensee operating under its trade name if the franchisee or licensee is required to collect the tax under this Section;

(7) pursuant to a contract with a cable television operator located in this State, soliciting orders for tangible personal property by means of advertising which is transmitted or distributed over a cable television system in this State;

(8) engaging in activities in Illinois, which activities in the state in which the supply business engaging in such activities is located would constitute maintaining a place of business in that state; or

(9) beginning October 1, 2018, making sales of service to purchasers in Illinois from outside of Illinois if:

(A) the cumulative gross receipts from sales of service to purchasers in Illinois are \$100,000 or more; or

(B) the serviceman enters into 200 or more separate transactions for sales of service to purchasers in Illinois.

The serviceman shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) of this paragraph (9) for the preceding 12-month period. If the serviceman meets the criteria of either subparagraph (A) or (B) for a 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for one year. At the end of that one-year period, the serviceman shall determine whether the serviceman met the criteria of either subparagraph (A) or (B) during the preceding 12-month period. If the serviceman met the criteria in either subparagraph (A) or (B) for the preceding 12-month period, he or she is considered a serviceman maintaining a place of business in this State and is required to collect and remit the tax imposed under this Act and file returns for the subsequent year. If at the end of a one-

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year period a serviceman that was required to collect and remit the tax imposed under this Act determines that he or she did not meet the criteria in either subparagraph (A) or (B) during the preceding 12-month period, the serviceman subsequently shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) for the preceding 12-month period.

Beginning January 1, 2020, neither the gross receipts from nor the number of separate transactions for sales of service to purchasers in Illinois that a serviceman makes through a marketplace facilitator and for which the serviceman has received a certification from the marketplace facilitator pursuant to Section 2d of this Act shall be included for purposes of determining whether he or she has met the thresholds of this paragraph (9).

(10) Beginning January 1, 2020, a marketplace facilitator, as defined in Section 2d of this Act.

(Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18; 101-9, Article 10, Section 10-15, eff. 6-5-19; 101-9, Article 25, Section 25-10, eff. 6-5-19; revised 7-10-19.)

Section 15. The Service Occupation Tax Act is amended by changing Section 2 as follows:
(35 ILCS 115/2) (from Ch. 120, par. 439.102)

Sec. 2. In this Act:

"Transfer" means any transfer of the title to property or of the ownership of property whether or not the transferor retains title as security for the payment of amounts due him from the transferee.

"Cost Price" means the consideration paid by the serviceman for a purchase valued in money, whether paid in money or otherwise, including cash, credits and services, and shall be determined without any deduction on account of the supplier's cost of the property sold or on account of any other expense incurred by the supplier. When a serviceman contracts out part or all of the services required in his sale of service, it shall be presumed that the cost price to the serviceman of the property transferred to him by his or her subcontractor is equal to 50% of the subcontractor's charges to the serviceman in the absence of proof of the consideration paid by the subcontractor for the purchase of such property.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint venture, public or private corporation, limited liability company, and any receiver, executor, trustee, guardian or other representative appointed by order of any court.

"Sale of Service" means any transaction except:

(a) A retail sale of tangible personal property taxable under the Retailers' Occupation Tax Act or under the Use Tax Act.

(b) A sale of tangible personal property for the purpose of resale made in compliance with Section 2c of the Retailers' Occupation Tax Act.

(c) Except as hereinafter provided, a sale or transfer of tangible personal property as an incident to the rendering of service for or by any governmental body or for or by any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes.

(d) (Blank).

(d-1) A sale or transfer of tangible personal property as an incident to the rendering of service for owners, lessors or shippers of tangible personal property which is utilized by interstate carriers for hire for use as rolling stock moving in interstate commerce, and equipment operated by a telecommunications provider, licensed as a common carrier by the Federal Communications Commission, which is permanently installed in or affixed to aircraft moving in interstate commerce.

(d-1.1) On and after July 1, 2003 and through June 30, 2004, a sale or transfer of a motor vehicle of the second division with a gross vehicle weight in excess of 8,000 pounds as an incident to the rendering of service if that motor vehicle is subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner that would qualify for the rolling stock exemption otherwise provided for in

this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

(d-2) The repairing, reconditioning or remodeling, for a common carrier by rail, of tangible personal property which belongs to such carrier for hire, and as to which such carrier receives the physical possession of the repaired, reconditioned or remodeled item of tangible personal property in Illinois, and which such carrier transports, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the person who repaired, reconditioned or remodeled the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(d-3) A sale or transfer of tangible personal property which is produced by the seller thereof on special order in such a way as to have made the applicable tax the Service Occupation Tax or the Service Use Tax, rather than the Retailers' Occupation Tax or the Use Tax, for an interstate carrier by rail which receives the physical possession of such property in Illinois, and which transports such property, or shares with another common carrier in the transportation of such property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of such property to a destination outside Illinois, for use outside Illinois.

(d-4) Until January 1, 1997, a sale, by a registered serviceman paying tax under this Act to the Department, of special order printed materials delivered outside Illinois and which are not returned to this State, if delivery is made by the seller or agent of the seller, including an agent who causes the product to be delivered outside Illinois by a common carrier or the U.S. postal service.

(e) A sale or transfer of machinery and equipment used primarily in the process of the manufacturing or assembling, either in an existing, an expanded or a new manufacturing facility, of tangible personal property for wholesale or retail sale or lease, whether such sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether such sale or lease is made apart from or as an incident to the seller's engaging in a service occupation and the applicable tax is a Service Occupation Tax or Service Use Tax, rather than Retailers' Occupation Tax or Use Tax. The exemption provided by this paragraph (e) includes production related tangible personal property, as defined in Section 3-50 of the Use Tax Act, purchased on or after July 1, 2019. The exemption provided by this paragraph (e) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. The exemption under this subsection (e) is exempt from the provisions of Section 3-75.

(f) Until July 1, 2003, the sale or transfer of distillation machinery and equipment, sold as a unit or kit and assembled or installed by the retailer, which machinery and equipment is certified by the user to be used only for the production of ethyl alcohol that will be used for consumption as motor fuel or as a component of motor fuel for the personal use of such user and not subject to sale or resale.

(g) At the election of any serviceman not required to be otherwise registered as a retailer under Section 2a of the Retailers' Occupation Tax Act, made for each fiscal year sales of service in which the aggregate annual cost price of tangible personal property transferred as an incident to the sales of service is less than 35% (75% in the case of servicemen transferring prescription drugs or servicemen engaged in graphic arts production) of the aggregate annual total gross receipts from all sales of service. The purchase of such tangible personal property by the serviceman shall be subject to tax under the Retailers' Occupation Tax Act and the Use Tax Act. However, if a primary serviceman who has made the election described in this paragraph subcontracts service work to a secondary serviceman who has also made the election described in this paragraph, the primary serviceman does not incur a Use Tax liability if the secondary serviceman (i) has paid or will pay Use Tax on his or her cost price of any tangible personal property transferred to the primary serviceman and (ii) certifies that fact in writing to the primary serviceman.

Tangible personal property transferred incident to the completion of a maintenance agreement is exempt from the tax imposed pursuant to this Act.

Exemption (e) also includes machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. On and after July 1, 2017, exemption (e) also includes graphic arts machinery and equipment, as defined in paragraph (5) of Section 3-5. The machinery and equipment exemption does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers

through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of exemption (e), each of these terms shall have the following meanings: (1) "manufacturing process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating, or refining which changes some existing material or materials into a material with a different form, use or name. In relation to a recognized integrated business composed of a series of operations which collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process shall be deemed to commence with the first operation or stage of production in the series, and shall not be deemed to end until the completion of the final product in the last operation or stage of production in the series; and further for purposes of exemption (e), photoprocessing is deemed to be a manufacturing process of tangible personal property for wholesale or retail sale; (2) "assembling process" shall mean the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name; (3) "machinery" shall mean major mechanical machines or major components of such machines contributing to a manufacturing or assembling process; and (4) "equipment" shall include any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; or any subunit or assembly comprising a component of any machinery or auxiliary, adjunct or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds; or any parts which require periodic replacement in the course of normal operation; but shall not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease. The purchaser of such machinery and equipment who has an active resale registration number shall furnish such number to the seller at the time of purchase. The purchaser of such machinery and equipment and tools without an active resale registration number shall furnish to the seller a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, which certificate shall be available to the Department for inspection or audit.

Except as provided in Section 2d of this Act, the rolling stock exemption applies to rolling stock used by an interstate carrier for hire, even just between points in Illinois, if such rolling stock transports, for hire, persons whose journeys or property whose shipments originate or terminate outside Illinois.

Any informal rulings, opinions or letters issued by the Department in response to an inquiry or request for any opinion from any person regarding the coverage and applicability of exemption (e) to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion or letter contains trade secrets or other confidential information, where possible the Department shall delete such information prior to publication. Whenever such informal rulings, opinions, or letters contain any policy of general applicability, the Department shall formulate and adopt such policy as a rule in accordance with the provisions of the Illinois Administrative Procedure Act.

On and after July 1, 1987, no entity otherwise eligible under exemption (c) of this Section shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

"Serviceman" means any person who is engaged in the occupation of making sales of service.

"Sale at Retail" means "sale at retail" as defined in the Retailers' Occupation Tax Act.

"Supplier" means any person who makes sales of tangible personal property to servicemen for the purpose of resale as an incident to a sale of service.

(Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-863, eff. 8-14-18; 101-9, eff. 6-5-19.)

Section 20. The Retailers' Occupation Tax Act is amended by changing Section 2-45 as follows:
(35 ILCS 120/2-45) (from Ch. 120, par. 441-45)

Sec. 2-45. Manufacturing and assembly exemption. The manufacturing and assembly machinery and equipment exemption includes machinery and equipment that replaces machinery and equipment in an existing manufacturing facility as well as machinery and equipment that are for use in an expanded or new manufacturing facility.

The machinery and equipment exemption also includes machinery and equipment used in the general maintenance or repair of exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment. Beginning on July 1, 2017, the manufacturing and assembling machinery and equipment exemption also includes graphic arts machinery and equipment, as defined in paragraph (4) of

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Section 2-5. The machinery and equipment exemption does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of this amendatory Act of the 98th General Assembly are declaratory of existing law as to the meaning and scope of this exemption. For the purposes of this exemption, terms have the following meanings:

(1) "Manufacturing process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by a procedure commonly regarded as manufacturing, processing, fabricating, or refining that changes some existing material or materials into a material with a different form, use, or name. In relation to a recognized integrated business composed of a series of operations that collectively constitute manufacturing, or individually constitute manufacturing operations, the manufacturing process commences with the first operation or stage of production in the series and does not end until the completion of the final product in the last operation or stage of production in the series. For purposes of this exemption, photoprocessing is a manufacturing process of tangible personal property for wholesale or retail sale.

(2) "Assembling process" means the production of an article of tangible personal property, whether the article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling that results in a material of a different form, use, or name.

(3) "Machinery" means major mechanical machines or major components of those machines contributing to a manufacturing or assembling process.

(4) "Equipment" includes an independent device or tool separate from machinery but essential to an integrated manufacturing or assembly process; including computers used primarily in a manufacturer's computer assisted design, computer assisted manufacturing (CAD/CAM) system; any subunit or assembly comprising a component of any machinery or auxiliary, adjunct, or attachment parts of machinery, such as tools, dies, jigs, fixtures, patterns, and molds; and any parts that require periodic replacement in the course of normal operation; but does not include hand tools. Equipment includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for wholesale or retail sale or lease.

(5) "Production related tangible personal property" means all tangible personal property that is used or consumed by the purchaser in a manufacturing facility in which a manufacturing process takes place and includes, without limitation, tangible personal property that is purchased for incorporation into real estate within a manufacturing facility, supplies and consumables used in a manufacturing facility including fuels, coolants, solvents, oils, lubricants, and adhesives, hand tools, protective apparel, and fire and safety equipment used or consumed within a manufacturing facility, and tangible personal property that is used or consumed in activities such as research and development, preproduction material handling, receiving, quality control, inventory control, storage, staging, and packaging for shipping and transportation purposes. "Production related tangible personal property" does not include (i) tangible personal property that is used, within or without a manufacturing facility, in sales, purchasing, accounting, fiscal management, marketing, personnel recruitment or selection, or landscaping or (ii) tangible personal property that is required to be titled or registered with a department, agency, or unit of federal, State, or local government.

The manufacturing and assembling machinery and equipment exemption includes production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008 and on or after July 1, 2019. The exemption for production related tangible personal property purchased on or after July 1, 2007 and before June 30, 2008 is subject to both of the following limitations:

(1) The maximum amount of the exemption for any one taxpayer may not exceed 5% of the purchase price of production related tangible personal property that is purchased on or after July 1, 2007 and on or before June 30, 2008. A credit under Section 3-85 of this Act may not be earned by the purchase of production related tangible personal property for which an exemption is received under this Section.

(2) The maximum aggregate amount of the exemptions for production related tangible personal property awarded under this Act and the Use Tax Act to all taxpayers may not exceed \$10,000,000. If the claims for the exemption exceed \$10,000,000, then the Department shall reduce the amount of the exemption to each taxpayer on a pro rata basis.

The Department shall adopt rules to implement and administer the exemption for production related tangible personal property.

The manufacturing and assembling machinery and equipment exemption includes the sale of materials to a purchaser who produces exempted types of machinery, equipment, or tools and who rents or leases that machinery, equipment, or tools to a manufacturer of tangible personal property. This exemption also includes the sale of materials to a purchaser who manufactures those materials into an exempted type of machinery, equipment, or tools that the purchaser uses himself or herself in the manufacturing of tangible personal property. The purchaser of the machinery and equipment who has an active resale registration number shall furnish that number to the seller at the time of purchase. A purchaser of the machinery, equipment, and tools without an active resale registration number shall furnish to the seller a certificate of exemption for each transaction stating facts establishing the exemption for that transaction, and that certificate shall be available to the Department for inspection or audit. Informal rulings, opinions, or letters issued by the Department in response to an inquiry or request for an opinion from any person regarding the coverage and applicability of this exemption to specific devices shall be published, maintained as a public record, and made available for public inspection and copying. If the informal ruling, opinion, or letter contains trade secrets or other confidential information, where possible, the Department shall delete that information before publication. Whenever informal rulings, opinions, or letters contain a policy of general applicability, the Department shall formulate and adopt that policy as a rule in accordance with the Illinois Administrative Procedure Act.

The manufacturing and assembling machinery and equipment exemption is exempt from the provisions of Section 2-70.

(Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19.)"

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the bill, as amended, was ordered to a third reading.

SENATE BILL RECALLED

On motion of Senator Holmes, **Senate Bill No. 558** having been printed, was taken up, read by title a second time.

Senator Holmes offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 558

AMENDMENT NO. 1. Amend Senate Bill 558 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Food, Drug and Cosmetic Act is amended by changing Section 17.2 as follows:
(410 ILCS 620/17.2)

Sec. 17.2. Cosmetic testing on animals.

(a) In this Section:

"Animal test" means the internal or external application of a cosmetic, either in its final form or any ingredient thereof, to the skin, eyes, or other body part of a live, nonhuman vertebrate.

"Cosmetic" has the meaning provided in Section 2 of this Act.

"Ingredient" means any component of a cosmetic product as defined by Section 700.3 of Title 21 of the Code of Federal Regulations.

"Manufacturer" means any person whose name appears on the label of a cosmetic in package form under Section 701.12 of Title 21 of the Code of Federal Regulations.

"Supplier" means any entity that supplies, directly or through a third party, any ingredient used in the formulation of a manufacturer's cosmetic.

(b) Notwithstanding any other law, it is unlawful for a manufacturer to import for profit, sell, or offer for sale in this State any cosmetic, if the cosmetic was developed or manufactured using an animal test that was conducted or contracted by the manufacturer, or any supplier of the manufacturer, on or after January 1, 2020.

(c) The prohibitions in subsection (b) do not apply to the following:

(1) An animal test of any cosmetic that is required by a federal or State regulatory authority, if each of the following apply:

(A) an ingredient is in wide use and cannot be replaced by another ingredient

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capable of performing a similar function;

(B) a specific human health problem is substantiated and the need to conduct animal tests is justified and supported by a detailed research protocol proposed as the basis for the evaluation; and

(C) there is not a nonanimal alternative method accepted for the relevant endpoint by the relevant federal or State regulatory authority.

(2) An animal test that was conducted to comply with a requirement of a foreign regulatory authority, if no evidence derived from the test was relied upon to substantiate the safety of the cosmetic being sold in Illinois by the manufacturer.

(3) An animal test that was conducted on any product or ingredient subject to the requirements of Subchapter V of the Federal Food, Drug, and Cosmetic Act.

(4) An animal test that was conducted for noncosmetic purposes in response to a requirement of a federal, State, or foreign regulatory authority, if no evidence derived from the test was relied upon by the manufacturer to substantiate the safety of the cosmetic sold within this State, unless both of the following apply:

(A) there is documented evidence of the noncosmetic intent of the test; and

(B) there is a history of use of the ingredient outside of cosmetics at least 12 months prior to the test being conducted, to substantiate the safety of the cosmetic sold in Illinois by the manufacturer. A manufacturer is not prohibited from reviewing, assessing, or retaining evidence from an animal test conducted under this paragraph.

(d) A violation of this Section shall be punishable by an initial civil penalty of \$5,000 for the first day of each violation and an additional civil penalty of \$1,000 for each day the violation continues.

(e) A violation of this Section may be enforced by the State's Attorney of the county in which the violation occurred. The civil penalty shall be paid to the entity that is authorized to bring the action.

(f) A State's Attorney may, upon a determination that there is a reasonable likelihood of a violation of this Section, review the testing data upon which a cosmetic manufacturer has relied in the development or manufacturing of the relevant cosmetic product sold in this State. Information provided under this Section shall be protected as a trade secret as defined in Section 2 of the Illinois Trade Secrets Act. In an action under this Section, a court shall preserve the secrecy of an alleged trade secret by reasonable means, which may include granting protective orders in connection with discovery proceedings, holding in-camera hearings, sealing the records of the action, and ordering any person involved in the litigation not to disclose an alleged trade secret without prior court approval. Consistent with the procedures described in this subsection, a State's Attorney shall enter a protective order with a manufacturer before receipt of information from a manufacturer under this Section, and shall take other appropriate measures necessary to preserve the confidentiality of information provided under this Section.

(g) This Section does not apply to:

(1) animal testing conducted on an ingredient or cosmetic in its final form if the testing took place prior to the effective date of this amendatory Act of the 101st General Assembly; or

(2) a manufacturer reviewing, assessing, or retaining information, data, or evidence obtained from animal testing. This Section does not apply to animal testing conducted on an ingredient or cosmetic in its final form if the testing took place prior to the effective date of this amendatory Act of the 101st General Assembly.

(h) Notwithstanding any other provision of this Section, cosmetic inventory in violation of this Section may be sold on or before June 1, 2020 for a period of 180 days.

(i) A home rule unit may not regulate the testing of cosmetics on animals in a manner inconsistent with the regulation by the State of the testing of cosmetics on animals under this Section. This subsection is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

(Source: P.A. 101-303, eff. 8-9-19.)

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

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

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On motion of Senator Holmes, **Senate Bill No. 558** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 56; NAYS None.

The following voted in the affirmative:

Anderson	Ellman	Link	Sims
Aquino	Fine	Manar	Stadelman
Barickman	Fowler	Martinez	Steans
Belt	Gillespie	McClure	Stewart
Bennett	Glowiak Hilton	McConchie	Syverson
Bertino-Tarrant	Harmon	McGuire	Tracy
Brady	Harris	Muñoz	Van Pelt
Bush	Hastings	Murphy	Villivalam
Castro	Holmes	Oberweis	Weaver
Collins	Hunter	Peters	Wilcox
Crowe	Hutchinson	Plummer	Mr. President
Cullerton, T.	Jones, E.	Rezin	
Cunningham	Koehler	Righter	
Curran	Landek	Rose	
DeWitte	Lightford	Schimpf	

This bill, having received the vote of three-fifths of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator Koehler, **Senate Bill No. 639** was recalled from the order of third reading to the order of second reading.

Senator Koehler offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 639

AMENDMENT NO. 1. Amend Senate Bill 639 by replacing everything after the enacting clause with the following:

"Section 5. The Early Intervention Services System Act is amended by changing Section 3a as follows:
(325 ILCS 20/3a)

Sec. 3a. Lead poisoning. No later than ~~July 1, 2020~~ 180 days after the effective date of this amendatory Act of the ~~101st~~ General Assembly, the lead agency shall adopt rules to update 89 Ill. Adm. Code 500.Appendix E by: (i) expanding the list of Medical Conditions Resulting in High Probability of Developmental Delay to include lead poisoning as a medical condition approved by the lead agency for the purposes of this Act; and (ii) defining "confirmed blood lead level" and "elevated blood lead level" or "EBL" to have the same meanings ascribed to those terms by the Department of Public Health in 77 Ill. Adm. Code 845.20.

(Source: P.A. 101-10, eff. 6-5-19.)

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

The motion prevailed.

And the amendment was adopted and ordered printed.

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There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Koehler, **Senate Bill No. 639** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 56; NAYS None.

The following voted in the affirmative:

Anderson	Ellman	Manar	Sims
Aquino	Fine	Martinez	Stadelman
Barickman	Fowler	Martwick	Steans
Belt	Gillespie	McClure	Stewart
Bennett	Glowiak Hilton	McConchie	Syverson
Bertino-Tarrant	Harmon	McGuire	Tracy
Brady	Hastings	Muñoz	Van Pelt
Bush	Holmes	Murphy	Villivalam
Castro	Hunter	Oberweis	Weaver
Collins	Hutchinson	Peters	Wilcox
Crowe	Jones, E.	Plummer	Mr. President
Cullerton, T.	Koehler	Rezin	
Cunningham	Landek	Righter	
Curran	Lightford	Rose	
DeWitte	Link	Schimpf	

This bill, having received the vote of three-fifths of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator Manar, **Senate Bill No. 667** was recalled from the order of third reading to the order of second reading.

Floor Amendment No. 1 was held in the Committee on Assignments.

Senator Manar offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 667

AMENDMENT NO. 2. Amend Senate Bill 667 by replacing everything after the enacting clause with the following:

"Section 1. Findings. The General Assembly finds and declares that:

- (1) Diabetes affects approximately 1,300,000 adults in Illinois (12.5% of the population);
- (2) Diabetes is the seventh leading cause of death nationally and in Illinois;
- (3) The toll on the U.S. economy has increased by more than 40% since 2007, costing the country \$245,000,000,000 in 2012;
- (4) When someone has diabetes, the body either does not make enough insulin or is unable to use its own insulin, causing glucose levels to rise higher than normal in the blood;
- (5) For people with Type 1 diabetes, near-constant self-management of glucose levels is essential to prevent life-threatening complications;
- (6) From 2012 to 2016, the average price of insulin increased from 13 cents per unit to

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25 cents per unit; therefore,

It is necessary for the State to enact laws to reduce the costs for Illinoisans with diabetes and increase their access to life-saving and life-sustaining insulin.

Section 5. The State Employees Group Insurance Act of 1971 is amended by changing Section 6.11 as follows:

(5 ILCS 375/6.11)

Sec. 6.11. Required health benefits; Illinois Insurance Code requirements. The program of health benefits shall provide the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t of the Illinois Insurance Code. The program of health benefits shall provide the coverage required under Sections 356g, 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4, 356z.4a, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, and 356z.33, 356z.36, and 356z.41 of the Illinois Insurance Code. The program of health benefits must comply with Sections 155.22a, 155.37, 355b, 356z.19, 370c, and 370c.1 and Article XXXIIB of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section with respect to Sections 370c and 370c.1 of the Illinois Insurance Code; all other requirements of this Section shall be enforced by the Department of Central Management Services.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 100-1170, eff. 6-1-19; 101-13, eff. 6-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 10. The Attorney General Act is amended by adding Section 10 as follows:

(15 ILCS 205/10 new)

Sec. 10. Investigation of prescription insulin drug pricing; report.

(a) The Attorney General shall investigate pricing of prescription insulin drugs made available to Illinois consumers to ensure adequate consumer protections in the pricing of prescription insulin drugs and to determine whether additional consumer protections are needed.

(b) As part of the investigation, the Attorney General shall gather, compile, and analyze information concerning the organization, business practices, pricing information, data, reports, or other information that the Attorney General finds necessary to fulfill the requirements of this Section from companies engaged in the manufacture or sale of prescription insulin drugs.

If necessary to fulfill the reporting requirements of this Section, the Attorney General may issue a civil investigative demand requiring a State Agency, insurer, pharmacy benefit manager, or manufacturer of prescription insulin drugs that are made available in Illinois to furnish material, answers, data, or other relevant information.

(c) A person or business shall not be compelled to provide trade secrets.

(d) By November 1, 2020, the Attorney General shall issue and make available to the public a report detailing the findings from the investigation conducted pursuant to this Section. The Attorney General shall present the report to the Governor, the Department of Insurance, and the Judiciary Committees of the Senate and House of Representatives or their successor Committees. The report must include the following:

(1) a summary of insulin pricing practices and variables that contribute to pricing of health coverage plans;

(2) public policy recommendations to control and prevent overpricing of prescription insulin drugs made available to Illinois consumers;

(3) any recommendations for improvements to the Consumer Fraud and Deceptive Business Practices Act; and

(4) any other information the Attorney General finds necessary.

(e) This Section is repealed on December 1, 2020.

Section 15. The Counties Code is amended by changing Section 5-1069.3 as follows:

(55 ILCS 5/5-1069.3)

Sec. 5-1069.3. Required health benefits. If a county, including a home rule county, is a self-insurer for purposes of providing health insurance coverage for its employees, the coverage shall include coverage

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for the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, ~~and 356z.32, and 356z.33~~ 356z.36, and 356z.41 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, 356z.19, and 370c of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section. The requirement that health benefits be covered as provided in this Section is an exclusive power and function of the State and is a denial and limitation under Article VII, Section 6, subsection (h) of the Illinois Constitution. A home rule county to which this Section applies must comply with every provision of this Section.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 20. The Illinois Municipal Code is amended by changing Section 10-4-2.3 as follows:
(65 ILCS 5/10-4-2.3)

Sec. 10-4-2.3. Required health benefits. If a municipality, including a home rule municipality, is a self-insurer for purposes of providing health insurance coverage for its employees, the coverage shall include coverage for the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, ~~and 356z.32, and 356z.33~~ 356z.36, and 356z.41 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, 356z.19, and 370c of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section. The requirement that health benefits be covered as provided in this is an exclusive power and function of the State and is a denial and limitation under Article VII, Section 6, subsection (h) of the Illinois Constitution. A home rule municipality to which this Section applies must comply with every provision of this Section.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 25. The School Code is amended by changing Section 10-22.3f as follows:
(105 ILCS 5/10-22.3f)

Sec. 10-22.3f. Required health benefits. Insurance protection and benefits for employees shall provide the post-mastectomy care benefits required to be covered by a policy of accident and health insurance under Section 356t and the coverage required under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, ~~and 356z.32, and 356z.33~~ 356z.36, and 356z.41 of the Illinois Insurance Code. Insurance policies shall comply with Section 356z.19 of the Illinois Insurance Code. The coverage shall comply with Sections 155.22a, 355b, and 370c of the Illinois Insurance Code. The Department of Insurance shall enforce the requirements of this Section.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1024, eff. 1-1-19; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 30. The Illinois Insurance Code is amended changing Section 356w and by adding Section 356z.41 as follows:

(215 ILCS 5/356w)

Sec. 356w. Diabetes self-management training and education.

(a) A group policy of accident and health insurance that is amended, delivered, issued, or renewed after the effective date of this amendatory Act of 1998 shall provide coverage for outpatient self-management training and education, equipment, and supplies, as set forth in this Section, for the treatment of type 1 diabetes, type 2 diabetes, and gestational diabetes mellitus.

(b) As used in this Section:

"Diabetes self-management training" means instruction in an outpatient setting which enables a diabetic patient to understand the diabetic management process and daily management of diabetic therapy as a means of avoiding frequent hospitalization and complications. Diabetes self-management training shall include the content areas listed in the National Standards for Diabetes Self-Management Education Programs as published by the American Diabetes Association, including medical nutrition therapy and education programs, as defined by the contract of insurance, that allow the patient to maintain an A1c level within the range identified in nationally recognized standards of care.

"Medical nutrition therapy" shall have the meaning ascribed to that term in the Dietitian Nutritionist Practice Act.

"Physician" means a physician licensed to practice medicine in all of its branches providing care to the individual.

"Qualified provider" for an individual that is enrolled in:

(1) a health maintenance organization that uses a primary care physician to control access to specialty care means (A) the individual's primary care physician licensed to practice medicine in all of its branches, (B) a physician licensed to practice medicine in all of its branches to whom the individual has been referred by the primary care physician, or (C) a certified, registered, or licensed network health care professional with expertise in diabetes management to whom the individual has been referred by the primary care physician.

(2) an insurance plan means (A) a physician licensed to practice medicine in all of its branches or (B) a certified, registered, or licensed health care professional with expertise in diabetes management to whom the individual has been referred by a physician.

(c) Coverage under this Section for diabetes self-management training, including medical nutrition education, shall be limited to the following:

(1) Up to 3 medically necessary visits to a qualified provider upon initial diagnosis of diabetes by the patient's physician or, if diagnosis of diabetes was made within one year prior to the effective date of this amendatory Act of 1998 where the insured was a covered individual, up to 3 medically necessary visits to a qualified provider within one year after that effective date.

(2) Up to 2 medically necessary visits to a qualified provider upon a determination by a patient's physician that a significant change in the patient's symptoms or medical condition has occurred. A "significant change" in condition means symptomatic hyperglycemia (greater than 250 mg/dl on repeated occasions), severe hypoglycemia (requiring the assistance of another person), onset or progression of diabetes, or a significant change in medical condition that would require a significantly different treatment regimen.

Payment by the insurer or health maintenance organization for the coverage required for diabetes self-management training pursuant to the provisions of this Section is only required to be made for services provided. No coverage is required for additional visits beyond those specified in items (1) and (2) of this subsection.

Coverage under this subsection (c) for diabetes self-management training shall be subject to the same deductible, co-payment, and co-insurance provisions that apply to coverage under the policy for other services provided by the same type of provider.

(d) Coverage shall be provided for the following equipment when medically necessary and prescribed by a physician licensed to practice medicine in all of its branches. Coverage for the following items shall be subject to deductible, co-payment and co-insurance provisions provided for under the policy or a durable medical equipment rider to the policy:

- (1) blood glucose monitors;
- (2) blood glucose monitors for the legally blind;
- (3) cartridges for the legally blind; and
- (4) lancets and lancing devices.

This subsection does not apply to a group policy of accident and health insurance that does not provide a durable medical equipment benefit.

(e) Coverage shall be provided for the following pharmaceuticals and supplies when medically necessary and prescribed by a physician licensed to practice medicine in all of its branches. Coverage for the following items shall be subject to the same coverage, deductible, co-payment, and co-insurance

provisions under the policy or a drug rider to the policy, except as otherwise provided for under Section 356z.41:

- (1) insulin;
- (2) syringes and needles;
- (3) test strips for glucose monitors;
- (4) FDA approved oral agents used to control blood sugar; and
- (5) glucagon emergency kits.

This subsection does not apply to a group policy of accident and health insurance that does not provide a drug benefit.

(f) Coverage shall be provided for regular foot care exams by a physician or by a physician to whom a physician has referred the patient. Coverage for regular foot care exams shall be subject to the same deductible, co-payment, and co-insurance provisions that apply under the policy for other services provided by the same type of provider.

(g) If authorized by a physician, diabetes self-management training may be provided as a part of an office visit, group setting, or home visit.

(h) This Section shall not apply to agreements, contracts, or policies that provide coverage for a specified diagnosis or other limited benefit coverage.

(Source: P.A. 97-281, eff. 1-1-12; 97-1141, eff. 12-28-12.)

(215 ILCS 5/356z.41 new)

Sec. 356z.41. Cost sharing in prescription insulin drugs; limits; confidentiality of rebate information.

(a) As used in this Section, "prescription insulin drug" means a prescription drug that contains insulin and is used to treat diabetes.

(b) This Section applies to a group or individual policy of accident and health insurance amended, delivered, issued, or renewed on or after the effective date of this amendatory Act of the 101st General Assembly.

(c) An insurer that provides coverage for prescription insulin drugs pursuant to the terms of a health coverage plan the insurer offers shall limit the total amount that an insured is required to pay for a covered prescription insulin drug at an amount not to exceed \$100 per 30-day supply of insulin, regardless of the amount or type of insulin needed to fill the insured's prescription.

(d) Nothing in this Section prevents an insurer from reducing an insured's cost sharing by an amount greater than the amount specified in subsection (c).

(e) The Director may use any of the Director's enforcement powers to obtain an insurer's compliance with this Section.

(f) The Department may adopt rules as necessary to implement and administer this Section and to align it with federal requirements.

Section 35. The Health Maintenance Organization Act is amended by changing Section 5-3 as follows: (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

Sec. 5-3. Insurance Code provisions.

(a) Health Maintenance Organizations shall be subject to the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3, 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33, 356z.35, 356z.36, 356z.41, 364, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d, 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, XXVI, and XXXIIB of the Illinois Insurance Code.

(b) For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health Maintenance Organizations in the following categories are deemed to be "domestic companies":

(1) a corporation authorized under the Dental Service Plan Act or the Voluntary Health Services Plans Act;

(2) a corporation organized under the laws of this State; or

(3) a corporation organized under the laws of another state, 30% or more of the enrollees of which are residents of this State, except a corporation subject to substantially the same requirements in its state of organization as is a "domestic company" under Article VIII 1/2 of the Illinois Insurance Code.

(c) In considering the merger, consolidation, or other acquisition of control of a Health Maintenance Organization pursuant to Article VIII 1/2 of the Illinois Insurance Code,

(1) the Director shall give primary consideration to the continuation of benefits to enrollees and the financial conditions of the acquired Health Maintenance Organization after the merger, consolidation, or other acquisition of control takes effect;

(2)(i) the criteria specified in subsection (1)(b) of Section 131.8 of the Illinois Insurance Code shall not apply and (ii) the Director, in making his determination with respect to the merger, consolidation, or other acquisition of control, need not take into account the effect on competition of the merger, consolidation, or other acquisition of control;

(3) the Director shall have the power to require the following information:

(A) certification by an independent actuary of the adequacy of the reserves of the Health Maintenance Organization sought to be acquired;

(B) pro forma financial statements reflecting the combined balance sheets of the acquiring company and the Health Maintenance Organization sought to be acquired as of the end of the preceding year and as of a date 90 days prior to the acquisition, as well as pro forma financial statements reflecting projected combined operation for a period of 2 years;

(C) a pro forma business plan detailing an acquiring party's plans with respect to the operation of the Health Maintenance Organization sought to be acquired for a period of not less than 3 years; and

(D) such other information as the Director shall require.

(d) The provisions of Article VIII 1/2 of the Illinois Insurance Code and this Section 5-3 shall apply to the sale by any health maintenance organization of greater than 10% of its enrollee population (including without limitation the health maintenance organization's right, title, and interest in and to its health care certificates).

(e) In considering any management contract or service agreement subject to Section 141.1 of the Illinois Insurance Code, the Director (i) shall, in addition to the criteria specified in Section 141.2 of the Illinois Insurance Code, take into account the effect of the management contract or service agreement on the continuation of benefits to enrollees and the financial condition of the health maintenance organization to be managed or serviced, and (ii) need not take into account the effect of the management contract or service agreement on competition.

(f) Except for small employer groups as defined in the Small Employer Rating, Renewability and Portability Health Insurance Act and except for medicare supplement policies as defined in Section 363 of the Illinois Insurance Code, a Health Maintenance Organization may by contract agree with a group or other enrollment unit to effect refunds or charge additional premiums under the following terms and conditions:

(i) the amount of, and other terms and conditions with respect to, the refund or additional premium are set forth in the group or enrollment unit contract agreed in advance of the period for which a refund is to be paid or additional premium is to be charged (which period shall not be less than one year); and

(ii) the amount of the refund or additional premium shall not exceed 20% of the Health Maintenance Organization's profitable or unprofitable experience with respect to the group or other enrollment unit for the period (and, for purposes of a refund or additional premium, the profitable or unprofitable experience shall be calculated taking into account a pro rata share of the Health Maintenance Organization's administrative and marketing expenses, but shall not include any refund to be made or additional premium to be paid pursuant to this subsection (f)). The Health Maintenance Organization and the group or enrollment unit may agree that the profitable or unprofitable experience may be calculated taking into account the refund period and the immediately preceding 2 plan years.

The Health Maintenance Organization shall include a statement in the evidence of coverage issued to each enrollee describing the possibility of a refund or additional premium, and upon request of any group or enrollment unit, provide to the group or enrollment unit a description of the method used to calculate (1) the Health Maintenance Organization's profitable experience with respect to the group or enrollment unit and the resulting refund to the group or enrollment unit or (2) the Health Maintenance Organization's unprofitable experience with respect to the group or enrollment unit and the resulting additional premium to be paid by the group or enrollment unit.

In no event shall the Illinois Health Maintenance Organization Guaranty Association be liable to pay any contractual obligation of an insolvent organization to pay any refund authorized under this Section.

(g) Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and

procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-371, eff. 1-1-20; 101-393, eff. 1-1-20; 101-452, eff. 1-1-20; 101-461, eff. 1-1-20; revised 10-16-19.)

Section 40. The Limited Health Service Organization Act is amended by changing Section 4003 as follows:

(215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

Sec. 4003. Illinois Insurance Code provisions. Limited health service organizations shall be subject to the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6, 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v, 356z.10, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30a, 356z.32, 356z.33, 356z.41, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA, VIII 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the Illinois Insurance Code. For purposes of the Illinois Insurance Code, except for Sections 444 and 444.1 and Articles XIII and XIII 1/2, limited health service organizations in the following categories are deemed to be domestic companies:

(1) a corporation under the laws of this State; or

(2) a corporation organized under the laws of another state, 30% or more of the enrollees of which are residents of this State, except a corporation subject to substantially the same requirements in its state of organization as is a domestic company under Article VIII 1/2 of the Illinois Insurance Code.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-201, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; revised 10-16-19.)

Section 45. The Voluntary Health Services Plans Act is amended by changing Section 10 as follows:

(215 ILCS 165/10) (from Ch. 32, par. 604)

Sec. 10. Application of Insurance Code provisions. Health services plan corporations and all persons interested therein or dealing therewith shall be subject to the provisions of Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140, 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g, 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y, 356z.1, 356z.2, 356z.4, 356z.4a, 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18, 356z.19, 356z.21, 356z.22, 356z.25, 356z.26, 356z.29, 356z.30, 356z.30a, 356z.32, 356z.33, 356z.41, 364.01, 367.2, 368a, 401, 401.1, 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and (15) of Section 367 of the Illinois Insurance Code.

Rulemaking authority to implement Public Act 95-1045, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 100-24, eff. 7-18-17; 100-138, eff. 8-18-17; 100-863, eff. 8-14-18; 100-1026, eff. 8-22-18; 100-1057, eff. 1-1-19; 100-1102, eff. 1-1-19; 101-13, eff. 6-12-19; 101-81, eff. 7-12-19; 101-281, eff. 1-1-20; 101-393, eff. 1-1-20; revised 10-16-19.)

Section 99. Effective date. This Act takes effect January 1, 2021, except that Section 10 and this Section take effect upon becoming law."

The motion prevailed.

And the amendment was adopted and ordered printed.

Senator Manar offered the following amendment and moved its adoption:

AMENDMENT NO. 3 TO SENATE BILL 667

AMENDMENT NO. 3. Amend Senate Bill 667, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 2, on page 14, line 4, after "diabetes", by inserting "but does not include an insulin drug that is administered to a patient intravenously".

The motion prevailed.

And the amendment was adopted and ordered printed.

Floor Amendment No. 4 was postponed in the Committee on Insurance.

There being no further amendments, the foregoing Amendments numbered 2 and 3 were ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Manar, **Senate Bill No. 667** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 48; NAYS 7.

The following voted in the affirmative:

Anderson	DeWitte	Koehler	Rose
Aquino	Ellman	Landek	Sims
Belt	Fine	Lightford	Stadelman
Bennett	Fowler	Link	Steans
Bertino-Tarrant	Gillespie	Manar	Van Pelt
Brady	Glowiak Hilton	Martinez	Villivalam
Bush	Harmon	Martwick	Weaver
Castro	Harris	McClure	Wilcox
Collins	Hastings	McGuire	Mr. President
Crowe	Holmes	Muñoz	
Cullerton, T.	Hunter	Murphy	
Cunningham	Hutchinson	Peters	
Curran	Jones, E.	Rezin	

The following voted in the negative:

Barickman	Oberweis	Righter	Syverson
McConchie	Plummer	Schimpf	

This bill, having received the vote of three-fifths of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator Martinez, **Senate Bill No. 718** was recalled from the order of third reading to the order of second reading.

Senator Martinez offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 718

AMENDMENT NO. 1. Amend Senate Bill 718 by replacing everything after the enacting clause with the following:

"Section 5. "AN ACT concerning safety", Public Act 101-400, approved August 16, 2019, is amended by changing Section 99 as follows:

(P.A. 101-400, Sec. 99)

Sec. 99. Effective date. This Act takes effect on December 31, 2019, except that Sections 5, 10, and 20 take effect on July 1, 2020.

(Source: P.A. 101-400, eff. 7-1-20.)

[October 29, 2019]

Section 10. The Drycleaner Environmental Response Trust Fund Act is amended by changing Sections 12, 31, and 45, as follows:

(415 ILCS 135/12)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 12. Transfer of Council functions to the Agency.

(a) On July 1, 2020, the Council is abolished, and, except as otherwise provided in this ~~Act Section~~, all powers, duties, rights, and responsibilities of the Council are transferred to the Agency. On and after that date, all of the general powers necessary and convenient to implement and administer this Act are, except as otherwise provided in this ~~Act Section~~, hereby vested in and may be exercised by the Agency, including, but not limited to, the powers described in Section 25 of this Act.

(b) No later than June 30, 2020, the Administrator of the Fund shall prepare on behalf of the Council and deliver to the Agency a report that lists:

(1) the name, address, and telephone number of each claimant who timely filed an application for remedial action account benefits by June 30, 2005, and is eligible for reimbursement from the Fund under Section 40 of this Act for costs of remediation of a release of drycleaning solvents from a drycleaning facility;

(2) the address of the drycleaning facility where the release occurred and the names, addresses, and telephone numbers of the owners and operators of the facility, as well as whether the drycleaning facility was an active or inactive drycleaning facility at the time that person applied for remedial action benefits under Section 40 of this Act;

(3) the deductible that applies with respect to the release at the facility and the amount of the deductible that has been satisfied;

(4) the total amount that has been reimbursed from the Fund for the release at the facility;

(5) costs approved for reimbursement from the Fund on or before June 30, 2020, but which have not been reimbursed from the Fund, for the release at the facility;

(6) for each year during which insurance coverage was provided under this Act, the name, address, and telephone number of each person who obtained coverage and the names and addresses of the drycleaning facilities for which that person obtained coverage;

(7) the sites for which site investigations required under subsection (d) of Section 45 have been deemed adequate by the Council;

(8) the insurance claims under Section 45 of this Act that are pending; and

(9) the appeals under this Act that are pending.

(c) No later than June 30, 2020, all books, records, papers, documents, property (real and personal), contracts, causes of action, and pending business pertaining to the powers, duties, rights, and responsibilities transferred by Public Act 101-400 and this amendatory Act of the 101st General Assembly, including, but not limited to, material in electronic or magnetic format and necessary computer hardware and software, shall be transferred to the Agency, regardless of whether they are in the possession of the Council, an independent contractor who serves as Administrator of the Fund, or any other person.

(d) At the direction of the Governor or on July 1, 2020, whichever is earlier, all unexpended appropriations and balances and other funds available for use by the Council, as determined by the Director of the Governor's Office of Management and Budget, shall be transferred for use by the Agency in accordance with this Act, regardless of whether they are in the possession of the Council, an independent contractor who serves as Administrator of the Fund, or any other person. Unexpended balances so transferred shall be expended by the Agency only for the purpose for which the appropriations were originally made.

(e) The transfer of powers, duties, rights, and responsibilities pursuant to Public Act 101-400 and this amendatory Act of the 101st General Assembly does not affect any act done, ratified, or canceled or any right accruing or established or any action or proceeding had or commenced by the Council or the Administrator of the Fund before July 1, 2020; such actions may be prosecuted and continued by the Attorney General.

(f) Whenever reports or notices are required to be made or given or papers or documents furnished or served by any person to or upon the Council or the Administrator of the Fund in connection with any of the powers, duties, rights, or responsibilities transferred by Public Act 101-400 and this amendatory Act of the 101st General Assembly to the Agency, the same shall be made, given, furnished, or served in the same manner to or upon the Agency.

(g) All rules duly adopted by the Council before July 1, 2020 shall become rules of the Board on July 1, 2020. ~~The , and beginning on that date, the~~ Agency is authorized to propose to the Board for adoption,

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and the Board may adopt, amendments to ~~those the transferred~~ rules, as well as new rules, for carrying out, administering, and enforcing the provisions of this Act.

(h) In addition to the rules described above, the Board is hereby authorized to adopt rules establishing minimum continuing education and compliance program requirements for owners and operators of active drycleaning facilities. Board rules establishing minimum continuing education requirements shall, among other things, identify the minimum number of continuing education credits that must be obtained and describe the specific subjects to be covered in continuing education programs. Board rules establishing minimum compliance program requirements shall, among other things, identify the type of inspections that must be conducted. The rules adopted by the Board under this subsection (h) may also provide an exemption from continuing education requirements for persons who have, for at least 10 consecutive years on or after January 1, 2009, owned or operated a drying facility licensed under this Act.

(i) For the purposes of the Successor Agency Act and Section 9b of the State Finance Act, the Agency is the successor to the Council beginning July 1, 2020.

(Source: P.A. 101-400, eff. 7-1-20.)

(415 ILCS 135/31)

(This Section may contain text from a Public Act with a delayed effective date)

Sec. 31. Prohibition on renewal of contract with Fund Administrator. ~~The On and after the effective date of this amendatory Act of the 101st General Assembly, the Council shall not enter into or renew any contract or agreement with a person to act as the Administrator of the Fund for a term that extends beyond June 30, 2020.~~

(Source: P.A. 101-400, eff. 7-1-20.)

(415 ILCS 135/45)

(Text of Section before amendment by P.A. 101-400)

Sec. 45. Insurance account.

(a) The insurance account shall offer financial assurance for a qualified owner or operator of a drycleaning facility under the terms and conditions provided for under this Section. Coverage may be provided to either the owner or the operator of a drycleaning facility. The Council is not required to resolve whether the owner or operator, or both, are responsible for a release under the terms of an agreement between the owner and operator.

(b) The source of funds for the insurance account shall be as follows:

(1) Moneys appropriated to the Council or moneys allocated to the insurance account by the Council according to the Fund budget approved by the Council.

(2) Moneys collected as an insurance premium, including service fees, if any.

(3) Investment income attributed to the insurance account by the Council.

(c) An owner or operator may purchase coverage of up to \$500,000 per drycleaning facility subject to the terms and conditions under this Section and those adopted by the Council. Coverage shall be limited to remedial action costs associated with soil and groundwater contamination resulting from a release of drycleaning solvent at an insured drycleaning facility, including third-party liability for soil and groundwater contamination. Coverage is not provided for a release that occurred before the date of coverage.

(d) An owner or operator, subject to underwriting requirements and terms and conditions deemed necessary and convenient by the Council, may purchase insurance coverage from the insurance account provided that the drycleaning facility to be insured meets the following conditions:

(1) a site investigation designed to identify soil and groundwater contamination

resulting from the release of a drycleaning solvent has been completed. The Council shall determine if the site investigation is adequate. This investigation must be completed by June 30, 2006. For drycleaning facilities that apply for insurance coverage after June 30, 2006, the site investigation must be completed prior to issuance of insurance coverage; and

(2) the drycleaning facility is participating in and meets all requirements of a drycleaning compliance program approved by the Council.

(e) The annual premium for insurance coverage shall be:

(1) For the year July 1, 1999 through June 30, 2000, \$250 per drycleaning facility.

(2) For the year July 1, 2000 through June 30, 2001, \$375 per drycleaning facility.

(3) For the year July 1, 2001 through June 30, 2002, \$500 per drycleaning facility.

(4) For the year July 1, 2002 through June 30, 2003, \$625 per drycleaning facility.

(5) For subsequent years, an owner or operator applying for coverage shall pay an annual actuarially-sound insurance premium for coverage by the insurance account. The Council may approve Fund coverage through the payment of a premium established on an actuarially-sound basis, taking into consideration the risk to the insurance account presented by the insured. Risk factor adjustments utilized

to determine actuarially-sound insurance premiums should reflect the range of risk presented by the variety of drycleaning systems, monitoring systems, drycleaning volume, risk management practices, and other factors as determined by the Council. As used in this item, "actuarially sound" is not limited to Fund premium revenue equaling or exceeding Fund expenditures for the general drycleaning facility population. Actuarially-determined premiums shall be published at least 180 days prior to the premiums becoming effective.

(e-5) If an insurer sends a second notice to an owner or operator demanding immediate payment of a past-due premium for insurance services provided pursuant to this Act, the demand for payment must offer a grace period of not less than 30 days during which the owner or operator shall be allowed to pay any premiums due. If payment is made during that period, coverage under this Act shall not be terminated for non-payment by the insurer.

(e-6) If an insurer terminates an owner or operator's coverage under this Act, the insurer must send a written notice to the owner or operator to inform him or her of the termination of that coverage, and that notice must include instructions on how to seek reinstatement of coverage, as well as information concerning any premiums or penalties that might be due.

(f) If coverage is purchased for any part of a year, the purchaser shall pay the full annual premium. The insurance premium is fully earned upon issuance of the insurance policy.

(g) The insurance coverage shall be provided with a \$10,000 deductible policy.

(h) A future repeal of this Section shall not terminate the obligations under this Section or authority necessary to administer the obligations until the obligations are satisfied, including but not limited to the payment of claims filed prior to the effective date of any future repeal against the insurance account until moneys in the account are exhausted. Upon exhaustion of the moneys in the account, any remaining claims shall be invalid. If moneys remain in the account following satisfaction of the obligations under this Section, the remaining moneys and moneys due the account shall be used to assist current insureds to obtain a viable insuring mechanism as determined by the Council after public notice and opportunity for comment.

(Source: P.A. 98-327, eff. 8-13-13.)

(Text of Section after amendment by P.A. 101-400)

Sec. 45. Insurance account.

(a) The insurance account shall offer financial assurance for a qualified owner or operator of a drycleaning facility under the terms and conditions provided for under this Section. Coverage may be provided to either the owner or the operator of a drycleaning facility. Neither the Agency nor the Council is required to resolve whether the owner or operator, or both, are responsible for a release under the terms of an agreement between the owner and operator.

(b) The source of funds for the insurance account shall be as follows:

- (1) moneys allocated to the insurance account;
- (2) moneys collected as an insurance premium, including service fees, if any; and
- (3) investment income attributed to the insurance account.

(c) An owner or operator may purchase coverage of up to \$500,000 per drycleaning facility subject to the terms and conditions under this Section and those adopted by the Council before July 1, 2020 or by the Board on or after that date. Coverage shall be limited to remedial action costs associated with soil and groundwater contamination resulting from a release of drycleaning solvent at an insured drycleaning facility, including third-party liability for soil and groundwater contamination. Coverage is not provided for a release that occurred before the date of coverage.

(d) An owner or operator, subject to underwriting requirements and terms and conditions deemed necessary and convenient by the Council for periods before July 1, 2020 and subject to terms and conditions deemed necessary and convenient by the Board for periods on or after that date, may purchase insurance coverage from the insurance account provided that:

(1) a site investigation designed to identify soil and groundwater contamination resulting from the release of a drycleaning solvent has been completed for the drycleaning facility to be insured and the site investigation has been found adequate by the Council before July 1, 2020 or by the Agency on or after that date; ~~and~~

(2) the drycleaning facility is participating in and meets all drycleaning compliance program requirements adopted by the Board pursuant Section 12 of this Act; ~~the Drycleaner Environmental Response Trust Fund Act.~~

(3) the drycleaning facility to be insured is licensed under Section 60 of this Act and all fees due under that Section have been paid;

(4) the owner or operator of the drycleaning facility to be insured provides proof to

the Agency or Council that:

(A) all drycleaning solvent wastes generated at the facility are managed in accordance with applicable State waste management laws and rules;

(B) there is no discharge of wastewater from drycleaning machines, or of drycleaning solvent from drycleaning operations, to a sanitary sewer or septic tank, to the surface, or in groundwater;

(C) the facility has a containment dike or other containment structure around each machine, item of equipment, drycleaning area, and portable waste container in which any drycleaning solvent is utilized, that is capable of containing leaks, spills, or releases of drycleaning solvent from that machine, item, area, or container, including: (i) 100% of the drycleaning solvent in the largest tank or vessel; (ii) 100% of the drycleaning solvent of each item of drycleaning equipment; and (iii) 100% of the drycleaning solvent of the largest portable waste container or at least 10% of the total volume of the portable waste containers stored within the containment dike or structure, whichever is greater;

(D) those portions of diked floor surfaces at the facility on which a drycleaning solvent may leak, spill, or otherwise be released are sealed or otherwise rendered impervious;

(E) all drycleaning solvent is delivered to the facility by means of closed, direct-coupled delivery systems; and

(F) the drycleaning facility is in compliance with paragraph (2) of subsection (d) of this Section; and

(5) the owner or operator of the drycleaning facility to be insured has paid all insurance premiums for insurance coverage provided under this Section.

Petroleum underground storage tank systems that are in compliance with applicable USEPA and State Fire Marshal rules, including, but not limited to, leak detection system rules, are exempt from the secondary containment requirement in subparagraph (C) of paragraph (3) of this subsection (d).

(e) The annual premium for insurance coverage shall be:

(1) For the year July 1, 1999 through June 30, 2000, \$250 per drycleaning facility.

(2) For the year July 1, 2000 through June 30, 2001, \$375 per drycleaning facility.

(3) For the year July 1, 2001 through June 30, 2002, \$500 per drycleaning facility.

(4) For the year July 1, 2002 through June 30, 2003, \$625 per drycleaning facility.

(5) ~~For each subsequent program year through the program year ending June 30, 2019~~ For subsequent years, an owner or operator applying for coverage shall pay an annual actuarially-sound insurance premium for coverage by the insurance account. The Council may approve Fund coverage through the payment of a premium established on an actuarially-sound basis, taking into consideration the risk to the insurance account presented by the insured. Risk factor adjustments utilized to determine actuarially-sound insurance premiums should reflect the range of risk presented by the variety of drycleaning systems, monitoring systems, drycleaning volume, risk management practices, and other factors as determined by the Council. As used in this item, "actuarially sound" is not limited to Fund premium revenue equaling or exceeding Fund expenditures for the general drycleaning facility population. Actuarially-determined premiums shall be published at least 180 days prior to the premiums becoming effective.

(6) For the year July 1, 2020 through June 30, 2021, and for subsequent years through June 30, 2029, \$1,500 per drycleaning facility per year.

(7) For July 1, 2029 through January 1, 2030, \$750 per drycleaning facility.

(e-5) (Blank).

(e-6) (Blank).

(f) If coverage is purchased for any part of a year, the purchaser shall pay the full annual premium. Until July 1, 2020, the The insurance premium is fully earned upon issuance of the insurance policy. Beginning July 1, 2020, coverage first commences for a purchaser only after payment of the full annual premium due for the applicable program year.

(g) Any insurance coverage provided under this Section shall be subject to a \$10,000 deductible.

(h) A future repeal of this Section shall not terminate the obligations under this Section or authority necessary to administer the obligations until the obligations are satisfied, including but not limited to the payment of claims filed prior to the effective date of any future repeal against the insurance account until moneys in the account are exhausted. Upon exhaustion of the moneys in the account, any remaining claims shall be invalid. If moneys remain in the account following satisfaction of the obligations under this Section, the remaining moneys and moneys due the account shall be deposited in the remedial action account.

(Source: P.A. 101-400, eff. 7-1-20.)

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Section 15. The Drycleaner Environmental Response Trust Fund Act is amended by changing Sections 5, 25, 40, and 60 as follows:

(415 ILCS 135/5)

(Text of Section before amendment by P.A. 101-400)

Sec. 5. Definitions. As used in this Act:

(a) "Active drycleaning facility" means a drycleaning facility actively engaged in drycleaning operations and licensed under Section 60 of this Act.

(b) "Agency" means the Illinois Environmental Protection Agency.

(c) "Claimant" means an owner or operator of a drycleaning facility who has applied for reimbursement from the remedial account or who has submitted a claim under the insurance account with respect to a release.

(d) "Council" means the Drycleaner Environmental Response Trust Fund Council.

(e) "Drycleaner Environmental Response Trust Fund" or "Fund" means the fund created under Section 10 of this Act.

(f) "Drycleaning facility" means a facility located in this State that is or has been engaged in drycleaning operations for the general public, other than a:

(1) facility located on a United States military base;

(2) industrial laundry, commercial laundry, or linen supply facility;

(3) prison or other penal institution that engages in drycleaning only as part of a

Correctional Industries program to provide drycleaning to persons who are incarcerated in a prison or penal institution or to resident patients of a State-operated mental health facility;

(4) not-for-profit hospital or other health care facility; or a

(5) facility located or formerly located on federal or State property.

(g) "Drycleaning operations" means drycleaning of apparel and household fabrics for the general public, as described in Standard Industrial Classification Industry No. 7215 and No. 7216 in the Standard Industrial Classification Manual (SIC) by the Technical Committee on Industrial Classification.

(h) "Drycleaning solvent" means any and all nonaqueous solvents, including but not limited to a chlorine-based or petroleum-based formulation or product, including green solvents, that are used as a primary cleaning agent in drycleaning operations.

(i) "Emergency" or "emergency action" means a situation or an immediate response to a situation to protect public health or safety. "Emergency" or "emergency action" does not mean removal of contaminated soils, recovery of free product, or financial hardship. An "emergency" or "emergency action" would normally be expected to be directly related to a sudden event or discovery and would last until the threat to public health is mitigated.

(j) "Groundwater" means underground water that occurs within the saturated zone and geologic materials where the fluid pressure in the pore space is equal to or greater than the atmospheric pressure.

(k) "Inactive drycleaning facility" means a drycleaning facility that is not being used for drycleaning operations and is not registered under this Act.

(l) "Maintaining a place of business in this State" or any like term means (1) having or maintaining within this State, directly or through a subsidiary, an office, distribution facility, distribution house, sales house, warehouse, or other place of business or (2) operating within this State as an agent or representative for a person or a person's subsidiary engaged in the business of selling to persons within this State, irrespective of whether the place of business or agent or other representative is located in this State permanently or temporary, or whether the person or the person's subsidiary engages in the business of selling in this State.

(m) "No Further Remediation Letter" means a letter provided by the Agency pursuant to Section 58.10 of Title XVII of the Environmental Protection Act.

(n) "Operator" means a person or entity holding a business license to operate a licensed drycleaning facility or the business operation of which the drycleaning facility is a part.

(o) "Owner" means (1) a person who owns or has possession or control of a drycleaning facility at the time a release is discovered, regardless of whether the facility remains in operation or (2) a parent corporation of the person under item (1) of this subdivision.

(p) "Parent corporation" means a business entity or other business arrangement that has elements of common ownership or control or that uses a long-term contractual arrangement with a person to avoid direct responsibility for conditions at a drycleaning facility.

(q) "Person" means an individual, trust, firm, joint stock company, corporation, consortium, joint venture, or other commercial entity.

(r) "Program year" means the period beginning on July 1 and ending on the following June 30.

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(s) "Release" means any spilling, leaking, emitting, discharging, escaping, leaching, or dispersing of drycleaning solvents from a drycleaning facility to groundwater, surface water, or subsurface soils.

(t) "Remedial action" means activities taken to comply with Sections 58.6 and 58.7 of the Environmental Protection Act and rules adopted by the Pollution Control Board under those Sections.

(u) "Responsible party" means an owner, operator, or other person financially responsible for costs of remediation of a release of drycleaning solvents from a drycleaning facility.

(v) "Service provider" means a consultant, testing laboratory, monitoring well installer, soil boring contractor, other contractor, lender, or any other person who provides a product or service for which a claim for reimbursement has been or will be filed against the remedial account or insurance account, or a subcontractor of such a person.

(w) "Virgin facility" means a drycleaning facility that has never had chlorine-based or petroleum-based drycleaning solvents stored or used at the property prior to it becoming a green solvent drycleaning facility. (Source: P.A. 93-201, eff. 1-1-04.)

(Text of Section after amendment by P.A. 101-400)

Sec. 5. Definitions. As used in this Act:

"Active drycleaning facility" means a drycleaning facility actively engaged in drycleaning operations and licensed under Section 60 of this Act.

"Agency" means the Illinois Environmental Protection Agency.

"Board" means the Illinois Pollution Control Board.

"Claimant" means an owner or operator of a drycleaning facility who has applied for reimbursement from the remedial account or who has submitted a claim under the insurance account with respect to a release.

"Council" means the Drycleaner Environmental Response Trust Fund Council.

"Drycleaner Environmental Response Trust Fund" or "Fund" means the fund created under Section 10 of this Act.

"Drycleaning facility" means a facility located in this State that is or has been engaged in drycleaning operations for the general public, other than:

(1) a facility located on a United States military base;

(2) an industrial laundry, commercial laundry, or linen supply facility;

(3) a prison or other penal institution that engages in drycleaning only as part of a Correctional Industries program to provide drycleaning to persons who are incarcerated in a prison or penal institution or to resident patients of a State-operated mental health facility;

(4) a not-for-profit hospital or other health care facility; or a

(5) a facility located or formerly located on federal or State property.

"Drycleaning operations" means drycleaning of apparel and household fabrics for the general public, as described in Standard Industrial Classification Industry No. 7215 and No. 7216 in the Standard Industrial Classification Manual (SIC) by the Technical Committee on Industrial Classification.

"Drycleaning solvent" means any and all nonaqueous solvents, including but not limited to a chlorine-based or petroleum-based formulation or product, including green solvents, that are used as a primary cleaning agent in drycleaning operations.

"Emergency" or "emergency action" means a situation or an immediate response to a situation to protect public health or safety. "Emergency" or "emergency action" does not mean removal of contaminated soils, recovery of free product, or financial hardship. An "emergency" or "emergency action" would normally be expected to be directly related to a sudden event or discovery and would last until the threat to public health is mitigated.

"Groundwater" means underground water that occurs within the saturated zone and geologic materials where the fluid pressure in the pore space is equal to or greater than the atmospheric pressure.

"Inactive drycleaning facility" means a drycleaning facility that is not being used for drycleaning operations and is not registered under this Act.

"Maintaining a place of business in this State" or any like term means (1) having or maintaining within this State, directly or through a subsidiary, an office, distribution facility, distribution house, sales house, warehouse, or other place of business or (2) operating within this State as an agent or representative for a person or a person's subsidiary engaged in the business of selling to persons within this State, irrespective of whether the place of business or agent or other representative is located in this State permanently or temporarily, or whether the person or the person's subsidiary engages in the business of selling in this State.

"No Further Remediation Letter" means a letter provided by the Agency pursuant to Section 58.10 of Title XVII of the Environmental Protection Act.

"Operator" means a person or entity holding a business license to operate a licensed drycleaning facility or the business operation of which the drycleaning facility is a part.

"Owner" means (1) a person who owns or has possession or control of a drycleaning facility at the time a release is discovered, regardless of whether the facility remains in operation or (2) a parent corporation of the person under item (1) of this subdivision.

"Parent corporation" means a business entity or other business arrangement that has elements of common ownership or control or that uses a long-term contractual arrangement with a person to avoid direct responsibility for conditions at a drycleaning facility.

"Person" means an individual, trust, firm, joint stock company, corporation, consortium, joint venture, or other commercial entity.

"Program year" means the period beginning on July 1 and ending on the following June 30.

"Release" means any spilling, leaking, emitting, discharging, escaping, leaching, or dispersing of drycleaning solvents from a drycleaning facility to groundwater, surface water, or subsurface soils.

"Remedial action" means activities taken to comply with Title XVII of the Environmental Protection Act and rules adopted by the Board to administer that Title.

"Responsible party" means an owner, operator, or other person financially responsible for costs of remediation of a release of drycleaning solvents from a drycleaning facility.

"Service provider" means a consultant, testing laboratory, monitoring well installer, soil boring contractor, other contractor, lender, or any other person who provides a product or service for which a claim for reimbursement has been or will be filed against the Fund, or a subcontractor of such a person.

"Virgin facility" means a drycleaning facility that has never had chlorine-based or petroleum-based drycleaning solvents stored or used at the property prior to it becoming a green solvent drycleaning facility. (Source: P.A. 101-400, eff. 7-1-20.)

(415 ILCS 135/25)

(Text of Section before amendment by P.A. 101-400)

Sec. 25. Powers and duties of the Council.

(a) The Council shall have all of the general powers reasonably necessary and convenient to carry out its purposes and may perform the following functions, subject to any express limitations contained in this Act:

(1) Take actions and enter into agreements necessary to reimburse claimants for eligible remedial action expenses, assist the Agency to protect the environment from releases, reduce costs associated with remedial actions, and establish and implement an insurance program.

(2) Acquire and hold personal property to be used for the purpose of remedial action.

(3) Purchase, construct, improve, furnish, equip, lease, option, sell, exchange, or otherwise dispose of one or more improvements under the terms it determines. The Council may define "improvements" by rule for purposes of this Act.

(4) Grant a lien, pledge, assignment, or other encumbrance on one or more revenues, assets of right, accounts, or funds established or received in connection with the Fund, including revenues derived from fees or taxes collected under this Act.

(5) Contract for the acquisition or construction of one or more improvements or parts of one or more improvements or for the leasing, subleasing, sale, or other disposition of one or more improvements in a manner the Council determines.

(6) Cooperate with the Agency in the implementation and administration of this Act to minimize unnecessary duplication of effort, reporting, or paperwork and to maximize environmental protection within the funding limits of this Act.

(7) Except as otherwise provided by law, inspect any document in the possession of an owner, operator, service provider, or any other person if the document is relevant to a claim for reimbursement under this Section or may inspect a drycleaning facility for which a claim for benefits under this Act has been submitted.

(b) The Council shall pre-approve, and the contracting parties shall seek pre-approval for, a contract entered into under this Act if the cost of the contract exceeds \$75,000. The Council or its designee shall review and approve or disapprove all contracts entered into under this Act. However, review by the Council or its designee shall not be required when an emergency situation exists. All contracts entered into by the Council shall be awarded on a competitive basis to the maximum extent practical. In those situations where it is determined that bidding is not practical, the basis for the determination of impracticability shall be documented by the Council or its designee.

(c) The Council may prioritize the expenditure of funds from the remedial action account whenever it determines that there are not sufficient funds to settle all current claims. In prioritizing, the Council may consider the following:

- (1) the degree to which human health is affected by the exposure posed by the release;
 - (2) the reduction of risk to human health derived from remedial action compared to the cost of the remedial action;
 - (3) the present and planned uses of the impacted property; and
 - (4) other factors as determined by the Council.
- (d) The Council shall adopt rules allowing the direct payment from the Fund to a contractor who performs remediation. The rules concerning the direct payment shall include a provision that any applicable deductible must be paid by the drycleaning facility prior to any direct payment from the Fund.
- (e) The Council may purchase reinsurance coverage to reduce the Fund's potential liability for reimbursement of remedial action costs.
- (Source: P.A. 93-201, eff. 1-1-04.)

(Text of Section after amendment by P.A. 101-400)
 Sec. 25. Powers and duties of the Agency and Board.

- (a) The Agency shall have all of the general powers reasonably necessary and convenient to carry out this Act, including, but not limited to, the power to:
- (1) Take actions and enter into agreements necessary to:
 - (A) reimburse claimants for eligible remedial action expenses;
 - (B) protect the environment from releases for which claimants are eligible for reimbursement under this Act by, among other things, performing investigative, remedial, or other appropriate actions in response to those releases; ~~and~~
 - (C) reduce costs associated with remedial actions; and ;
 - (D) pay eligible claims in accordance with coverage provided under Section 45 of this Act.
 - (2) Acquire and hold personal property to be used for the purpose of remedial action.
 - (3) (Blank).
 - (4) (Blank).
 - (5) (Blank).
 - (6) (Blank).
 - (7) Except as otherwise provided by law, inspect any document in the possession of an owner, operator, service provider, or any other person if the document is relevant to a claim for reimbursement under this Section or may inspect a drycleaning facility for which a claim for benefits under this Act has been submitted.
- (b) (Blank).
- (c) The Agency shall, in accordance with Board rules, prioritize the expenditure of funds from the remedial action account whenever it determines that there are not sufficient funds to settle all current claims. In prioritizing, the Agency shall consider, among other things, the following:
- (1) the degree to which human health is affected by the exposure posed by the release;
 - (2) the reduction of risk to human health derived from remedial action compared to the cost of the remedial action;
 - (3) the present and planned uses of the impacted property;
 - (4) whether the claimant is currently licensed, insured, and has paid all fees and premiums due under this Act; and
 - (5) other factors as determined by the Board.
- (d) The Board may adopt rules allowing the direct payment from the Fund to a contractor who performs remediation. The rules concerning the direct payment shall include a provision that any applicable deductible must be paid by the drycleaning facility prior to any direct payment from the Fund.
- (e) (Blank).
- (f) The Agency may, in accordance with constitutional limitations, enter at all reasonable times upon any private or public property for the purpose of inspecting and investigating to ascertain possible violations of this Act, any rule adopted under this Act, or any order entered pursuant to this Act.
- (g) If the Agency becomes aware of a violation of this Act or any rule adopted under this Act, it may refer the matter to the Attorney General for enforcement.
- (h) In calendar years 2021 and 2022 and as deemed necessary by the Director of the Agency thereafter, the Agency shall prepare a report on the status of the Fund and convene a public meeting for purposes of disseminating the information in the report and accepting questions from members of the public on its contents. The reports prepared by the Agency under this subsection shall, at a minimum, describe the current financial status of the Fund, identify administrative expenses incurred by the Agency in its administration of the Fund, identify amounts from the Fund that have been applied toward remedial action and insurance claims under the Act, and list the drycleaning facilities in the State eligible for

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reimbursement from the Fund that have completed remedial action. The Agency shall make available on its website an electronic copy of the reports required under this subsection.

(Source: P.A. 101-400, eff. 7-1-20.)

(415 ILCS 135/40)

(Text of Section before amendment by P.A. 101-400)

Sec. 40. Remedial action account.

(a) The remedial action account is established to provide reimbursement to eligible claimants for drycleaning solvent investigation, remedial action planning, and remedial action activities for existing drycleaning solvent contamination discovered at their drycleaning facilities.

(b) The following persons are eligible for reimbursement from the remedial action account:

(1) In the case of claimant who is the owner or operator of an active drycleaning facility licensed by the Council under this Act at the time of application for remedial action benefits afforded under the Fund, the claimant is only eligible for reimbursement of remedial action costs incurred in connection with a release from that drycleaning facility, subject to any other limitations under this Act.

(2) In the case of a claimant who is the owner of an inactive drycleaning facility and was the owner or operator of the drycleaning facility when it was an active drycleaning facility, the claimant is only eligible for reimbursement of remedial action costs incurred in connection with a release from the drycleaning facility, subject to any other limitations under this Act.

(c) An eligible claimant requesting reimbursement from the remedial action account shall meet all of the following:

(1) The claimant demonstrates that the source of the release is from the claimant's drycleaning facility.

(2) At the time the release was discovered by the claimant, the claimant and the drycleaning facility were in compliance with the Agency reporting and technical operating requirements.

(3) The claimant reported the release in a timely manner to the Agency in accordance with State law.

(4) (Blank).

(5) If the claimant is the owner or operator of an active drycleaning facility, the claimant has provided to the Council proof of implementation and maintenance of the following pollution prevention measures:

(A) That all drycleaning solvent wastes generated at a drycleaning facility be managed in accordance with applicable State waste management laws and rules.

(B) A prohibition on the discharge of wastewater from drycleaning machines or of drycleaning solvent from drycleaning operations to a sanitary sewer or septic tank or to the surface or in groundwater.

(C) That every drycleaning facility:

(I) install a containment dike or other containment structure around each machine, item of equipment, drycleaning area, and portable waste container in which any drycleaning solvent is utilized, which shall be capable of containing leaks, spills, or releases of drycleaning solvent from that machine, item, area, or container. The containment dike or other containment structure shall be capable of at least the following: (i) containing a capacity of 110% of the drycleaning solvent in the largest tank or vessel within the machine; (ii) containing 100% of the drycleaning solvent of each item of equipment or drycleaning area; and (iii) containing 100% of the drycleaning solvent of the largest portable waste container or at least 10% of the total volume of the portable waste containers stored within the containment dike or structure, whichever is greater.

Petroleum underground storage tank systems that are upgraded in accordance with USEPA upgrade standards pursuant to 40 CFR Part 280 for the tanks and related piping systems and use a leak detection system approved by the USEPA or IEPA are exempt from this secondary containment requirement; and

(II) seal or otherwise render impervious those portions of diked floor surfaces on which a drycleaning solvent may leak, spill, or otherwise be released.

(D) A requirement that all drycleaning solvent shall be delivered to drycleaning facilities by means of closed, direct-coupled delivery systems.

(6) An active drycleaning facility has maintained continuous financial assurance for environmental liability coverage in the amount of at least \$500,000 at least since the date of award of benefits under this Section or July 1, 2000, whichever is earlier. An uninsured drycleaning facility that

has filed an application for insurance with the Fund by January 1, 2004, obtained insurance through that application, and maintained that insurance coverage continuously shall be considered to have conformed with the requirements of this subdivision (6). To conform with this requirement the applicant must pay the equivalent of the total premiums due for the period beginning June 30, 2000 through the date of application plus a 20% penalty of the total premiums due for that period.

(7) The release was discovered on or after July 1, 1997 and before July 1, 2006.

(d) A claimant shall submit a completed application form provided by the Council. The application shall contain documentation of activities, plans, and expenditures associated with the eligible costs incurred in response to a release of drycleaning solvent from a drycleaning facility. Application for remedial action account benefits must be submitted to the Council on or before June 30, 2005.

(e) Claimants shall be subject to the following deductible requirements, unless modified pursuant to the Council's authority under Section 75:

(1) An eligible claimant submitting a claim for an active drycleaning facility is responsible for the first \$5,000 of eligible investigation costs and for the first \$10,000 of eligible remedial action costs incurred in connection with the release from the drycleaning facility and is only eligible for reimbursement for costs that exceed those amounts, subject to any other limitations of this Act.

(2) An eligible claimant submitting a claim for an inactive drycleaning facility is responsible for the first \$10,000 of eligible investigation costs and for the first \$10,000 of eligible remedial action costs incurred in connection with the release from that drycleaning facility, and is only eligible for reimbursement for costs that exceed those amounts, subject to any other limitations of this Act.

(f) Claimants are subject to the following limitations on reimbursement:

(1) Subsequent to meeting the deductible requirements of subsection (e), and pursuant to the requirements of Section 75, reimbursement shall not exceed \$300,000 per active drycleaning facility and \$50,000 per inactive drycleaning facility.

(2) A contract in which one of the parties to the contract is a claimant, for goods or services that may be payable or reimbursable from the Council, is void and unenforceable unless and until the Council has found that the contract terms are within the range of usual and customary rates for similar or equivalent goods or services within this State and has found that the goods or services are necessary for the claimant to comply with Council standards or other applicable regulatory standards.

(3) A claimant may appoint the Council as an agent for the purposes of negotiating contracts with suppliers of goods or services reimbursable by the Fund. The Council may select another contractor for goods or services other than the one offered by the claimant if the scope of the proposed work or actual work of the claimant's offered contractor does not reflect the quality of workmanship required or if the costs are determined to be excessive, as determined by the Council.

(4) The Council may require a claimant to obtain and submit 3 bids and may require specific terms and conditions in a contract subject to approval.

(5) The Council may enter into a contract or an exclusive contract with the supplier of goods or services required by a claimant or class of claimants, in connection with an expense reimbursable from the Fund, for a specified good or service at a gross maximum price or fixed rate, and may limit reimbursement accordingly.

(6) Unless emergency conditions exist, a service provider shall obtain the Council's approval of the budget for the remediation work before commencing the work. No expense incurred that is above the budgeted amount shall be paid unless the Council approves the expense prior to its being incurred. All invoices and bills relating to the remediation work shall be submitted with appropriate documentation, as deemed necessary by the Council.

(7) Neither the Council nor an eligible claimant is responsible for payment for costs incurred that have not been previously approved by the Council, unless an emergency exists.

(8) The Council may determine the usual and customary costs of each item for which reimbursement may be awarded under this Section. The Council may revise the usual and customary costs from time to time as necessary, but costs submitted for reimbursement shall be subject to the rates in effect at the time the costs were incurred.

(9) If a claimant has pollution liability insurance coverage other than coverage provided by the insurance account under this Act, that coverage shall be primary. Reimbursement from the remedial account shall be limited to the deductible amounts under the primary coverage and the amount that exceeds the policy limits of the primary coverage, subject to the deductible amounts of this Act. If there is a dispute between the claimant and the primary insurance provider, reimbursement from

the remedial action account may be made to the claimant after the claimant assigns all of his or her interests in the insurance coverage to the Council.

(g) The source of funds for the remedial action account shall be moneys allocated to the account by the Council according to the Fund budget approved by the Council.

(h) A drycleaning facility will be classified as active or inactive for purposes of determining benefits under this Section based on the status of the facility on the date a claim is filed.

(i) Eligible claimants shall conduct remedial action in accordance with the Site Remediation Program under the Environmental Protection Act and Part 740 of Title 35 of the Illinois Administrative Code and the Tiered Approach to Cleanup Objectives under Part 742 of Title 35 of the Illinois Administrative Code.

(j) Effective January 1, 2012, an active drycleaning facility that has previously received or is currently receiving reimbursement for the costs of a remedial action, as defined in this Act, shall maintain continuous financial assurance for environmental liability coverage in the amount of at least \$500,000 until the earlier of (i) January 1, 2020 or (ii) the date the Council determines the drycleaning facility is an inactive drycleaning facility. Failure to comply with this requirement will result in the revocation of the drycleaning facility's existing license and in the inability of the drycleaning facility to obtain or renew a license under Section 60 of this Act.

(Source: P.A. 96-774, eff. 1-1-10; 97-377, eff. 1-1-12.)

(Text of Section after amendment by P.A. 101-400)

Sec. 40. Remedial action account.

(a) The remedial action account is established to provide reimbursement to eligible claimants for drycleaning solvent investigation, remedial action planning, and remedial action activities for existing drycleaning solvent contamination discovered at their drycleaning facilities.

(b) The following persons are eligible for reimbursement from the remedial action account:

(1) In the case of a claimant who is the owner or operator of an active drycleaning facility licensed under this Act at the time of application for remedial action benefits afforded under the Fund, the claimant is only eligible for reimbursement of remedial action costs incurred in connection with a release from that drycleaning facility, subject to any other limitations under this Act.

(2) In the case of a claimant who is the owner of an inactive drycleaning facility and was the owner or operator of the drycleaning facility when it was an active drycleaning facility, the claimant is only eligible for reimbursement of remedial action costs incurred in connection with a release from the drycleaning facility, subject to any other limitations under this Act.

(c) An eligible claimant requesting reimbursement from the remedial action account shall meet all of the following:

(1) The claimant demonstrates that the source of the release is from the claimant's drycleaning facility.

(2) At the time the release was discovered by the claimant, the claimant and the drycleaning facility were in compliance with the Agency reporting and technical operating requirements.

(3) The claimant reported the release in a timely manner in accordance with State law.

(4) The drycleaning facility site is enrolled in the Site Remediation Program established under Title XVII of the Environmental Protection Act.

(5) If the claimant is the owner or operator of an active drycleaning facility, the claimant must ensure that:

(A) All drycleaning solvent wastes generated at the drycleaning facility are managed in accordance with applicable State waste management laws and rules.

(B) There is no discharge of wastewater from drycleaning machines, or of drycleaning solvent from drycleaning operations, to a sanitary sewer or septic tank or to the surface or in groundwater.

(C) The drycleaning facility has a containment dike or other containment structure around each machine, item of equipment, drycleaning area, and portable waste container in which any drycleaning solvent is utilized, which is capable of containing leaks, spills, or releases of drycleaning solvent from that machine, item, area, or container. The containment dike or other containment structure shall be capable of at least the following: (i) containing a capacity of 110% of the drycleaning solvent in the largest tank or vessel within the machine; (ii) containing 100% of the drycleaning solvent of each item of equipment or drycleaning area; and (iii) containing 100% of the drycleaning solvent of the largest portable waste container or at least 10% of the total volume of the portable waste containers stored within the containment dike or structure, whichever is greater.

Petroleum underground storage tank systems that are in compliance with USEPA and

State Fire Marshal rules, including, but not limited to, leak detection system rules, are exempt from this secondary containment requirement.

(D) Those portions of diked floor surfaces on which a drycleaning solvent may leak, spill, or otherwise be released are sealed or otherwise impervious.

(E) All drycleaning solvent is delivered to drycleaning facilities by means of closed, direct-coupled delivery systems.

(6) An active drycleaning facility has maintained continuous financial assurance for environmental liability coverage in the amount of at least \$500,000 at least since the date of award of benefits under this Section or July 1, 2000, whichever is earlier. An uninsured drycleaning facility that has filed an application for insurance with the Fund by January 1, 2004, obtained insurance through that application, and maintained that insurance coverage continuously shall be considered to have conformed with the requirements of this subdivision (6). To conform with this requirement the applicant must pay the equivalent of the total premiums due for the period beginning June 30, 2000 through the date of application plus a 20% penalty of the total premiums due for that period.

(7) The release was discovered on or after July 1, 1997 and before July 1, 2006.

(d) A claimant must have submitted a completed application form provided by the Council. The application shall contain documentation of activities, plans, and expenditures associated with the eligible costs incurred in response to a release of drycleaning solvent from a drycleaning facility. Application for remedial action account benefits must have been submitted to the Council on or before June 30, 2005.

(e) Claimants shall be subject to the following deductible requirements:

(1) If, by January 1, 2008, an eligible claimant submitting a claim for an active drycleaning facility completed site investigation and submitted to the Council a complete remedial action plan for the site, then the eligible claimant is responsible for the first \$5,000 of eligible investigation costs and for the first \$10,000 of eligible remedial action costs incurred in connection with the release from the drycleaning facility and is only eligible for reimbursement for costs that exceed those amounts, subject to any other limitations of this Act. Any eligible claimant submitting any other claim for an active drycleaning facility is responsible for the first \$5,000 of eligible investigation costs and for the first \$15,000 of eligible remedial action costs incurred in connection with the release from the drycleaning facility, and is only eligible for reimbursement for costs that exceed those amounts, subject to any other limitations of this Act.

(2) If, by January 1, 2008, an eligible claimant submitting a claim for an inactive drycleaning facility completed site investigation and submitted to the Council a complete remedial action plan for the site, then the claimant is responsible for the first \$10,000 of eligible investigation costs and for the first \$10,000 of eligible remedial action costs incurred in connection with the release from that drycleaning facility, and is only eligible for reimbursement for costs that exceed those amounts, subject to any other limitations of this Act. Any eligible claimant submitting any other claim for an inactive drycleaning facility is responsible for the first \$15,000 of eligible investigation costs and for the first \$15,000 of eligible remedial action costs incurred in connection with the release from the drycleaning facility, and is only eligible for reimbursement for costs that exceed those amounts, subject to any other limitations of this Act.

(f) Claimants are subject to the following limitations on reimbursement:

(1) Subsequent to meeting the deductible requirements of subsection (e), reimbursement shall not exceed \$300,000 per active drycleaning facility and \$50,000 per inactive drycleaning facility.

(2) (Blank).

(3) (Blank).

(4) The Agency may require a claimant to obtain and submit 3 bids and may require specific terms and conditions in a contract subject to approval.

(5) The Agency may enter into a contract or an exclusive contract with the supplier of goods or services required by a claimant or class of claimants, in connection with an expense reimbursable from the Fund, for a specified good or service at a gross maximum price or fixed rate, and may limit reimbursement accordingly.

(6) Unless emergency conditions exist, a service provider shall obtain the Agency's approval of all remediation work to be reimbursed from the Fund and a budget for the remediation work before commencing the work. No expense incurred that is above the budgeted amount shall be paid unless the Agency approves the expense. All invoices and bills relating to the remediation work shall be submitted with appropriate documentation, as deemed necessary by the Agency.

(7) Neither the Council, nor the Agency, nor an eligible claimant is responsible for payment for costs incurred that have not been previously approved by the Council, or Agency, unless an emergency exists.

(8) To be eligible for reimbursement from the Fund, costs must be within the range of usual and customary rates for similar or equivalent goods or services, incurred in performance of remediation work approved by the Agency, and necessary to respond to the release for which the claimant is seeking reimbursement from the Fund.

(9) If a claimant has pollution liability insurance coverage other than coverage provided by the insurance account under this Act, that coverage shall be primary. Reimbursement from the remedial account shall be limited to the deductible amounts under the primary coverage and the amount that exceeds the policy limits of the primary coverage, subject to the deductible amounts established pursuant to this Act.

(f-5) Costs of corrective action or indemnification incurred by a claimant which have been paid to a claimant under a policy of insurance other than the insurance provided under this Act, another written agreement, or a court order are not eligible for reimbursement. A claimant who receives payment under such a policy, written agreement, or court order shall reimburse the State to the extent such payment covers costs for which payment was received from the Fund. Any moneys received by the State under this subsection shall be deposited into the Fund.

(g) The source of funds for the remedial action account shall be moneys allocated to the account by the Agency.

(h) A drycleaning facility will be classified as active or inactive for purposes of determining benefits under this Section based on the status of the facility on the date a claim is filed.

(i) Eligible claimants shall conduct remedial action in accordance with Title XVII of the Environmental Protection Act and rules adopted under that Act.

(j) Effective January 1, 2012, the owner or operator of an active drycleaning facility that has previously received or is currently receiving reimbursement for the costs of a remedial action, as defined in this Act, shall maintain continuous financial assurance for environmental liability coverage in the amount of at least \$500,000 for that facility until January 1, 2030. Failure to comply with this requirement will result in the revocation of the drycleaning facility's existing license and in the inability of the drycleaning facility to obtain or renew a license under Section 60 of this Act.

(k) ~~Owners Effective January 1, 2020, owners~~ and operators of inactive drycleaning facilities that are eligible for reimbursement from the Fund ~~on that date shall, through calendar year 2029 until January 1, 2030,~~ pay an annual \$3,000 administrative assessment each calendar year to the Agency for the facility. For calendar year 2020, the annual assessment described in this subsection (k) is due on or before October 1, 2020. For each subsequent calendar year, the annual assessment described in this subsection (k) is due on or before February 1 of the applicable calendar year. Administrative assessments collected by the Agency under this subsection (k) shall be deposited into the Fund.

(Source: P.A. 101-400, eff. 7-1-20.)

(415 ILCS 135/60)

(Text of Section before amendment by P.A. 101-400)

(Section scheduled to be repealed on January 1, 2020; Public Act 101-400 contains language changing the repeal date of this Section from January 1, 2020 to January 1, 2030, but the repeal of this Section takes place before Public Act 101-400 takes effect on July 1, 2020)

Sec. 60. Drycleaning facility license.

(a) On and after January 1, 1998, no person shall operate a drycleaning facility in this State without a license issued by the Council.

(b) The Council shall issue an initial or renewal license to a drycleaning facility on submission by an applicant of a completed form prescribed by the Council, proof of payment of the required fee to the Department of Revenue, and, if the drycleaning facility has previously received or is currently receiving reimbursement for the costs of a remedial action, as defined in this Act, proof of compliance with subsection (j) of Section 40. Beginning January 1, 2013, license renewal application forms must include a certification by the applicant that all hazardous waste stored at the drycleaning facility is stored in accordance with all applicable federal and state laws and regulations, and that all hazardous waste transported from the drycleaning facility is transported in accordance with all applicable federal and state laws and regulations. Also, beginning January 1, 2013, license renewal applications must include copies of all manifests for hazardous waste transported from the drycleaning facility during the previous 12 months or since the last submission of copies of manifests, whichever is longer. If the Council does not receive a copy of a manifest for a drycleaning facility within a 3-year period, or within a shorter period as determined by the Council, the Council shall make appropriate inquiry into the management of hazardous waste at the facility and may share the results of the inquiry with the Agency.

(c) On or after January 1, 2004, the annual fees for licensure are as follows:

(1) \$500 for a facility that uses (i) 50 gallons or less of chlorine-based or green

(13) \$1,500 for a facility that uses (i) more than 600 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 3,000 gallons but not more than 3,250 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 6,000 gallons of hydrocarbon-based drycleaning solvents annually in a drycleaning machine equipped without a solvent reclaimer.

(14) \$1,500 for a facility that uses more than 3,250 gallons but not more than 3,500 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer.

(15) \$1,500 for a facility that uses more than 3,500 gallons but not more than 3,750 gallons annually of hydrocarbon-based solvents used in a drycleaning machine equipped with a solvent reclaimer.

(16) \$1,500 for a facility that uses more than 3,750 gallons but not more than 4,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer.

(17) \$1,500 for a facility that uses more than 4,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer.

For purpose of this subsection, the quantity of drycleaning solvents used annually shall be determined as follows:

(1) in the case of an initial applicant, the quantity of drycleaning solvents that the applicant estimates will be used during his or her initial license year. A fee assessed under this subdivision is subject to audited adjustment for that year; or

(2) in the case of a renewal applicant, the quantity of drycleaning solvents actually purchased in the preceding license year.

The Council may adjust licensing fees annually based on the published Consumer Price Index - All Urban Consumers ("CPI-U") or as otherwise determined by the Council.

(d) A license issued under this Section shall expire one year after the date of issuance and may be renewed on reapplication to the Council and submission of proof of payment of the appropriate fee to the Department of Revenue in accordance with subsections (c) and (e). At least 30 days before payment of a renewal licensing fee is due, the Council shall attempt to:

(1) notify the operator of each licensed drycleaning facility concerning the requirements of this Section; and

(2) submit a license fee payment form to the licensed operator of each drycleaning facility.

(e) An operator of a drycleaning facility shall submit the appropriate application form provided by the Council with the license fee in the form of cash, credit card, business check, or guaranteed remittance to the Department of Revenue. The Department may accept payment of the license fee under this Section by credit card only if the Department is not required to pay a discount fee charged by the credit card issuer. The license fee payment form and the actual license fee payment shall be administered by the Department of Revenue under rules adopted by that Department.

(f) The Department of Revenue shall issue a proof of payment receipt to each operator of a drycleaning facility who has paid the appropriate fee in cash or by guaranteed remittance, credit card, or business check. However, the Department of Revenue shall not issue a proof of payment receipt to a drycleaning facility that is liable to the Department of Revenue for a tax imposed under this Act. The original receipt shall be presented to the Council by the operator of a drycleaning facility.

(g) (Blank).

(h) The Council and the Department of Revenue may adopt rules as necessary to administer the licensing requirements of this Act.

(Source: P.A. 96-774, eff. 1-1-10; 97-332, eff. 8-12-11; 97-377, eff. 1-1-12; 97-663, eff. 1-13-12; 97-813, eff. 7-13-12; 97-1057, eff. 1-1-13.)

(Text of Section after amendment by P.A. 101-400)

(Section scheduled to be repealed on January 1, 2020; Public Act 101-400 contains language changing the repeal date of this Section from January 1, 2020 to January 1, 2030, but the repeal of this Section takes place before Public Act 101-400 takes effect on July 1, 2020))

Sec. 60. Drycleaning facility license.

(a) No person shall operate a drycleaning facility in this State without a license issued by the Council or Agency. Until July 1, 2020, the license required under this subsection shall be issued by the Council. On and after July 1, 2020, the license required under this subsection shall be issued by the Agency.

(b) Beginning July 1, 2020, an initial or renewal license shall be issued to a drycleaning facility on submission by an applicant of a completed form prescribed by the Agency and proof of payment of the required fee to the Department of Revenue, and, if the drycleaning facility has previously received or is currently receiving reimbursement for the costs of a remedial action, as defined in this Act, proof of compliance with subsection (j) of Section 40. The Agency shall make available on its website an electronic copy of the required license and license renewal applications. License renewal application forms must include a certification by the applicant:

(1) that all hazardous waste stored at the drycleaning facility is stored in accordance with all applicable federal and state laws and regulations;

(2) that all hazardous waste transported from the drycleaning facility is transported in accordance with all applicable federal and state laws and regulations; and

(3) that the applicant has successfully completed all continuing education requirements adopted by the Board pursuant to Section 12 of ~~this the Drycleaner Environmental Response Trust Fund Act.~~

(c) The annual fees for licensure are as follows:

(1) \$1,500 for a facility that uses (i) 50 gallons or less of chlorine-based or green drycleaning solvents annually, (ii) 250 or less gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) 500 gallons or less annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(2) \$2,250 for a facility that uses (i) more than 50 gallons but not more than 100 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 250 gallons but not more 500 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 500 gallons but not more than 1,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(3) \$3,000 for a facility that uses (i) more than 100 gallons but not more than 150 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 500 gallons but not more than 750 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 1,000 gallons but not more than 1,500 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(4) \$3,750 for a facility that uses (i) more than 150 gallons but not more than 200 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 750 gallons but not more than 1,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 1,500 gallons but not more than 2,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(5) \$4,500 for a facility that uses (i) more than 200 gallons but not more than 250 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 1,000 gallons but not more than 1,250 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 2,000 gallons but not more than 2,500 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(6) \$5,000 for a facility that uses (i) more than 250 gallons but not more than 300 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 1,250 gallons but not more than 1,500 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 2,500 gallons but not more than 3,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(7) \$5,000 for a facility that uses (i) more than 300 gallons but not more than 350 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 1,500 gallons but not more than 1,750 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 3,000 gallons but not more than 3,500 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(8) \$5,000 for a facility that uses (i) more than 350 gallons but not more than 400 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 1,750 gallons but not more than 2,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 3,500 gallons but not more than 4,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(9) \$5,000 for a facility that uses (i) more than 400 gallons but not more than 450 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 2,000 gallons but not more than 2,250 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 4,000 gallons but not more than 4,500 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(10) \$5,000 for a facility that uses (i) more than 450 gallons but not more than 500 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 2,250 gallons but not more than 2,500 gallons annually of hydrocarbon-based solvents used in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 4,500 gallons but not more than 5,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(11) \$5,000 for a facility that uses (i) more than 500 gallons but not more than 550 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 2,500 gallons but not more than 2,750 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 5,000 gallons but not more than 5,500 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(12) \$5,000 for a facility that uses (i) more than 550 gallons but not more than 600 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 2,750 gallons but not more than 3,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 5,500 gallons but not more than 6,000 gallons annually of hydrocarbon-based drycleaning solvents in a drycleaning machine without a solvent reclaimer.

(13) \$5,000 for a facility that uses (i) more than 600 gallons of chlorine-based or green drycleaning solvents annually, (ii) more than 3,000 gallons but not more than 3,250 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer, or (iii) more than 6,000 gallons of hydrocarbon-based drycleaning solvents annually in a drycleaning machine equipped without a solvent reclaimer.

(14) \$5,000 for a facility that uses more than 3,250 gallons but not more than 3,500 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer.

(15) \$5,000 for a facility that uses more than 3,500 gallons but not more than 3,750 gallons annually of hydrocarbon-based solvents used in a drycleaning machine equipped with a solvent reclaimer.

(16) \$5,000 for a facility that uses more than 3,750 gallons but not more than 4,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer.

(17) \$5,000 for a facility that uses more than 4,000 gallons annually of hydrocarbon-based solvents in a drycleaning machine equipped with a solvent reclaimer.

For purpose of this subsection, the quantity of drycleaning solvents used annually shall be determined as follows:

(1) in the case of an initial applicant, the quantity of drycleaning solvents that the applicant estimates will be used during his or her initial license year. A fee assessed under this subdivision is subject to audited adjustment for that year; or

(2) in the case of a renewal applicant, the quantity of drycleaning solvents actually purchased in the preceding license year.

(d) A license issued under this Section shall expire one year after the date of issuance and may be renewed on reapplication to the Agency Council and submission of proof of payment of the appropriate fee to the Department of Revenue in accordance with subsections (c) and (e).

(e) An operator of a drycleaning facility shall submit the appropriate application form provided by the Agency with the license fee in the form of cash, credit card, business check, or guaranteed remittance to the Department of Revenue. The Department may accept payment of the license fee under this Section by credit card only if the Department is not required to pay a discount fee charged by the credit card issuer. The license fee payment form and the actual license fee payment shall be administered by the Department of Revenue under rules adopted by that Department.

(f) The Department of Revenue shall issue a proof of payment receipt to each operator of a drycleaning facility who has paid the appropriate fee in cash or by guaranteed remittance, credit card, or business check. However, the Department of Revenue shall not issue a proof of payment receipt to a drycleaning facility that is liable to the Department of Revenue for a tax imposed under this Act. The original receipt shall be presented to the Agency Council by the operator of a drycleaning facility.

(g) (Blank).

(h) The Board and the Department of Revenue may adopt rules as necessary to administer the licensing requirements of this Act.

(Source: P.A. 101-400, eff. 7-1-20.)

Section 99. Effective date. This Act takes effect December 31, 2019, except that Section 15 takes effect on July 1, 2020."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Martinez, **Senate Bill No. 718** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 53; NAYS None.

The following voted in the affirmative:

Anderson	DeWitte	Lightford	Schimpf
Aquino	Ellman	Link	Sims
Barickman	Fine	Manar	Stadelman
Belt	Fowler	Martinez	Steans
Bennett	Glowiak Hilton	Martwick	Syverson
Bertino-Tarrant	Harmon	McClure	Tracy
Brady	Harris	McConchie	Van Pelt
Bush	Hastings	McGuire	Villivalam
Castro	Holmes	Muñoz	Weaver
Collins	Hunter	Oberweis	Wilcox
Crowe	Hutchinson	Peters	Mr. President
Cullerton, T.	Jones, E.	Rezin	
Cunningham	Koehler	Righter	
Curran	Landek	Rose	

This bill, having received the vote of three-fifths of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a). Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

SENATE BILL RECALLED

On motion of Senator Link, **Senate Bill No. 1864** was recalled from the order of third reading to the order of second reading.

Floor Amendment No. 1 was held in the Committee on Assignments.

Senator Link offered the following amendment and moved its adoption:

AMENDMENT NO. 2 TO SENATE BILL 1864

AMENDMENT NO. 2. Amend Senate Bill 1864 by replacing everything after the enacting clause with the following:

"Section 5. The Smoke Free Illinois Act is amended by changing Section 10 as follows:
(410 ILCS 82/10)

Sec. 10. Definitions. In this Act:

"Bar" means an establishment that is devoted to the serving of alcoholic beverages for consumption by guests on the premises and that derives no more than 10% of its gross revenue from the sale of food consumed on the premises. "Bar" includes, but is not limited to, taverns, nightclubs, cocktail lounges, adult entertainment facilities, and cabarets.

"Department" means the Department of Public Health.

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"Electronic cigarette" means:

(1) any device that employs a battery or other mechanism to heat a solution or substance to produce a vapor or aerosol intended for inhalation;

(2) any cartridge or container of a solution or substance intended to be used with or in the device or to refill the device; or

(3) any solution or substance, whether or not it contains nicotine intended for use in the device.

"Electronic cigarette" includes, but is not limited to, any electronic nicotine delivery system, electronic cigar, electronic cigarillo, electronic pipe, electronic hookah, vape pen, or similar product or device, and any components or parts that can be used to build the product or device. "Electronic cigarette" excludes cigarettes as defined in Section 1 of the Cigarette Tax Act and tobacco products as defined in Section 10-5 of the Tobacco Products Tax Act of 1995; alternative nicotine products as defined in this Section; products approved by the United States Food and Drug Administration for sale as tobacco cessation products, as tobacco dependence products, or for other medical purposes, and marketed and sold solely for that approved purpose; asthma inhalers prescribed by a physician for that condition and marketed and sold solely for that approved purpose; and therapeutic products approved for use under the Compassionate Use of Medical Cannabis Pilot Program Act.

"Employee" means a person who is employed by an employer in consideration for direct or indirect monetary wages or profits or a person who volunteers his or her services for a non-profit entity.

"Employer" means a person, business, partnership, association, or corporation, including a municipal corporation, trust, or non-profit entity, that employs the services of one or more individual persons.

"Enclosed area" means all space between a floor and a ceiling that is enclosed or partially enclosed with (i) solid walls or windows, exclusive of doorways, or (ii) solid walls with partitions and no windows, exclusive of doorways, that extend from the floor to the ceiling, including, without limitation, lobbies and corridors.

"Enclosed or partially enclosed sports arena" means any sports pavilion, stadium, gymnasium, health spa, boxing arena, swimming pool, roller rink, ice rink, bowling alley, or other similar place where members of the general public assemble to engage in physical exercise or participate in athletic competitions or recreational activities or to witness sports, cultural, recreational, or other events.

"Gaming equipment or supplies" means gaming equipment/supplies as defined in the Illinois Gaming Board Rules of the Illinois Administrative Code.

"Gaming facility" means an establishment utilized primarily for the purposes of gaming and where gaming equipment or supplies are operated for the purposes of accruing business revenue.

"Healthcare facility" means an office or institution providing care or treatment of diseases, whether physical, mental, or emotional, or other medical, physiological, or psychological conditions, including, but not limited to, hospitals, rehabilitation hospitals, weight control clinics, nursing homes, homes for the aging or chronically ill, laboratories, and offices of surgeons, chiropractors, physical therapists, physicians, dentists, and all specialists within these professions. "Healthcare facility" includes all waiting rooms, hallways, private rooms, semiprivate rooms, and wards within healthcare facilities.

"Nicotine" means any form of chemical nicotine, including any salt or complex, regardless of whether the chemical is naturally or synthetically derived.

"Place of employment" means any area under the control of a public or private employer that employees are required to enter, leave, or pass through during the course of employment, including, but not limited to entrances and exits to places of employment, including a minimum distance, as set forth in Section 70 of this Act, of 15 feet from entrances, exits, windows that open, and ventilation intakes that serve an enclosed area where smoking is prohibited; offices and work areas; restrooms; conference and classrooms; break rooms and cafeterias; and other common areas. A private residence or home-based business, unless used to provide licensed child care, foster care, adult care, or other similar social service care on the premises, is not a "place of employment", nor are enclosed laboratories, not open to the public, in an accredited university or government facility where the activity of smoking is exclusively conducted for the purpose of medical or scientific health-related research. Rulemaking authority to implement this amendatory Act of the 95th General Assembly, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

"Private club" means a not-for-profit association that (1) has been in active and continuous existence for at least 3 years prior to the effective date of this amendatory Act of the 95th General Assembly, whether incorporated or not, (2) is the owner, lessee, or occupant of a building or portion thereof used exclusively for club purposes at all times, (3) is operated solely for a recreational, fraternal, social, patriotic, political, benevolent, or athletic purpose, but not for pecuniary gain, and (4) only sells alcoholic beverages incidental

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to its operation. For purposes of this definition, "private club" means an organization that is managed by a board of directors, executive committee, or similar body chosen by the members at an annual meeting, has established bylaws, a constitution, or both to govern its activities, and has been granted an exemption from the payment of federal income tax as a club under 26 U.S.C. 501.

"Private residence" means the part of a structure used as a dwelling, including, without limitation: a private home, townhouse, condominium, apartment, mobile home, vacation home, cabin, or cottage. For the purposes of this definition, a hotel, motel, inn, resort, lodge, bed and breakfast or other similar public accommodation, hospital, nursing home, or assisted living facility shall not be considered a private residence.

"Public place" means that portion of any building or vehicle used by and open to the public, regardless of whether the building or vehicle is owned in whole or in part by private persons or entities, the State of Illinois, or any other public entity and regardless of whether a fee is charged for admission, including a minimum distance, as set forth in Section 70 of this Act, of 15 feet from entrances, exits, windows that open, and ventilation intakes that serve an enclosed area where smoking is prohibited. A "public place" does not include a private residence unless the private residence is used to provide licensed child care, foster care, or other similar social service care on the premises. A "public place" includes, but is not limited to, hospitals, restaurants, retail stores, offices, commercial establishments, elevators, indoor theaters, libraries, museums, concert halls, public conveyances, educational facilities, nursing homes, auditoriums, enclosed or partially enclosed sports arenas, meeting rooms, schools, exhibition halls, convention facilities, polling places, private clubs, gaming facilities, all government owned vehicles and facilities, including buildings and vehicles owned, leased, or operated by the State or State subcontract, healthcare facilities or clinics, enclosed shopping centers, retail service establishments, financial institutions, educational facilities, ticket areas, public hearing facilities, public restrooms, waiting areas, lobbies, bars, taverns, bowling alleys, skating rinks, reception areas, and no less than 75% of the sleeping quarters within a hotel, motel, resort, inn, lodge, bed and breakfast, or other similar public accommodation that are rented to guests, but excludes private residences.

"Restaurant" means (i) an eating establishment, including, but not limited to, coffee shops, cafeterias, sandwich stands, and private and public school cafeterias, that gives or offers for sale food to the public, guests, or employees, and (ii) a kitchen or catering facility in which food is prepared on the premises for serving elsewhere. "Restaurant" includes a bar area within the restaurant.

"Retail tobacco store" means a retail establishment that derives more than 80% of its gross revenue from the sale of loose tobacco, plants, or herbs and cigars, cigarettes, pipes, and other smoking devices for burning tobacco and related smoking accessories and in which the sale of other products is merely incidental. "Retail tobacco store" includes an enclosed workplace that manufactures, imports, or distributes tobacco or tobacco products, when, as a necessary and integral part of the process of making, manufacturing, importing, or distributing a tobacco product for the eventual retail sale of that tobacco or tobacco product, tobacco is heated, burned, or smoked, or a lighted tobacco product is tested, provided that the involved business entity: (1) maintains a specially designated area or areas within the workplace for the purpose of the heating, burning, smoking, or lighting activities, and does not create a facility that permits smoking throughout; (2) satisfies the 80% requirement related to gross sales; and (3) delivers tobacco products to consumers, retail establishments, or other wholesale establishments as part of its business. "Retail tobacco store" does not include a tobacco department or section of a larger commercial establishment or any establishment with any type of liquor, food, or restaurant license. Rulemaking authority to implement this amendatory Act of the 95th General Assembly, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

"Smoke" or "smoking" means the carrying, smoking, burning, inhaling, or exhaling of any kind of lighted pipe, cigar, cigarette, hookah, weed, herbs, or any other lighted smoking equipment. "Smoke" or "smoking" includes the use of alternative nicotine products and electronic cigarettes, as defined in this Section. "Smoke" or "smoking" does not include smoking that is associated with a native recognized religious ceremony, ritual, or activity by American Indians that is in accordance with the federal American Indian Religious Freedom Act, 42 U.S.C. 1996 and 1996a.

"State agency" has the meaning formerly ascribed to it in subsection (a) of Section 3 of the Illinois Purchasing Act (now repealed).

"Tobacco product" means any product containing or made from tobacco that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including, but not limited to, cigarettes, cigars, little cigars, chewing tobacco, pipe tobacco, snuff, snus, and any other smokeless tobacco product which contains tobacco that is finely cut,

ground, powdered, or leaf and intended to be placed in the oral cavity. "Tobacco product" includes any component, part, and accessory of a tobacco product, whether or not sold separately. "Tobacco product" excludes electronic cigarettes; alternative nicotine products; and products that have been approved by the United States Food and Drug Administration for sale as tobacco cessation products, as tobacco dependence products, or for other medical purposes, marketed and sold solely for that approved purpose.

"Unit of local government" has the meaning ascribed to it in Section 1 of Article VII of the Illinois Constitution of 1970.

(Source: P.A. 95-17, eff. 1-1-08; 95-1029, eff. 2-4-09; 96-797, eff. 1-1-10.)

Section 99. Effective date. This Act takes effect January 1, 2020."

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 2 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Link, **Senate Bill No. 1864** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 41; NAYS 11.

The following voted in the affirmative:

Aquino	Ellman	Koehler	Peters
Belt	Fine	Landek	Rezin
Bennett	Gillespie	Lightford	Sims
Bertino-Tarrant	Glowiak Hilton	Link	Stadelman
Brady	Harmon	Manar	Steans
Bush	Harris	Martinez	Van Pelt
Castro	Hastings	Martwick	Villivalam
Collins	Holmes	McGuire	Mr. President
Crowe	Hunter	Morrison	
Cunningham	Hutchinson	Muñoz	
Curran	Jones, E.	Murphy	

The following voted in the negative:

Barickman	McConchie	Rose	Tracy
DeWitte	Oberweis	Schimpf	Wilcox
McClure	Plummer	Syverson	

This bill, having received the vote of three-fifths of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

At the hour of 1:24 o'clock p.m., Senator Harmon, presiding.

SENATE BILL RECALLED

On motion of Senator Muñoz, **Senate Bill No. 670** was recalled from the order of third reading to the order of second reading.

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Senator Muñoz offered the following amendment and moved its adoption:

AMENDMENT NO. 1 TO SENATE BILL 670

AMENDMENT NO. 1. Amend Senate Bill 670 by replacing everything after the enacting clause with the following:

"Section 5. The Freedom of Information Act is amended by changing Section 7.5 as follows:
(5 ILCS 140/7.5)

Sec. 7.5. Statutory exemptions. To the extent provided for by the statutes referenced below, the following shall be exempt from inspection and copying:

(a) All information determined to be confidential under Section 4002 of the Technology Advancement and Development Act.

(b) Library circulation and order records identifying library users with specific materials under the Library Records Confidentiality Act.

(c) Applications, related documents, and medical records received by the Experimental Organ Transplantation Procedures Board and any and all documents or other records prepared by the Experimental Organ Transplantation Procedures Board or its staff relating to applications it has received.

(d) Information and records held by the Department of Public Health and its authorized representatives relating to known or suspected cases of sexually transmissible disease or any information the disclosure of which is restricted under the Illinois Sexually Transmissible Disease Control Act.

(e) Information the disclosure of which is exempted under Section 30 of the Radon Industry Licensing Act.

(f) Firm performance evaluations under Section 55 of the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act.

(g) Information the disclosure of which is restricted and exempted under Section 50 of the Illinois Prepaid Tuition Act.

(h) Information the disclosure of which is exempted under the State Officials and Employees Ethics Act, and records of any lawfully created State or local inspector general's office that would be exempt if created or obtained by an Executive Inspector General's office under that Act.

(i) Information contained in a local emergency energy plan submitted to a municipality in accordance with a local emergency energy plan ordinance that is adopted under Section 11-21.5-5 of the Illinois Municipal Code.

(j) Information and data concerning the distribution of surcharge moneys collected and remitted by carriers under the Emergency Telephone System Act.

(k) Law enforcement officer identification information or driver identification information compiled by a law enforcement agency or the Department of Transportation under Section 11-212 of the Illinois Vehicle Code.

(l) Records and information provided to a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.

(m) Information provided to the predatory lending database created pursuant to Article 3 of the Residential Real Property Disclosure Act, except to the extent authorized under that Article.

(n) Defense budgets and petitions for certification of compensation and expenses for court appointed trial counsel as provided under Sections 10 and 15 of the Capital Crimes Litigation Act. This subsection (n) shall apply until the conclusion of the trial of the case, even if the prosecution chooses not to pursue the death penalty prior to trial or sentencing.

(o) Information that is prohibited from being disclosed under Section 4 of the Illinois Health and Hazardous Substances Registry Act.

(p) Security portions of system safety program plans, investigation reports, surveys, schedules, lists, data, or information compiled, collected, or prepared by or for the Regional Transportation Authority under Section 2.11 of the Regional Transportation Authority Act or the St. Clair County Transit District under the Bi-State Transit Safety Act.

(q) Information prohibited from being disclosed by the Personnel Record Review Act.

(r) Information prohibited from being disclosed by the Illinois School Student Records Act.

(s) Information the disclosure of which is restricted under Section 5-108 of the Public Utilities Act.

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(t) All identified or deidentified health information in the form of health data or medical records contained in, stored in, submitted to, transferred by, or released from the Illinois Health Information Exchange, and identified or deidentified health information in the form of health data and medical records of the Illinois Health Information Exchange in the possession of the Illinois Health Information Exchange Authority due to its administration of the Illinois Health Information Exchange. The terms "identified" and "deidentified" shall be given the same meaning as in the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, or any subsequent amendments thereto, and any regulations promulgated thereunder.

(u) Records and information provided to an independent team of experts under the Developmental Disability and Mental Health Safety Act (also known as Brian's Law).

(v) Names and information of people who have applied for or received Firearm Owner's Identification Cards under the Firearm Owners Identification Card Act or applied for or received a concealed carry license under the Firearm Concealed Carry Act, unless otherwise authorized by the Firearm Concealed Carry Act; and databases under the Firearm Concealed Carry Act, records of the Concealed Carry Licensing Review Board under the Firearm Concealed Carry Act, and law enforcement agency objections under the Firearm Concealed Carry Act.

(w) Personally identifiable information which is exempted from disclosure under subsection (g) of Section 19.1 of the Toll Highway Act.

(x) Information which is exempted from disclosure under Section 5-1014.3 of the Counties Code or Section 8-11-21 of the Illinois Municipal Code.

(y) Confidential information under the Adult Protective Services Act and its predecessor enabling statute, the Elder Abuse and Neglect Act, including information about the identity and administrative finding against any caregiver of a verified and substantiated decision of abuse, neglect, or financial exploitation of an eligible adult maintained in the Registry established under Section 7.5 of the Adult Protective Services Act.

(z) Records and information provided to a fatality review team or the Illinois Fatality Review Team Advisory Council under Section 15 of the Adult Protective Services Act.

(aa) Information which is exempted from disclosure under Section 2.37 of the Wildlife Code.

(bb) Information which is or was prohibited from disclosure by the Juvenile Court Act of 1987.

(cc) Recordings made under the Law Enforcement Officer-Worn Body Camera Act, except to the extent authorized under that Act.

(dd) Information that is prohibited from being disclosed under Section 45 of the Condominium and Common Interest Community Ombudsperson Act.

(ee) Information that is exempted from disclosure under Section 30.1 of the Pharmacy Practice Act.

(ff) Information that is exempted from disclosure under the Revised Uniform Unclaimed Property Act.

(gg) Information that is prohibited from being disclosed under Section 7-603.5 of the Illinois Vehicle Code.

(hh) Records that are exempt from disclosure under Section 1A-16.7 of the Election Code.

(ii) Information which is exempted from disclosure under Section 2505-800 of the Department of Revenue Law of the Civil Administrative Code of Illinois.

(jj) Information and reports that are required to be submitted to the Department of Labor by registering day and temporary labor service agencies but are exempt from disclosure under subsection (a-1) of Section 45 of the Day and Temporary Labor Services Act.

(kk) Information prohibited from disclosure under the Seizure and Forfeiture Reporting Act.

(ll) Information the disclosure of which is restricted and exempted under Section 5-30.8 of the Illinois Public Aid Code.

(mm) Records that are exempt from disclosure under Section 4.2 of the Crime Victims Compensation Act.

(nn) Information that is exempt from disclosure under Section 70 of the Higher Education Student Assistance Act.

(oo) Communications, notes, records, and reports arising out of a peer support counseling session prohibited from disclosure under the First Responders Suicide Prevention Act.

(pp) Names and all identifying information relating to an employee of an emergency services provider or law enforcement agency under the First Responders Suicide Prevention Act.

~~(qq)~~ Information and records held by the Department of Public Health and its authorized representatives collected under the Reproductive Health Act.

~~(rr)~~ Information that is exempt from disclosure under the Cannabis Regulation and Tax Act.

~~(ss)~~ Data reported by an employer to the Department of Human Rights pursuant to Section 2-108 of the Illinois Human Rights Act.

~~(tt)~~ Recordings made under the Children's Advocacy Center Act, except to the extent authorized under that Act.

~~(uu)~~ Information that is exempt from disclosure under Section 50 of the Sexual Assault Evidence Submission Act.

~~(vv)~~ Information that is exempt from disclosure under subsections (f) and (j) of Section 5-36 of the Illinois Public Aid Code.

~~(ww)~~ Information that is exempt from disclosure under Section 16.8 of the State Treasurer Act.

~~(xx)~~ Information that is exempt from disclosure or information that shall not be made public under the Illinois Insurance Code.

(Source: P.A. 100-20, eff. 7-1-17; 100-22, eff. 1-1-18; 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff. 8-28-17; 100-465, eff. 8-31-17; 100-512, eff. 7-1-18; 100-517, eff. 6-1-18; 100-646, eff. 7-27-18; 100-690, eff. 1-1-19; 100-863, eff. 8-14-18; 100-887, eff. 8-14-18; 101-13, eff. 6-12-19; 101-27, eff. 6-25-19; 101-81, eff. 7-12-19; 101-221, eff. 1-1-20; 101-236, eff. 1-1-20; 101-375, eff. 8-16-19; 101-377, eff. 8-16-19; 101-452, eff. 1-1-20; 101-466, eff. 1-1-20; revised 9-25-19.)

Section 10. The Illinois Insurance Code is amended by adding Article VIII.33 as follows:

(215 ILCS 5/Art. VIII.33 heading new)

ARTICLE VIII 1/3. Corporate Governance Annual Disclosure Law

(215 ILCS 5/130.1 new)

Sec. 130.1. Short title. This Article may be cited as the Corporate Governance Annual Disclosure Law.

(215 ILCS 5/130.2 new)

Sec. 130.2. Purpose and scope. The purpose of this Article is to:

(1) provide the Director a summary of an insurer's or insurance group's corporate governance structure, policies, and practices to permit the Director to gain and maintain an understanding of the insurer's corporate governance framework;

(2) outline the requirements for completing a corporate governance annual disclosure with the Director;

(3) provide for the confidential treatment of the corporate governance annual disclosure and related information that will contain confidential and sensitive information related to an insurer's or insurance group's internal operations and proprietary and trade-secret information that, if made public, could potentially cause the insurer or insurance group competitive harm or disadvantage.

Nothing in this Article shall be construed to prescribe or impose corporate governance standards and internal procedures beyond that which is required under applicable State corporate law. Notwithstanding the foregoing, nothing in this Article shall be construed to limit the Director's authority or the rights or obligations of third parties under Sections 131.21, 132 through 132.7, and 401 through 403. The requirements of this Article apply to all insurers domiciled in this State.

(215 ILCS 5/130.3 new)

Sec. 130.3. Definitions. As used in this Article:

"Director" means the Director of Insurance.

"Corporate governance annual disclosure" means a confidential report filed by the insurer or insurance group made in accordance with the requirements of this Article.

"Insurance group" means those insurers and affiliates included within an insurance holding company system as defined in Section 131.1.

"Insurer" has the same meaning given to that term in Section 2, except that it does not include agencies, authorities, or instrumentalities of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

"ORSA summary report" means the own risk and solvency assessment report filed in accordance with Article VIII 1/4.

(215 ILCS 5/130.4 new)

Sec. 130.4. Disclosure requirement.

(a) An insurer, or the insurance group of which the insurer is a member, shall, no later than June 1 of each calendar year, submit to the Director a corporate governance annual disclosure that contains the

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information described in subsection (b) of Section 130.5. Notwithstanding any request from the Director made pursuant to subsection (c), if the insurer is a member of an insurance group, the insurer shall submit the report required by this Section to the Director of the lead state for the insurance group, in accordance with the laws of the lead state, as determined by the procedures outlined in the most recent Financial Analysis Handbook adopted by the National Association of Insurance Commissioners.

(b) The corporate governance annual disclosure must include a signature of the insurer's or insurance group's chief executive officer or corporate secretary attesting to the best of that individual's belief and knowledge that the insurer has implemented the corporate governance practices required by this Section and that a copy of the disclosure has been provided to the insurer's board of directors or the appropriate committee thereof.

(c) An insurer not required to submit a corporate governance annual disclosure under this Section shall do so upon the Director's request.

(d) For purposes of completing the corporate governance annual disclosure, the insurer or insurance group may provide information regarding corporate governance at the ultimate controlling parent level, an intermediate holding company level, or the individual legal entity level, depending upon how the insurer or insurance group has structured its system of corporate governance. The insurer or insurance group is encouraged to make the corporate governance annual disclosure at the level at which the insurer's or insurance group's risk appetite is determined, the level at which the earnings, capital, liquidity, operations, and reputation of the insurer are overseen collectively and at which the supervision of those factors is coordinated and exercised, or the level at which legal liability for failure of general corporate governance duties would be placed. If the insurer or insurance group determines the level of reporting based on these criteria, it shall indicate which of the 3 criteria was used to determine the level of reporting and explain any subsequent changes in the level of reporting.

(e) The review of the corporate governance annual disclosure and any additional requests for information shall be made through the lead state as determined by the procedures within the most recent Financial Analysis Handbook adopted by the National Association of Insurance Commissioners.

(f) Insurers providing information substantially similar to the information required by this Article in other documents provided to the Director, including proxy statements filed in conjunction with the requirements of Section 131.13 or other State or federal filings provided to the Department, are not required to duplicate that information in the corporate governance annual disclosure but are only required to cross-reference the document in which the information is included.

(215 ILCS 5/130.5 new)

Sec. 130.5. Contents of corporate governance annual disclosure.

(a) The insurer or insurance group has discretion over the responses to the corporate governance annual disclosure inquiries if the corporate governance annual disclosure contains the material information necessary to permit the Director to gain an understanding of the insurer's or insurance group's corporate governance structure, policies, and practices. The Director may request additional information that he or she deems material and necessary to provide the Director with a clear understanding of the corporate governance policies, the reporting or information system, or controls implementing those policies.

(b) Notwithstanding subsection (a), the corporate governance annual disclosure shall be prepared in a manner consistent with rules adopted by the Director. Documentation and supporting information shall be maintained and made available upon examination or upon the request of the Director.

(c) The Director may retain, at the insurer's expense, third-party consultants, including attorneys, actuaries, accountants, and other experts not otherwise a part of the Director's staff, as may be reasonably necessary to assist the Director in reviewing the corporate governance annual disclosure and related information or the insurer's compliance with this Article. Any persons retained shall be under the direction and control of the Director and shall act only in an advisory capacity.

(215 ILCS 5/130.6 new)

Sec. 130.6. Confidentiality.

(a) Documents, materials, or other information, including the corporate governance annual disclosure, in the possession or control of the Department that are obtained by, created by, or disclosed to the Director or any other person under this Article are recognized by this State as being proprietary and to contain trade secrets. All such documents, materials, or other information shall be confidential by law and privileged, shall not be subject to the Freedom of Information Act, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the Director is authorized to use the documents, materials, or other information in furtherance of any regulatory or legal action brought as a part of the Director's official duties. The Director shall not otherwise make the documents, materials, or other information public without the prior written consent of the insurer.

(b) Neither the Director nor any person who received documents, materials, or other corporate governance annual disclosure-related information through examination or otherwise, while acting under the authority of the Director or with whom such documents, materials, or other information are shared pursuant to this Article, shall be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to subsection (a).

(c) In order to assist in the performance of the Director's regulatory duties, the Director may:

(1) upon request, share documents, materials, or other corporate governance annual disclosure-related information, including the confidential and privileged documents, materials, and information subject to subsection (a), including proprietary and trade-secret documents and materials with other state, federal, and international financial regulatory agencies, including members of any supervisory college as defined in subsection (c) of Section 131.20, with the National Association of Insurance Commissioners, and with third-party consultants, if the recipient agrees in writing to maintain the confidentiality and privileged status of the corporate governance annual disclosure-related documents, materials, or other information and has verified in writing the legal authority to maintain confidentiality; and

(2) receive documents, materials, or other corporate governance annual disclosure-related information, including otherwise confidential and privileged documents, materials, and information, including proprietary and trade-secret information and documents from regulatory officials of other state, federal, and international financial regulatory agencies, including members of any supervisory college as defined in subsection (c) of Section 131.20, and from the National Association of Insurance Commissioners, and shall maintain as confidential or privileged any documents, materials, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information.

(d) A written agreement with the National Association of Insurance Commissioners or a third-party consultant governing sharing and use of information provided pursuant to this Article shall:

(1) include specific procedures and protocols for maintaining the confidentiality and security of corporate governance annual disclosure-related information shared with the National Association of Insurance Commissioners or a third-party consultant pursuant to this Article, including procedures and protocols for sharing by the National Association of Insurance Commissioners only with other state regulators from states in which the insurance group has domiciled insurers; the agreement shall provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the corporate governance annual disclosure-related documents, materials, or other information and has verified in writing the legal authority to maintain confidentiality;

(2) specify that ownership of the corporate governance annual disclosure-related information shared with the National Association of Insurance Commissioners or a third-party consultant remains with the Director and that the National Association of Insurance Commissioners' or third-party consultant's use of the information is subject to the direction of the Director;

(3) prohibit the National Association of Insurance Commissioners or a third-party consultant from storing the information shared pursuant to this Article in a permanent database after the underlying analysis is completed;

(4) require the National Association of Insurance Commissioners or a third-party consultant to provide prompt notice to the Director and to the insurer or insurance group regarding any subpoena, request for disclosure, or request for production of the insurer's or insurance group's corporate governance annual disclosure-related information;

(5) require the National Association of Insurance Commissioners or a third-party consultant to consent to intervention by an insurer in any judicial or administrative action in which the National Association of Insurance Commissioners or a third-party consultant may be required to disclose confidential information about the insurer shared with the National Association of Insurance Commissioners or a third-party consultant pursuant to this Article; and

(6) require the National Association of Insurance Commissioners or a third-party consultant to obtain written consent of the insurer before making any of the insurer's corporate governance annual disclosure-related information public.

(e) The sharing of information and documents by the Director pursuant to this Article shall not constitute a delegation of regulatory authority or rulemaking, and the Director is solely responsible for the administration, execution, and enforcement of this Article.

(f) No waiver of any applicable privilege or claim of confidentiality in the documents, proprietary and trade-secret materials, or other corporate governance annual disclosure-related information shall occur as a result of disclosure of such information or documents to the Director under this Section or as a result of sharing as authorized in this Article.

(g) Documents, materials, or other information in the possession or control of the National Association of Insurance Commissioners or any third-party consultants pursuant to this Article shall be confidential by law and privileged, shall not be subject to the Freedom of Information Act, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action.

(215 ILCS 5/130.7 new)

Sec. 130.7. Sanctions. Any insurer failing, without just cause, to timely file the corporate governance annual disclosure as required in this Article shall be required, after notice and a hearing, to pay a penalty of \$200 for each day's delay, to be recovered by the Director. Any penalty recovered shall be paid into the General Revenue Fund. The Director may reduce the penalty if the insurer demonstrates to the Director that the imposition of the penalty would constitute a financial hardship to the insurer.

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

The motion prevailed.

And the amendment was adopted and ordered printed.

There being no further amendments, the foregoing Amendment No. 1 was ordered engrossed, and the bill, as amended, was ordered to a third reading.

READING BILL OF THE SENATE A THIRD TIME

On motion of Senator Muñoz, **Senate Bill No. 670** having been transcribed and typed and all amendments adopted thereto having been printed, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 58; NAYS None.

The following voted in the affirmative:

Anderson	Ellman	Link	Rose
Aquino	Fine	Manar	Schimpf
Barickman	Fowler	Martinez	Sims
Belt	Gillespie	Martwick	Stadelman
Bennett	Glowiak Hilton	McClure	Steans
Bertino-Tarrant	Harmon	McConchie	Stewart
Brady	Harris	McGuire	Syverson
Bush	Hastings	Morrison	Tracy
Castro	Holmes	Muñoz	Van Pelt
Collins	Hunter	Murphy	Villivalam
Crowe	Hutchinson	Oberweis	Weaver
Cullerton, T.	Jones, E.	Peters	Wilcox
Cunningham	Koehler	Plummer	Mr. President
Curran	Landek	Rezin	
DeWitte	Lightford	Righter	

This bill, having received the vote of three-fifths of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

At the hour of 1:29 o'clock p.m., Senator Muñoz, presiding.

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILL ON SECRETARY'S DESK

[October 29, 2019]

On motion of Senator Hastings, **Senate Bill No. 1881**, with House Amendments numbered 1, 2 and 5 on the Secretary's Desk, was taken up for immediate consideration.

Senator Hastings moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 57; NAYS None.

The following voted in the affirmative:

Anderson	Ellman	Link	Rose
Aquino	Fine	Manar	Schimpf
Barickman	Fowler	Martinez	Stadelman
Belt	Gillespie	Martwick	Steans
Bennett	Glowiak Hilton	McClure	Stewart
Bertino-Tarrant	Harmon	McConchie	Syverson
Brady	Harris	McGuire	Tracy
Bush	Hastings	Morrison	Van Pelt
Castro	Holmes	Muñoz	Villivalam
Collins	Hunter	Murphy	Weaver
Crowe	Hutchinson	Oberweis	Wilcox
Cullerton, T.	Jones, E.	Peters	Mr. President
Cunningham	Koehler	Plummer	
Curran	Landek	Rezin	
DeWitte	Lightford	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 5 to **Senate Bill No. 1881**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

INTRODUCTION OF BILL

SENATE BILL NO. 2295. Introduced by Senator Van Pelt, a bill for AN ACT concerning health.

The bill was taken up, read by title a first time, ordered printed and referred to the Committee on Assignments.

LEGISLATIVE MEASURE FILED

The following Floor amendment to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Amendment No. 1 to Senate Bill 616

The following Committee amendment to the House Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Amendment No. 1 to House Bill 2455

The following Floor amendment to the House Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Amendment No. 1 to House Bill 2957

At the hour of 1:32 o'clock p.m., the Chair announced that the Senate stands adjourned until Wednesday, October 30, 2019, at 10:00 o'clock a.m.

[October 29, 2019]