SENATE JOURNAL

STATE OF ILLINOIS

NINETY-THIRD GENERAL ASSEMBLY

111TH LEGISLATIVE DAY

TUESDAY, MAY 18, 2004

9:20 O'CLOCK A.M.

NO. 111
[May 18, 2004]

SENATE
Daily Journal Index
111th Legislative Day

The Senate met pursuant to adjournment.
Senator Debbie DeFrancesco Halvorson, Kankakee, Illinois, presiding.
Prayer by Senator Collins.
Senator Hunter led the Senate in the Pledge of Allegiance.

The Journal of Monday, May 17, 2004, was being read when on motion of Senator Haine, further reading of same was dispensed with and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

PRESENTATION OF RESOLUTION

SENATE RESOLUTION 550

Offered by Senator Harmon and all Senators:
Mourns the death of Virgil P. Vergara of Arlington Heights.

By unanimous consent, the foregoing resolution was referred to the Resolutions Consent Calendar.

REPORT FROM RULES COMMITTEE

Senator Viverito, Chairperson of the Committee on Rules, during its May 18, 2004 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Education: **Senate Amendment No. 4 to Senate Bill 3000; Senate Amendment No. 2 to Senate Bill 3001**.

Executive: **Senate Amendment No. 2 to House Bill 622; Senate Amendment No. 4 to House Bill 649; Senate Amendment No. 3 to House Bill 729; Senate Amendments numbered 1, 2 and 3 to House Bill 4847**.

Health and Human Services: **Senate Amendment No. 2 to House Bill 1660; Senate Amendment No. 4 to House Bill 2268; Senate Amendment No. 2 to House Bill 4154; Senate Amendment No. 3 to House Bill 4502**.

Insurance and Pensions: **Senate Amendment No. 2 to House Bill 1075**.

Judiciary: **Senate Amendment No. 3 to House Bill 1080; Senate Amendment No. 3 to House Bill 1875; Senate Amendment No. 1 to House Bill 4771**.

Local Government: **Senate Amendment No. 2 to House Bill 690; Senate Amendment No. 1 to House Bill 1300; Senate Amendment No. 2 to House Bill 4280; Senate Amendment No. 4 to House Bill 5017**.

Revenue: **Senate Amendment No. 1 to House Bill 848; Senate Amendment No. 1 to House Bill 849; Senate Amendment No. 1 to House Bill 851; Senate Amendment No. 1 to House Bill 855; Senate Amendment No. 1 to House Bill 4977**.

State Government: **Senate Amendment No. 3 to House Bill 4996**.

Transportation: **Senate Amendment No. 4 to House Bill 2587; Senate Amendment No. 2 to House Bill 3835; Senate Amendment No. 1 to House Bill 4086**.

Senator Viverito, Chairperson of the Committee on Rules, reported that the Committee recommends that **Senate Amendment No. 3 to House Bill No. 4283** be re-referred from the Committee on Licensed Activities to the Committee on Executive.

Senator Viverito, Chairperson of the Committee on Rules, to which was referred **House Bills Numbered 875 and 2220** on July 1, 2003, pursuant to Rule 3-9(b), reported that the Committee recommends that the bills be approved for consideration and returned to the calendar in their former position.

The report of the Committee was concurred in.

And **House Bills Numbered 875 and 2220** were returned to the order of third reading.

COMMITTEE MEETING ANNOUNCEMENTS

Senator Shadid, Chairperson of the Committee on Transportation, announced that the Transportation Committee will meet today in Room A-1 Stratton Building, at 10:30 o'clock a.m.

Senator del Valle, Chairperson of the Committee on Education, announced that the Education Committee will meet today in Room 212 Capitol Building, at 11:00 o'clock a.m.

Senator Cullerton, Co-Chairperson of the Committee on Judiciary, announced that the Judiciary Committee will meet today in Room 400 Capitol Building, at 10:40 o'clock a.m.

Senator Jacobs, Chairperson of the Committee on Insurance and Pensions, announced that the Insurance and Pensions Committee will meet today in Room 400 Capitol Building, at 11:00 o'clock a.m.

Senator Collins, Vice-Chairperson of the Committee on Revenue, announced that the Revenue Committee will meet today in Room 400 Capitol Building, at 12:30 o'clock p.m.

Senator Hunter, Vice-Chairperson of the Committee on Health and Human Services, announced that the Health and Human Services Committee will meet today in Room 400 Capitol Building, at 12:00 o'clock noon.

Senator Meeks, Vice-Chairperson of the Committee on State Government, announced that the State Government Committee will meet today in Room A-1 Stratton Building, at 12:30 o'clock p.m.

Senator Silverstein, Chairperson of the Committee on Executive, announced that the Executive Committee will meet today in Room 212 Capitol Building, at 12:30 o'clock p.m.

CONSIDERATION OF RESOLUTIONS ON SECRETARY'S DESK

Senator Cullerton moved that **Senate Joint Resolution No. 53**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

The following amendment was offered in the Committee on Judiciary, adopted and ordered printed:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Joint Resolution 53 on page 2, line 20, by inserting after "Governor," the following:
"the Director of Corrections or his or her designee,".

Senator Cullerton moved that Senate Joint Resolution No. 53, as amended, be adopted.

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

Yeas 54; Nays None.

The following voted in the affirmative:

Althoff	Geo-Karis	Martinez	Sieben
Bomke	Haine	Meeks	Silverstein
Brady	Halvorson	Munoz	Soden
Burzynski	Harmon	Peterson	Sullivan, D.
Clayborne	Hendon	Petka	Syverson

Collins	Hunter	Radogno	Trotter
Cronin	Jacobs	Righter	Viverito
Crotty	Jones, J.	Risinger	Walsh
Cullerton	Jones, W.	Ronen	Watson
del Valle	Lauzen	Roskam	Winkel
DeLeo	Lightford	Rutherford	Wojcik
Demuzio	Link	Sandoval	Mr. President
Dillard	Luechtefeld	Schoenberg	
Garrett	Maloney	Shadid	

The motion prevailed.

And the resolution, as amended, was adopted.

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

Senator Martinez moved that **Senate Resolution No. 487**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Martinez moved that Senate Resolution No. 487 be adopted.

The motion prevailed.

And the resolution was adopted.

At the hour of 9:45 o'clock a.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 3:07 o'clock p.m., the Senate resumed consideration of business.

Senator Halvorson, presiding.

LEGISLATIVE MEASURES FILED

The following Floor amendments to the House Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Senate Amendment No. 1 to House Bill 834
Senate Amendment No. 1 to House Bill 843
Senate Amendment No. 1 to House Bill 849
Senate Amendment No. 1 to House Bill 851
Senate Amendment No. 1 to House Bill 855
Senate Amendment No. 3 to House Bill 875
Senate Amendment No. 2 to House Bill 1004
Senate Amendment No. 2 to House Bill 1020
Senate Amendment No. 1 to House Bill 1191
Senate Amendment No. 2 to House Bill 1659
Senate Amendment No. 1 to House Bill 2220
Senate Amendment No. 5 to House Bill 2587
Senate Amendment No. 4 to House Bill 3000

JOINT ACTION MOTION FILED

The following Joint Action Motion to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendment 1 to Senate Bill 2901

MESSAGES FROM THE HOUSE

A message from the House by
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2395

A bill for AN ACT concerning professional regulation.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2395

Passed the House, as amended, May 18, 2004.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Bill 2395, on page 1, line 17, by replacing "Holds (A)" with "~~Holds~~ (A) Holds"; and

on page 1, line 19, after "(B)", by inserting "holds"; and

on page 1, line 27, after "(C)", by inserting "holds or has applied for"; and

on page 1, by replacing line 29 with the following:

"Act ~~and has completed an approved program~~."; and

on page 2, by replacing lines 4 through 13 with the following:

"(3) Either (i) has completed a program of study ~~before July 1, 2002~~ that ~~includes course work and supervised clinical experience sufficient in breadth and depth to demonstrate knowledge and skills related to the specific problems, methods and procedures applicable to students with disabilities in a school setting serving ages 3 through 21 or (ii)~~ meets the content area standards for speech-language pathologists approved ~~adopted~~ by the State Board of Education, in consultation with the State Teachers Certification Board , (ii) has completed a program in another state, territory, or possession of the United States that is comparable to an approved program of study described in item (i), or (iii) holds a certificate issued by another state, territory, or possession of the United States that is comparable to the school service personnel certificate with a speech-language endorsement. If the requirements described in items (i), (ii), or (iii) of this paragraph (3) have not been met, a person must provide evidence that he or she has completed at least 150 clock hours of supervised experience in speech-language pathology with students with disabilities in a school setting; however, a person who lacks such experience may obtain interim certification as established by the Illinois State Board of Education, in consultation with the State Teacher Certification Board, and shall participate in school-based professional experience of at least 150 clock hours to meet this requirement."; and

on page 3, by replacing lines 13 through 22 with the following:

"(2) either (i) has completed a program of study ~~prior to July 1, 2002~~ that ~~includes course work and supervised clinical experience sufficient in breadth and depth to demonstrate knowledge and skills related to the specific problems, methods, and procedures applicable to students with disabilities in a school setting serving ages 3 to 21 or (ii)~~ meets the content-area standards for speech-language pathologists approved ~~adopted~~ by the State Board of Education, in consultation with the State Teacher Certification Board , (ii) has completed a program in another state, territory, or possession of the United States that is comparable to an approved program of study described in item (i), or (iii) holds a certificate issued by another state, territory, or possession of the United States that is comparable to the school service personnel certificate with a speech-language endorsement. If the requirements described in items (i), (ii), or (iii) of this paragraph (2) have not been met, a person must provide evidence that he or she has completed at least 150 clock hours of supervised experience in speech-language pathology with students with disabilities in a school setting; however, a person who lacks such experience may obtain interim certification as established by the Illinois State Board of Education, in consultation with the State Teacher Certification Board, and shall participate in school-based professional experience of at least 150 clock hours to meet this

requirement."; and

on page 4, by replacing lines 6 through 9 with the following:
pursuant to a contract must ~~hold~~:
"(1) hold a speech-language pathology license under the Illinois Speech-Language Pathology and Audiology Practice Act or hold or have applied for a temporary license issued under Section 8.1"; and

on page 4, line 11, after "(2)", by inserting "hold"; and

on page 4, by replacing lines 30 through 32 with the following:
"by the Department certifying that his or her professional experience will be supervised by ~~demonstrating that~~ a licensed speech-language pathologist ~~has agreed to supervise the professional experience of the applicant~~. A temporary license".

Under the rules, the foregoing **Senate Bill No. 2395**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Mahoney, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:
SENATE BILL NO. 2548
A bill for AN ACT concerning notaries public.
Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:
House Amendment No. 1 to SENATE BILL NO. 2548
Passed the House, as amended, May 18, 2004.
MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1
AMENDMENT NO. 1. Amend Senate Bill 2548 on page 2, in lines 12 and 13 by replacing "revoked, suspended, or canceled" with "revoked or suspended".

Under the rules, the foregoing **Senate Bill No. 2548**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Mahoney, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:
SENATE BILL NO. 2607
A bill for AN ACT concerning criminal law.
Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:
House Amendment No. 1 to SENATE BILL NO. 2607
House Amendment No. 2 to SENATE BILL NO. 2607
Passed the House, as amended, May 18, 2004.
MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1
AMENDMENT NO. 1. Amend Senate Bill 2607 by replacing everything after the enacting clause with the following:

"Section 5. The Unified Code of Corrections is amended by changing Section 3-14-2 as follows:
(730 ILCS 5/3-14-2) (from Ch. 38, par. 1003-14-2)
Sec. 3-14-2. Supervision on Parole, Mandatory Supervised Release and Release by Statute.
(a) The Department shall retain custody of all persons placed on parole or mandatory supervised release or released pursuant to Section 3-3-10 of this Code and shall supervise such persons during their

parole or release period in accord with the conditions set by the Prisoner Review Board. Such conditions shall include referral to an alcohol or drug abuse treatment program, as appropriate, if such person has previously been identified as having an alcohol or drug abuse problem. Such conditions may include that the person use an approved electronic monitoring device subject to Article 8A of Chapter V.

(b) The Department shall assign personnel to assist persons eligible for parole in preparing a parole plan. Such Department personnel shall make a report of their efforts and findings to the Prisoner Review Board prior to its consideration of the case of such eligible person.

(c) A copy of the conditions of his parole or release shall be signed by the parolee or releasee and given to him and to his supervising officer who shall report on his progress under the rules and regulations of the Prisoner Review Board. The supervising officer shall report violations to the Prisoner Review Board and shall have the full power of peace officers in the arrest and retaking of any parolees or releasees or the officer may request the Department to issue a warrant for the arrest of any parolee or releasee who has allegedly violated his parole or release conditions. If the parolee or releasee commits an act that constitutes a felony using a firearm or knife, or, if applicable, fails to comply with the requirements of the Sex Offender Registration Act, the officer shall request the Department to issue a warrant and the Department shall issue the warrant and the officer or the Department shall file a violation report with notice of charges with the Prisoner Review Board. A sheriff or other peace officer may detain an alleged parole or release violator until a warrant for his return to the Department can be issued. The parolee or releasee may be delivered to any secure place until he can be transported to the Department.

(d) The supervising officer shall regularly advise and consult with the parolee or releasee, assist him in adjusting to community life, inform him of the restoration of his rights on successful completion of sentence under Section 5-5-5.

(e) Supervising officers shall receive specialized training in the special needs of female releasees or parolees including the family reunification process.

(f) The supervising officer shall keep such records as the Prisoner Review Board or Department may require. All records shall be entered in the master file of the individual.

(Source: P.A. 86-661; 86-1281; 87-855.)

Section 10. The Sex Offender Registration Act is amended by changing Sections 2, 3, 7, 8, 8-5, 10, and 11 as follows:

(730 ILCS 150/2) (from Ch. 38, par. 222)

Sec. 2. Definitions.

(A) As used in this Article, "sex offender" means any person who is:

(1) charged pursuant to Illinois law, or any substantially similar federal, Uniform Code of Military Justice, sister state, or foreign country law, with a sex offense set forth in subsection (B) of this Section or the attempt to commit an included sex offense, and:

(a) is convicted of such offense or an attempt to commit such offense; or

(b) is found not guilty by reason of insanity of such offense or an attempt to commit such offense; or

(c) is found not guilty by reason of insanity pursuant to Section 104-25(c) of the Code of Criminal Procedure of 1963 of such offense or an attempt to commit such offense; or

(d) is the subject of a finding not resulting in an acquittal at a hearing conducted pursuant to Section 104-25(a) of the Code of Criminal Procedure of 1963 for the alleged commission or attempted commission of such offense; or

(e) is found not guilty by reason of insanity following a hearing conducted pursuant to a federal, Uniform Code of Military Justice, sister state, or foreign country law substantially similar to Section 104-25(c) of the Code of Criminal Procedure of 1963 of such offense or of the attempted commission of such offense; or

(f) is the subject of a finding not resulting in an acquittal at a hearing conducted pursuant to a federal, Uniform Code of Military Justice, sister state, or foreign country law substantially similar to Section 104-25(a) of the Code of Criminal Procedure of 1963 for the alleged violation or attempted commission of such offense; or

(2) certified as a sexually dangerous person pursuant to the Illinois Sexually Dangerous Persons Act, or any substantially similar federal, Uniform Code of Military Justice, sister state, or foreign country law; or

(3) subject to the provisions of Section 2 of the Interstate Agreements on Sexually Dangerous Persons Act; or

(4) found to be a sexually violent person pursuant to the Sexually Violent Persons

Commitment Act or any substantially similar federal, Uniform Code of Military Justice, sister state, or foreign country law; or

(5) adjudicated a juvenile delinquent as the result of committing or attempting to commit an act which, if committed by an adult, would constitute any of the offenses specified in item (B), (C), or (C-5) of this Section or a violation of any substantially similar federal, Uniform Code of Military Justice, sister state, or foreign country law, or found guilty under Article V of the Juvenile Court Act of 1987 of committing or attempting to commit an act which, if committed by an adult, would constitute any of the offenses specified in item (B), (C), or (C-5) of this Section or a violation of any substantially similar federal, Uniform Code of Military Justice, sister state, or foreign country law.

Convictions that result from or are connected with the same act, or result from offenses committed at the same time, shall be counted for the purpose of this Article as one conviction. Any conviction set aside pursuant to law is not a conviction for purposes of this Article.

For purposes of this Section, "convicted" shall have the same meaning as "adjudicated".

(B) As used in this Article, "sex offense" means:

(1) A violation of any of the following Sections of the Criminal Code of 1961:

11-20.1 (child pornography),
11-6 (indecent solicitation of a child),
11-9.1 (sexual exploitation of a child),
11-15.1 (soliciting for a juvenile prostitute),
11-18.1 (patronizing a juvenile prostitute),
11-17.1 (keeping a place of juvenile prostitution),
11-19.1 (juvenile pimping),
11-19.2 (exploitation of a child),
12-13 (criminal sexual assault),
12-14 (aggravated criminal sexual assault),
12-14.1 (predatory criminal sexual assault of a child),
12-15 (criminal sexual abuse),
12-16 (aggravated criminal sexual abuse),
12-33 (ritualized abuse of a child).
An attempt to commit any of these offenses.

(1.5) A violation of any of the following Sections of the Criminal Code of 1961, when the victim is a person under 18 years of age, the defendant is not a parent of the victim, and the offense was committed on or after January 1, 1996:

10-1 (kidnapping),
10-2 (aggravated kidnapping),
10-3 (unlawful restraint),
10-3.1 (aggravated unlawful restraint).
An attempt to commit any of these offenses.

(1.6) First degree murder under Section 9-1 of the Criminal Code of 1961, when the victim was a person under 18 years of age, the defendant was at least 17 years of age at the time of the commission of the offense, and the offense was committed on or after June 1, 1996.

(1.7) (Blank).

(1.8) A violation or attempted violation of Section 11-11 (sexual relations within families) of the Criminal Code of 1961, and the offense was committed on or after June 1, 1997.

(1.9) Child abduction under paragraph (10) of subsection (b) of Section 10-5 of the Criminal Code of 1961 committed by luring or attempting to lure a child under the age of 16 into a motor vehicle, building, house trailer, or dwelling place without the consent of the parent or lawful custodian of the child for other than a lawful purpose and the offense was committed on or after January 1, 1998.

(1.10) A violation or attempted violation of any of the following Sections of the Criminal Code of 1961 when the offense was committed on or after July 1, 1999:

10-4 (forcible detention, if the victim is under 18 years of age),
11-6.5 (indecent solicitation of an adult),
11-15 (soliciting for a prostitute, if the victim is under 18 years of age),
11-16 (pandering, if the victim is under 18 years of age),
11-18 (patronizing a prostitute, if the victim is under 18 years of age),
11-19 (pimping, if the victim is under 18 years of age).

(1.11) A violation or attempted violation of any of the following Sections of the

Criminal Code of 1961 when the offense was committed on or after the effective date of this amendatory Act of the 92nd General Assembly:

11-9 (public indecency for a third or subsequent conviction),

11-9.2 (custodial sexual misconduct).

(1.12) A violation or attempted violation of Section 5.1 of the Wrongs to Children Act (permitting sexual abuse) when the offense was committed on or after the effective date of this amendatory Act of the 92nd General Assembly.

(2) A violation of any former law of this State substantially equivalent to any offense listed in subsection (B) of this Section.

(C) A conviction for an offense of federal law, Uniform Code of Military Justice, or the law of another state or a foreign country that is substantially equivalent to any offense listed in subsections (B), (C), and (E) of this Section shall constitute a conviction for the purpose of this Article. A finding or adjudication as a sexually dangerous person or a sexually violent person under any federal law, Uniform Code of Military Justice, or the law of another state or foreign country that is substantially equivalent to the Sexually Dangerous Persons Act or the Sexually Violent Persons Commitment Act shall constitute an adjudication for the purposes of this Article.

(C-5) A person at least 17 years of age at the time of the commission of the offense who is convicted of first degree murder under Section 9-1 of the Criminal Code of 1961, committed on or after June 1, 1996 against a person under 18 years of age, shall be required to register for natural life. A conviction for an offense of federal, Uniform Code of Military Justice, sister state, or foreign country law that is substantially equivalent to any offense listed in subsection (C-5) of this Section shall constitute a conviction for the purpose of this Article.

(D) As used in this Article, "law enforcement agency having jurisdiction" means the Chief of Police in each of the municipalities in which the sex offender expects to reside, work, or attend school (1) upon his or her discharge, parole or release or (2) during the service of his or her sentence of probation or conditional discharge, or the Sheriff of the county, in the event no Police Chief exists or if the offender intends to reside, work, or attend school in an unincorporated area. "Law enforcement agency having jurisdiction" includes the location where out-of-state students attend school and where out-of-state employees are employed or are otherwise required to register.

(D-1) As used in this Article, "supervising officer" means the assigned Illinois Department of Corrections parole agent or county probation officer.

(E) As used in this Article, "sexual predator" means any person who, after July 1, 1999, is:

(1) Convicted for an offense of federal, Uniform Code of Military Justice, sister state, or foreign country law that is substantially equivalent to any offense listed in subsection (E) of this Section shall constitute a conviction for the purpose of this Article. Convicted of a violation or attempted violation of any of the following Sections of the Criminal Code of 1961, if the conviction occurred after July 1, 1999:

11-17.1 (keeping a place of juvenile prostitution),

11-19.1 (juvenile pimping),

11-19.2 (exploitation of a child),

11-20.1 (child pornography),

12-13 (criminal sexual assault, if the victim is a person under 12 years of age),

12-14 (aggravated criminal sexual assault),

12-14.1 (predatory criminal sexual assault of a child),

12-16 (aggravated criminal sexual abuse),

12-33 (ritualized abuse of a child); or

(2) convicted of first degree murder under Section 9-1 of the Criminal Code of 1961, when the victim was a person under 18 years of age and the defendant was at least 17 years of age at the time of the commission of the offense; or

(3) certified as a sexually dangerous person pursuant to the Sexually Dangerous Persons Act or any substantially similar federal, Uniform Code of Military Justice, sister state, or foreign country law; or

(4) found to be a sexually violent person pursuant to the Sexually Violent Persons Commitment Act or any substantially similar federal, Uniform Code of Military Justice, sister state, or foreign country law; or

(5) convicted of a second or subsequent offense which requires registration pursuant to this Act. The conviction for the second or subsequent offense must have occurred after July 1, 1999. For purposes of this paragraph (5), "convicted" shall include a conviction under any substantially similar Illinois, federal, Uniform Code of Military Justice, sister state, or foreign country law.

(F) As used in this Article, "out-of-state student" means any sex offender, as defined in this Section, or sexual predator who is enrolled in Illinois, on a full-time or part-time basis, in any public or private educational institution, including, but not limited to, any secondary school, trade or professional institution, or institution of higher learning.

(G) As used in this Article, "out-of-state employee" means any sex offender, as defined in this Section, or sexual predator who works in Illinois, regardless of whether the individual receives payment for services performed, for a period of time of 10 or more days or for an aggregate period of time of 30 or more days during any calendar year. Persons who operate motor vehicles in the State accrue one day of employment time for any portion of a day spent in Illinois.

(H) As used in this Article, "school" means a public or private elementary or secondary school.

(Source: P.A. 91-48, eff. 7-1-99; 92-828, eff. 8-22-02.)

(730 ILCS 150/3) (from Ch. 38, par. 223)

Sec. 3. Duty to register.

(a) A sex offender, as defined in Section 2 of this Act, or sexual predator shall, within the time period prescribed in subsections (b) and (c), register in person and provide accurate information as required by the Department of State Police. Such information shall include a current photograph, current address, current place of employment, ~~and~~ school , and institution of higher education attended. The sex offender or sexual predator shall register:

(1) with the chief of police in ~~each of~~ the municipality ~~municipalities~~ in which he or she ~~attends school, is employed,~~ resides or is temporarily domiciled for a period of time of 10 or more days, unless the municipality is the City of Chicago, in which case he or she shall register at the Chicago Police Department Headquarters; or

(2) with the sheriff in ~~each of~~ the county ~~counties~~ in which he or she ~~attends school, is employed,~~ resides or is temporarily domiciled for a period of time of 10 or more days in an unincorporated area or, if incorporated, no police chief exists.

If the sex offender or sexual predator is employed at or attends an institution of higher education, he or she shall register:

(i) with the chief of police in the municipality in which he or she is employed at or attends an institution of higher education, unless the municipality is the City of Chicago, in which case he or she shall register at the Chicago Police Department Headquarters; or

(ii) with the sheriff in the county in which he or she is employed or attends an institution of higher education located in an unincorporated area, or if incorporated, no police chief exists.

For purposes of this Article, the place of residence or temporary domicile is defined as any and all places where the sex offender resides for an aggregate period of time of 10 or more days during any calendar year.

The sex offender or sexual predator shall provide accurate information as required by the Department of State Police. That information shall include the sex offender's or sexual predator's current place of employment.

(a-5) An out-of-state student or out-of-state employee shall, within 10 days after beginning school or employment in this State, register in person and provide accurate information as required by the Department of State Police. Such information will include current place of employment, school, institution of higher education attended, and address in state of residence. The out-of-state student or out-of-state employee shall register:

(1) with the chief of police in ~~each of~~ the municipality ~~municipalities~~ in which he or she attends school or is employed for a period of time of 10 or more days or for an aggregate period of time of more than 30 days during any calendar year, unless the municipality is the City of Chicago, in which case he or she shall register at the Chicago Police Department Headquarters; or

(2) with the sheriff in ~~each of~~ the county ~~counties~~ in which he or she attends school or is employed for a period of time of 10 or more days or for an aggregate period of time of more than 30 days during any calendar year in an unincorporated area or, if incorporated, no police chief exists.

If the out-of-state student or out-of-state employee is employed at or attends an institution of higher education, he or she shall register:

(i) with the chief of police in the municipality in which he or she attends or is employed at an institution of higher education, unless the municipality is the City of Chicago, in which case he or she shall register at the Chicago Police Department Headquarters; or

(ii) with the sheriff in the county in which he or she attends or is employed at an institution of higher education located in an unincorporated area or, if incorporated, no police chief exists.

The out-of-state student or out-of-state employee shall provide accurate information as required by the Department of State Police. That information shall include the out-of-state student's current place of school attendance, attendance at an institution of higher education, or the out-of-state employee's current place of employment.

(b) Any sex offender, as defined in Section 2 of this Act, or sexual predator, regardless of any initial, prior, or other registration, shall, within 10 days of beginning school, attendance at an institution of higher education, or establishing a residence, place of employment, or temporary domicile in any county, register in person as set forth in subsection (a) or (a-5).

(c) The registration for any person required to register under this Article shall be as follows:

(1) Any person registered under the Habitual Child Sex Offender Registration Act or the Child Sex Offender Registration Act prior to January 1, 1996, shall be deemed initially registered as of January 1, 1996; however, this shall not be construed to extend the duration of registration set forth in Section 7.

(2) Except as provided in subsection (c)(4), any person convicted or adjudicated prior to January 1, 1996, whose liability for registration under Section 7 has not expired, shall register in person prior to January 31, 1996.

(2.5) Except as provided in subsection (c)(4), any person who has not been notified of his or her responsibility to register shall be notified by a criminal justice entity of his or her responsibility to register. Upon notification the person must then register within 10 days of notification of his or her requirement to register. If notification is not made within the offender's 10 year registration requirement, and the Department of State Police determines no evidence exists or indicates the offender attempted to avoid registration, the offender will no longer be required to register under this Act.

(3) Except as provided in subsection (c)(4), any person convicted on or after January 1, 1996, shall register in person within 10 days after the entry of the sentencing order based upon his or her conviction.

(4) Any person unable to comply with the registration requirements of this Article because he or she is confined, institutionalized, or imprisoned in Illinois on or after January 1, 1996, shall register in person within 10 days of discharge, parole or release.

(5) The person shall provide positive identification and documentation that substantiates proof of residence at the registering address.

(6) The person shall pay a $20 initial registration fee and a $10 annual renewal fee. The fees shall be used by the registering agency for official purposes. The agency shall establish procedures to document receipt and use of the funds. The law enforcement agency having jurisdiction may waive the registration fee if it determines that the person is indigent and unable to pay the registration fee. Ten dollars for the initial registration fee and $5 of the annual renewal fee shall be used by the registering agency for official purposes. Ten dollars of the initial registration fee and $5 of the annual fee shall be deposited into the Sex Offender Management Board Fund under Section 19 of the Sex Offender Management Board Act. Money deposited into the Sex Offender Management Board Fund shall be administered by the Sex Offender Management Board and shall be used to fund practices endorsed or required by the Sex Offender Management Board Act including but not limited to sex offenders evaluation, treatment, or monitoring programs that are or may be developed, as well as for administrative costs, including staff, incurred by the Board.

(d) Within 10 days after obtaining or changing employment and, if employed on January 1, 2000, within 10 days after that date, a person required to register under this Section must report, in person or in writing to the law enforcement agency having jurisdiction, the business name and address where he or she is employed. If the person has multiple businesses or work locations, every business and work location must be reported to the law enforcement agency having jurisdiction.

(Source: P.A. 92-828, eff. 8-22-02; 93-616, eff. 1-1-04.)

(730 ILCS 150/7) (from Ch. 38, par. 227)

Sec. 7. Duration of registration. A person who has been adjudicated to be sexually dangerous and is later released or found to be no longer sexually dangerous and discharged, shall register for the period of his or her natural life. A sexually violent person or sexual predator shall register for the period of his or her natural life after conviction or adjudication if not confined to a penal institution, hospital, or other institution or facility, and if confined, for the period of his or her natural life after parole, discharge, or release from any such facility. Any other person who is required to register under this Article shall be required to register for a period of 10 years after conviction or adjudication if not confined to a penal institution, hospital or any other institution or facility, and if confined, for a period of 10 years after parole, discharge or release from any such facility. A sex offender who is allowed to leave a county,

State, or federal facility for the purposes of work release, education, or overnight visitations shall be required to register within 10 days of beginning such a program. Liability for registration terminates at the expiration of 10 years from the date of conviction or adjudication if not confined to a penal institution, hospital or any other institution or facility and if confined, at the expiration of 10 years from the date of parole, discharge or release from any such facility, providing such person does not, during that period, again become liable to register under the provisions of this Article. Reconfinement due to a violation of parole or other circumstances that relates to the original conviction or adjudication shall extend the period of registration to 10 years after final parole, discharge, or release. The Director of State Police, consistent with administrative rules, shall extend for 10 years the registration period of any sex offender, as defined in Section 2 of this Act, who fails to comply with the provisions of this Article. The registration period for any sex offender who fails to comply with any provision of the Act shall extend the period of registration by 10 years beginning from the first date of registration after the violation.
(Source: P.A. 91-48, eff. 7-1-99; 92-828, eff. 8-22-02.)

(730 ILCS 150/8) (from Ch. 38, par. 228)

Sec. 8. Registration Requirements. Registration as required by this Article shall consist of a statement in writing signed by the person giving the information that is required by the Department of State Police, which may include the fingerprints and must include a current photograph of the person, to be updated annually. The registration information must include whether the person is a sex offender as defined in the Sex Offender and Child Murderer Community Notification Law. Within 3 days, the registering law enforcement agency shall forward any required information to the Department of State Police. The registering law enforcement agency shall enter the information into the Law Enforcement Agencies Data System (LEADS) as provided in Sections 6 and 7 of the Intergovernmental Missing Child Recovery Act of 1984.
(Source: P.A. 90-193, eff. 7-24-97; 91-224, eff. 7-1-00.)

(730 ILCS 150/8-5)

Sec. 8-5. Verification ~~Address verification~~ requirements.

(a) Address verification. The agency having jurisdiction shall verify the address of sex offenders, as defined in Section 2 of this Act, or sexual predators required to register with their agency at least once per ~~calendar~~ year. The verification must be documented in LEADS in the form and manner required by the Department of State Police.

(b) Registration verification. The supervising officer shall, within 15 days of sentencing to probation or release from an Illinois Department of Corrections facility, contact the law enforcement agency in the jurisdiction in which the sex offender or sexual predator designated as his or her intended residence and verify compliance with the requirements of this Act. Revocation proceedings shall be immediately commenced against a sex offender or sexual predator on probation, parole, or mandatory supervised release who fails to comply with the requirements of this Act.
(Source: P.A. 91-48, eff. 7-1-99; 92-828, eff. 8-22-02.)

(730 ILCS 150/10) (from Ch. 38, par. 230)

Sec. 10. Penalty. Any person who is required to register under this Article who violates any of the provisions of this Article and any person who is required to register under this Article who seeks to change his or her name under Article 21 of the Code of Civil Procedure is guilty of a Class 3 ~~4~~ felony. Any person who is required to register under this Article who knowingly or wilfully gives material information required by this Article that is false is guilty of a Class 3 felony. Any person convicted of a violation of any provision of this Article shall, in addition to any other penalty required by law, be required to serve a minimum period of 7 days confinement in the local county jail. The court shall impose a mandatory minimum fine of $500 for failure to comply with any provision of this Article. These fines shall be deposited in the Sex Offender Registration Fund. Any sex offender, as defined in Section 2 of this Act, or sexual predator who violates any provision of this Article may be tried in any Illinois county where the sex offender can be located.
(Source: P.A. 91-48, eff. 7-1-99; 91-221, eff. 7-22-99; 92-16, eff. 6-28-01; 92-828, eff. 8-22-02.)

(730 ILCS 150/11)

Sec. 11. Sex offender registration fund. There is created the Sex Offender Registration Fund. Moneys in the Fund shall be used to cover costs incurred by the criminal justice system to administer this Article. The Department of State Police shall establish and promulgate rules and procedures regarding the administration of this Fund. Fifty percent ~~At least 50%~~ of the moneys in the Fund shall be allocated by the Department for sheriffs' offices and police departments. The remaining moneys in the Fund shall be allocated to the Illinois State Police Sex Offender Registration Unit for education and administration of the Act.
(Source: P.A. 90-193, eff. 7-24-97.)

Section 15. The Sex Offender and Child Murderer Community Notification Law is amended by changing Section 115 as follows:

(730 ILCS 152/115)

Sec. 115. Sex offender database.

(a) The Department of State Police shall establish and maintain a Statewide Sex Offender Database for the purpose of identifying sex offenders and making that information available to the persons specified in Sections 120 and 125 of this Law. The Database shall be created from the Law Enforcement Agencies Data System (LEADS) established under Section 6 of the Intergovernmental Missing Child Recovery Act of 1984. The Department of State Police shall examine its LEADS database for persons registered as sex offenders under the Sex Offender Registration Act and shall identify those who are sex offenders and shall add all the information, including photographs if available, on those sex offenders to the Statewide Sex Offender Database.

(b) The Department of State Police must make the information contained in the Statewide Sex Offender Database accessible on the Internet by means of a hyperlink labeled "Sex Offender Information" on the Department's World Wide Web home page. The Department of State Police must update that information as it deems necessary.

The Department of State Police may require that a person who seeks access to the sex offender information submit biographical information about himself or herself before permitting access to the sex offender information. ~~The Department of State Police may limit access to the sex offender information to information about sex offenders who reside within a specified geographic area in proximity to the address of the person seeking that information.~~ The Department of State Police must promulgate rules in accordance with the Illinois Administrative Procedure Act to implement this subsection (b) and those rules must include procedures to ensure that the information in the database is accurate.

(c) The Department of State Police, Sex Offender Registration Unit, must develop and conduct training to educate all those entities involved in the Sex Offender Registration Program.

(Source: P.A. 90-193, eff. 7-24-97; 91-224, eff. 7-1-00.)

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

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend Senate Bill 2607, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 10, by replacing lines 1 and 2 with the following:

"(H) As used in this Article, "school" means any public or private educational institution, including, but not limited to, any elementary or secondary school, trade or professional institution, or institution of higher education."; and

on page 10, by replacing lines 11 and 12 with the following:

"current address, current place of employment, and school attended. The sex offender or"; and

on page 11, lines 17 and 18, by deleting ", institution of higher education"; and

by deleting line 34 of page 11 and lines 1 through 11 on page 12; and

on page 12, lines 15 and 16, by deleting " , attendance at an institution of higher education,"; and

on page 12, lines 20 and 21, by deleting ", attendance at an institution of higher education".

Under the rules, the foregoing **Senate Bill No. 2607**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2665

A bill for AN ACT concerning employment.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2665

Passed the House, as amended, May 18, 2004.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1

AMENDMENT NO. ___1___. Amend Senate Bill 2665 by replacing everything after the enacting clause with the following:

"Section 1. Short title. This Act may be cited as the Illinois Worker Adjustment and Retraining Notification Act.

Section 5. Definitions. As used in this Act:

(a) "Affected employees" means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer.

(b) "Employment loss" means:

(1) an employment termination, other than a discharge for cause, voluntary departure, or retirement;

(2) a layoff exceeding 6 months; or

(3) a reduction in hours of work of more than 50% during each month of any 6-month period.

"Employment loss" does not include instances when the plant closing or layoff is the result of the relocation or consolidation of part or all of the employer's business and, before the closing or layoff, the employer offers to transfer the employee to a different site of employment within a reasonable commuting distance with no more than a 6-month break in employment, or the employer offers to transfer the employee to any other site of employment, regardless of distance, with no more than a 6-month break in employment, and the employee accepts within 30 days of the offer or of the closing or layoff, whichever is later.

(c) "Employer" means any business enterprise that employs:

(1) 75 or more employees, excluding part-time employees; or

(2) 75 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime).

(d) "Mass layoff" means a reduction in force which:

(1) is not the result of a plant closing; and

(2) results in an employment loss at the single site of employment during any 30-day period for:

(A) at least 33% of the employees (excluding any part-time employees) and at least 25 employees (excluding any part-time employees); or

(B) at least 250 employees (excluding any part-time employees).

(e) "Part-time employee" means an employee who is employed for an average of fewer than 20 hours per week or who has been employed for fewer than 6 of the 12 months preceding the date on which notice is required.

(f) "Plant closing" means the permanent or temporary shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, if the shutdown results in an employment loss at the single site of employment during any 30-day period for 50 or more employees excluding any part-time employees.

(g) "Representative" means an exclusive representative of employees within the meaning of Section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or Section 2 of the Railway Labor Act (45 U.S.C. 152).

Section 10. Notice.

(a) An employer may not order a mass layoff, relocation, or employment loss unless, 60 days before the order takes effect, the employer gives written notice of the order to the following:

(1) affected employees and representatives of affected employees; and

(2) the Department of Commerce and Economic Opportunity and the chief elected official of each municipal and county government within which the employment loss, relocation, or mass layoff occurs.

(b) An employer required to give notice of any mass layoff, relocation, or employment loss under this Act shall include in its notice the elements required by the federal Worker Adjustment and Retraining Notification Act (29 U.S.C. 2101 et seq.).

(c) Notwithstanding the requirements of subsection (a), an employer is not required to provide notice if a mass layoff, relocation, or employment loss is necessitated by a physical calamity or an act of terrorism or war.

(d) The mailing of notice to an employee's last known address or inclusion of notice in the employee's paycheck shall be considered acceptable methods for fulfillment of the employer's obligation to give notice to each affected employee under this Act.

(e) In the case of a sale of part or all of an employer's business, the seller shall be responsible for providing notice for any plant closing or mass layoff in accordance with this Section, up to and including the effective date of the sale. After the effective date of the sale of part or all of an employer's business, the purchaser shall be responsible for providing notice for any plant closing or mass layoff in accordance with this Section. Notwithstanding any other provision of this Act, any person who is an employee of the seller (other than a part-time employee) as of the effective date of the sale shall be considered an employee of the purchaser immediately after the effective date of the sale.

(f) An employer which is receiving State or local economic development incentives for doing or continuing to do business in this State may be required to provide additional notice pursuant to Section 15 of the Business Economic Support Act.

(g) The rights and remedies provided to employees by this Act are in addition to, and not in lieu of, any other contractual or statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies, except that the period of notification required by this Act shall run concurrently with any period of notification required by contract or by any other law.

(h) It is the sense of the General Assembly that an employer who is not required to comply with the notice requirements of this Section should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

Section 15. Exceptions.

(a) In the case of a plant closing, an employer is not required to comply with the notice requirement in subsection (a) of Section 10 if:

(1) the Department of Labor determines:

(A) at the time that notice would have been required, the employer was actively seeking capital or business; and

(B) the capital or business sought, if obtained, would have enabled the employer to avoid or postpone the relocation or termination; and

(C) the employer reasonably and in good faith believed that giving the notice required by subsection (a) of Section 10 would have precluded the employer from obtaining the needed capital or business; or

(2) the Department of Labor determines that the need for a notice was not reasonably foreseeable at the time the notice would have been required.

(b) To determine whether the employer was actively seeking capital or business, or that the need for notice was not reasonably foreseeable under subsection (a), the employer shall provide to the Department of Labor:

(1) a written record consisting of those documents relevant to the determination of whether the employer was actively seeking capital or business, or that the need for notice was not reasonably foreseeable; and

(2) an affidavit verifying the contents of the documents contained in the record.

(c) An employer is not required to comply with the notice requirement in subsection (a) of Section 10 if:

(1) the plant closing is of a temporary facility or the plant closing or layoff is the result of the completion of a particular project or undertaking, and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project or undertaking; or

(2) the closing or layoff constitutes a strike or constitutes a lockout not intended to evade the requirements of this Act. Nothing in this Act shall require an employer to serve written notice when permanently replacing a person who is deemed to be an economic striker under the

National Labor Relations Act (29 U.S.C. 151 et seq.). Nothing in this Act shall be deemed to validate or invalidate any judicial or administrative ruling relating to the hiring of permanent replacements for economic strikers under the National Labor Relations Act.

(d) An employer relying on this Section shall provide as much notice as is practicable and at that time shall provide a brief statement of the basis for reducing the notification period.

Section 20. Extension of layoff period. A layoff of more than 6 months which, at its outset, was announced to be a layoff of 6 months or less shall be treated as an employment loss under this Act unless:

(1) the extension beyond 6 months is caused by business circumstances (including unforeseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

(2) notice is given at the time it becomes reasonably foreseeable that the extension beyond 6 months will be required.

Section 25. Determinations with respect to employment loss. In determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site of employment, each of which is less than the minimum number of employees specified in subsection (d) or (f) of Section 5 of this Act but which in the aggregate exceed that minimum number, and which occur within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

Section 30. Powers of Director of Labor.

(a) Pursuant to the Illinois Administrative Procedure Act, the Director of Labor shall prescribe such rules as may be necessary to carry out this Act. The rules shall, at a minimum, include provisions that allow the parties access to administrative hearings for any actions of the Department under this Act. The provisions of the Administrative Review Law, and the rules adopted pursuant thereto, apply to and govern all proceedings for the judicial review of decisions under this Act.

(b) In any investigation or proceeding under this Act, the Director of Labor has, in addition to all other powers granted by law, the authority to examine the books and records of an employer, but only to the extent to determine whether a violation of this Act has occurred.

(c) Except as provided in this Section, information obtained from any employer subject to this Act regarding the books, records, or wages paid to workers during the administration of this Act shall:

(1) be confidential;

(2) not be published or open to public inspection;

(3) not be used in any court in any pending action or proceeding; and

(4) not be admissible in evidence in any action or proceeding other than one arising out of this Act.

(d) No finding, determination, decision, ruling, or order (including any finding of fact, statement, or conclusion made therein) issued pursuant to this Act shall be admissible or used in evidence in any action other than one arising out of this Act, nor shall it be binding or conclusive except as provided in the Act, nor shall it constitute res judicata, regardless of whether the actions were between the same or related parties or involved the same facts.

(e) Any officer or employer of this State, any officer or employee of any entity authorized to obtain information pursuant to this Section, and any agent of this State or of such entity who, except with authority of the Director under this Section, discloses information is guilty of a Class B misdemeanor and is disqualified from holding any appointment or employment by the State.

(f) The Director of Labor has the authority to determine any liabilities or civil penalties under Section 35 and Section 40 of this Act.

Section 35. Violation; liability.

(a) An employer who fails to give notice as required by paragraph (1) of subsection (a) of Section 10 before ordering a mass layoff, relocation, or employment loss is liable to each employee entitled to notice who lost his or her employment for:

(1) Back pay at the average regular rate of compensation received by the employee during the last three years of his or her employment, or the employee's final rate of compensation, whichever

is higher.

(2) The value of the cost of any benefits to which the employee would have been entitled had his or her employment not been lost, including the cost of any medical expenses incurred by the employee that would have been covered under an employee benefit plan.

(b) Liability under this Section is calculated for the period of the employer's violation, up to a maximum of 60 days, or one-half the number of days that the employee was employed by the employer, whichever period is smaller.

(c) The amount of an employer's liability under subsection (a) is reduced by the following:

(1) Any wages, except vacation moneys accrued before the period of the employer's violation, paid by the employer to the employee during the period of the employer's violation.

(2) Any voluntary and unconditional payments made by the employer to the employee that were not required to satisfy any legal obligation.

(3) Any payments by the employer to a third party or trustee, such as premiums for health benefits or payments to a defined contribution pension plan, on behalf of and attributable to the employee for the period of the violation.

(4) Any liability paid by the employer under federal law.

(d) Any liability incurred by an employer under subsection (a) of this Section with respect to a defined benefit pension plan may be reduced by crediting the employee with service for all purposes under such a plan for the period of the violation.

(e) If an employer proves to the satisfaction of the Director that the act or omission that violated this Act was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this Act, the Director may in his or her discretion reduce the amount of liability provided for in this Section.

Section 40. Civil penalty.

(a) An employer who fails to give notice as required by paragraph (2) of subsection (a) of Section 10 is subject to a civil penalty of not more than $500 for each day of the employer's violation. The employer is not subject to a civil penalty under this Section if the employer pays to all applicable employees the amounts for which the employer is liable under Section 35 within 3 weeks from the date the employer orders the mass layoff, relocation, or employment loss.

(b) The total amount of penalties for which an employer may be liable under this Section shall not exceed the maximum amount of penalties for which the employer may be liable under federal law for the same violation.

(c) Any penalty amount paid by the employer under federal law shall be considered a payment made under this Act.

(d) If an employer proves to the satisfaction of the Director that the act or omission that violated this Act was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this Act, the Director may in his or her discretion reduce the amount of the penalty provided for in this Section.

Section 45. Advisory notice from Department of Commerce and Economic Opportunity. Before September 30 of each year, the Department of Commerce and Economic Opportunity, with the cooperation of the Department of Employment Security, must issue a written notice to each employer that reported to the Department of Employment Security that the employer paid wages to 75 or more individuals with respect to any quarter in the immediately preceding calendar year. The notice must indicate that the employer may be subject to this Act and must generally advise the employer about the requirements of this Act and the remedies provided for violations of this Act.

Section 50. Applicability. This Act applies to plant closings or relocations occurring on or after January 1, 2005.

Section 55. Interpretation. Whenever possible, this Act shall be interpreted in a manner consistent with the federal Worker Adjustment and Retraining Notification Act and the federal regulations and court decisions interpreting that Act to the extent that the provisions of federal and State law are the same.

(20 ILCS 1005/1005-60 rep.)

Section 85. The Department of Employment Security Law of the Civil Administrative Code of Illinois is amended by repealing Section 1005-60.

Section 90. The Unemployment Insurance Act is amended by adding Section 500.1 as follows:
(820 ILCS 405/500.1 new)
Sec. 500.1. Illinois Worker Adjustment and Retraining Notification Act; federal Worker Adjustment and Retraining Notification Act. Benefits payable under this Act may not be denied or reduced because of the receipt of payments related to an employer's violation of the Illinois Worker Adjustment and Retraining Notification Act or the federal Worker Adjustment and Retraining Notification Act (29 U.S.C. 2101 et seq.).

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

Section 99. Effective date. This Act takes effect January 1, 2005.".

Under the rules, the foregoing **Senate Bill No. 2665**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Mahoney, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2768

A bill for AN ACT concerning health facilities.
Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:
House Amendment No. 2 to SENATE BILL NO. 2768
Passed the House, as amended, May 18, 2004.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 2

AMENDMENT NO. ___2___. Amend Senate Bill 2768 by replacing everything after the enacting clause with the following:

"Section 5. The Assisted Living and Shared Housing Act is amended by changing Sections 10, 40, 55, 76, 110, and 125 as follows:
(210 ILCS 9/10)
Sec. 10. Definitions. For purposes of this Act:
"Activities of daily living" means eating, dressing, bathing, toileting, transferring, or personal hygiene.
"Advisory Board" means the Assisted Living and Shared Housing Standards and Quality of Life Advisory Board.
"Assisted living establishment" or "establishment" means a home, building, residence, or any other place where sleeping accommodations are provided for at least 3 unrelated adults, at least 80% of whom are 55 years of age or older and where the following are provided consistent with the purposes of this Act:
(1) services consistent with a social model that is based on the premise that the resident's unit in assisted living and shared housing is his or her own home;
(2) community-based residential care for persons who need assistance with activities of daily living, including personal, supportive, and intermittent health-related services available 24 hours per day, if needed, to meet the scheduled and unscheduled needs of a resident;
(3) mandatory services, whether provided directly by the establishment or by another entity arranged for by the establishment, with the consent of the resident or resident's representative; and
(4) a physical environment that is a homelike setting that includes the following and such other elements as established by the Department in conjunction with the Assisted Living and Shared Housing Standards and Quality of Life Advisory Board: individual living units each of which shall accommodate small kitchen appliances and contain private bathing, washing, and toilet facilities, or private washing and toilet facilities with a common bathing room readily accessible to each resident. Units shall be maintained for single occupancy except in cases in which 2 residents choose to share a unit. Sufficient common space shall exist to permit individual and group activities.

"Assisted living establishment" or "establishment" does not mean any of the following:

(1) A home, institution, or similar place operated by the federal government or the State of Illinois.

(2) A long term care facility licensed under the Nursing Home Care Act. However, a long term care facility may convert distinct parts of the facility to assisted living. If the long term care facility elects to do so, the facility shall retain the Certificate of Need for its nursing and sheltered care beds that were converted.

(3) A hospital, sanitarium, or other institution, the principal activity or business of which is the diagnosis, care, and treatment of human illness and that is required to be licensed under the Hospital Licensing Act.

(4) A facility for child care as defined in the Child Care Act of 1969.

(5) A community living facility as defined in the Community Living Facilities Licensing Act.

(6) A nursing home or sanitarium operated solely by and for persons who rely exclusively upon treatment by spiritual means through prayer in accordance with the creed or tenants of a well-recognized church or religious denomination.

(7) A facility licensed by the Department of Human Services as a community-integrated living arrangement as defined in the Community-Integrated Living Arrangements Licensure and Certification Act.

(8) A supportive residence licensed under the Supportive Residences Licensing Act.

(9) A life care facility as defined in the Life Care Facilities Act; a life care facility may apply under this Act to convert sections of the community to assisted living.

(10) A free-standing hospice facility licensed under the Hospice Program Licensing Act.

(11) A shared housing establishment.

(12) A supportive living facility as described in Section 5-5.0la of the Illinois Public Aid Code.

"Department" means the Department of Public Health.

"Director" means the Director of Public Health.

"Emergency situation" means imminent danger of death or serious physical harm to a resident of an establishment.

"License" means any of the following types of licenses issued to an applicant or licensee by the Department:

(1) "Probationary license" means a license issued to an applicant or licensee that has not held a license under this Act prior to its application or pursuant to a license transfer in accordance with Section 50 of this Act.

(2) "Regular license" means a license issued by the Department to an applicant or licensee that is in substantial compliance with this Act and any rules promulgated under this Act.

"Licensee" means a person, agency, association, corporation, partnership, or organization that has been issued a license to operate an assisted living or shared housing establishment.

"Licensed health care professional" means a registered professional nurse, an advanced practice nurse, a physician assistant, and a licensed practical nurse.

"Mandatory services" include the following:

(1) 3 meals per day available to the residents prepared by the establishment or an outside contractor;

(2) housekeeping services including, but not limited to, vacuuming, dusting, and cleaning the resident's unit;

(3) personal laundry and linen services available to the residents provided or arranged for by the establishment;

(4) security provided 24 hours each day including, but not limited to, locked entrances or building or contract security personnel;

(5) an emergency communication response system, which is a procedure in place 24 hours each day by which a resident can notify building management, an emergency response vendor, or others able to respond to his or her need for assistance; and

(6) assistance with activities of daily living as required by each resident.

"Negotiated risk" is the process by which a resident, or his or her representative, may formally negotiate with providers what risks each are willing and unwilling to assume in service provision and the resident's living environment. The provider assures that the resident and the resident's representative, if any, are informed of the risks of these decisions and of the potential consequences of assuming these risks.

"Owner" means the individual, partnership, corporation, association, or other person who owns an assisted living or shared housing establishment. In the event an assisted living or shared housing establishment is operated by a person who leases or manages the physical plant, which is owned by another person, "owner" means the person who operates the assisted living or shared housing establishment, except that if the person who owns the physical plant is an affiliate of the person who operates the assisted living or shared housing establishment and has significant control over the day to day operations of the assisted living or shared housing establishment, the person who owns the physical plant shall incur jointly and severally with the owner all liabilities imposed on an owner under this Act.

"Physician" means a person licensed under the Medical Practice Act of 1987 to practice medicine in all of its branches.

"Resident" means a person residing in an assisted living or shared housing establishment.

"Resident's representative" means a person, other than the owner, agent, or employee of an establishment or of the health care provider unless related to the resident, designated in writing by a resident to be his or her representative. This designation may be accomplished through the Illinois Power of Attorney Act, pursuant to the guardianship process under the Probate Act of 1975, or pursuant to an executed designation of representative form specified by the Department.

"Self" means the individual or the individual's designated representative.

"Shared housing establishment" or "establishment" means a publicly or privately operated free-standing residence for 16 ~~12~~ or fewer persons, at least 80% of whom are 55 years of age or older and who are unrelated to the owners and one manager of the residence, where the following are provided:

(1) services consistent with a social model that is based on the premise that the resident's unit is his or her own home;

(2) community-based residential care for persons who need assistance with activities of daily living, including housing and personal, supportive, and intermittent health-related services available 24 hours per day, if needed, to meet the scheduled and unscheduled needs of a resident; and

(3) mandatory services, whether provided directly by the establishment or by another entity arranged for by the establishment, with the consent of the resident or the resident's representative.

"Shared housing establishment" or "establishment" does not mean any of the following:

(1) A home, institution, or similar place operated by the federal government or the State of Illinois.

(2) A long term care facility licensed under the Nursing Home Care Act. A long term care facility may, however, convert sections of the facility to assisted living. If the long term care facility elects to do so, the facility shall retain the Certificate of Need for its nursing beds that were converted.

(3) A hospital, sanitarium, or other institution, the principal activity or business of which is the diagnosis, care, and treatment of human illness and that is required to be licensed under the Hospital Licensing Act.

(4) A facility for child care as defined in the Child Care Act of 1969.

(5) A community living facility as defined in the Community Living Facilities Licensing Act.

(6) A nursing home or sanitarium operated solely by and for persons who rely exclusively upon treatment by spiritual means through prayer in accordance with the creed or tenants of a well-recognized church or religious denomination.

(7) A facility licensed by the Department of Human Services as a community-integrated ~~community-intergrated~~ living arrangement as defined in the Community-Integrated Living Arrangements Licensure and Certification Act.

(8) A supportive residence licensed under the Supportive Residences Licensing Act.

(9) A life care facility as defined in the Life Care Facilities Act; a life care facility may apply under this Act to convert sections of the community to assisted living.

(10) A free-standing hospice facility licensed under the Hospice Program Licensing Act.

(11) An assisted living establishment.

(12) A supportive living facility as described in Section 5-5.01a of the Illinois Public Aid Code.

"Total assistance" means that staff or another individual performs the entire activity of daily living without participation by the resident.

(Source: P.A. 91-656, eff. 1-1-01.)

(210 ILCS 9/40)

Sec. 40. Probationary licenses. If the applicant has not been previously licensed under this Act or if the establishment is not in operation at the time the application is made and if the Department determines that the applicant meets the licensure requirements of this Act, the Department shall ~~may~~ issue a probationary license. A probationary license shall be valid for 120 days unless sooner suspended or revoked. Within 30 days prior to the termination of a probationary license, the Department shall fully and completely review the establishment and, if the establishment meets the applicable requirements for licensure, shall issue a license. If the Department finds that the establishment does not meet the requirements for licensure, but has made substantial progress toward meeting those requirements, the license may be renewed once for a period not to exceed 120 days from the expiration date of the initial probationary license.

(Source: P.A. 91-656, eff. 1-1-01.)

(210 ILCS 9/55)

Sec. 55. Grounds for denial of a license. An application for a license may be denied for any of the following reasons:

(1) failure to meet any of the standards set forth in this Act or by rules adopted by the Department under this Act;

(2) conviction of the applicant, or if the applicant is a firm, partnership, or association, of any of its members, or if a corporation, the conviction of the corporation or any of its officers or stockholders, or of the person designated to manage or supervise the establishment, of a felony or of 2 or more misdemeanors involving moral turpitude during the previous 5 years as shown by a certified copy of the record of the court of conviction;

(3) personnel insufficient in number or unqualified by training or experience to properly care for the residents;

(4) insufficient financial or other resources to operate and conduct the establishment in accordance with standards adopted by the Department under this Act;

(5) revocation of a license during the previous 5 years, if such prior license was issued to the individual applicant, a controlling owner or controlling combination of owners of the applicant; or any affiliate of the individual applicant or controlling owner of the applicant and such individual applicant, controlling owner of the applicant or affiliate of the applicant was a controlling owner of the prior license; provided, however, that the denial of an application for a license pursuant to this Section must be supported by evidence that the prior revocation renders the applicant unqualified or incapable of meeting or maintaining an establishment in accordance with the standards and rules adopted by the Department under this Act; or

(6) the establishment is not under the direct supervision of a full-time director, as defined by rule.

The Department shall deny an application for a license if 6 months after submitting its initial application the applicant has not provided the Department with all of the information required for review and approval or the applicant is not actively pursuing the processing of its application. In addition, the Department shall determine whether the applicant has violated any provision of the Nursing Home Care Act.

(Source: P.A. 91-656, eff. 1-1-01.)

(210 ILCS 9/76)

Sec. 76. Vaccinations. ~~Pneumonia shots.~~

(a) Before a prospective resident's admission to an assisted living establishment or ~~a~~ shared housing establishment that does not provide medication administration as an optional service, the establishment shall advise the prospective resident to consult a physician to determine whether the prospective resident should obtain a vaccination against pneumococcal pneumonia or influenza, or both.

(b) An assisted living establishment or shared housing establishment that provides medication administration as an optional service shall annually administer a vaccination against influenza to each resident, in accordance with the recommendations of the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention that are most recent to the time of vaccination, unless the vaccination is medically contraindicated or the resident has refused the vaccine. Influenza vaccinations for all residents age 65 or over shall be completed by November 30 of each year or as soon as practicable if vaccine supplies are not available before November 1. Residents admitted after November 30, during the flu season, and until February 1 shall, as medically appropriate, receive an influenza vaccination prior to or upon admission or as soon as practicable if vaccine supplies are not available at the time of the admission, unless the vaccine is medically contraindicated or the resident has refused the vaccine. In the event that the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention determines that dates of administration other than those stated in this

Section are optimal to protect the health of residents, the Department is authorized to adopt rules to require vaccinations at those times rather than the times stated in this Section. An establishment shall document in the resident's medication record that an annual vaccination against influenza was administered, refused, or medically contraindicated.

An assisted living establishment or shared housing establishment that provides medication administration as an optional service shall administer or arrange for administration of a pneumococcal vaccination to each resident who is age 65 or over, in accordance with the recommendations of the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, who has not received this immunization prior to or upon admission to the establishment, unless the resident refuses the offer for vaccination or the vaccination is medically contraindicated. An establishment shall document in each resident's medication record that a vaccination against pneumococcal pneumonia was offered and administered, refused, or medically contraindicated.

(Source: P.A. 92-562, eff. 6-24-02.)

(210 ILCS 9/110)

Sec. 110. Powers and duties of the Department.

(a) The Department shall conduct an annual unannounced on-site visit at each assisted living and shared housing establishment to determine compliance with applicable licensure requirements and standards. Additional visits may be conducted without prior notice to the assisted living or shared housing establishment.

(b) Upon receipt of information that may indicate the failure of the assisted living or shared housing establishment or a service provider to comply with a provision of this Act, the Department shall investigate the matter or make appropriate referrals to other government agencies and entities having jurisdiction over the subject matter of the possible violation. The Department may also make referrals to any public or private agency that the Department considers available for appropriate assistance to those involved. The Department may oversee and coordinate the enforcement of State consumer protection policies affecting residents residing in an establishment licensed under this Act.

(c) The Department shall establish by rule complaint receipt, investigation, resolution, and involuntary residency termination procedures. Resolution procedures shall provide for on-site review and evaluation of an assisted living or shared housing establishment found to be in violation of this Act within a specified period of time based on the gravity and severity of the violation and any pervasive pattern of occurrences of the same or similar violations.

(d) The Governor shall establish an Assisted Living and Shared Housing Standards and Quality of Life Advisory Board.

(e) The Department shall by rule establish penalties and sanctions, which shall include, but need not be limited to, the creation of a schedule of graduated penalties and sanctions to include closure.

(f) The Department shall by rule establish procedures for disclosure of information to the public, which shall include, but not be limited to, ownership, licensure status, frequency of complaints, disposition of substantiated complaints, and disciplinary actions.

(g) (Blank). ~~The Department shall cooperate with, seek the advice of, and collaborate with the Assisted Living and Shared Housing Quality of Life Advisory Committee in the Department on Aging on matters related to the responsibilities of the Committee. Consistent with subsection (d) of Section 125, the Department shall provide to the Department on Aging for distribution to the committee copies of all administrative rules and changes to administrative rules for review and comment prior to notice being given to the public. If the Committee, having been asked for its review, fails to respond within 90 days, the rules shall be considered acted upon.~~

(h) Beginning January 1, 2000, the Department shall begin drafting rules necessary for the administration of this Act.

(Source: P.A. 91-656, eff. 1-1-01.)

(210 ILCS 9/125)

Sec. 125. Assisted Living and Shared Housing Standards and Quality of Life Advisory Board.

(a) The Governor shall appoint the Assisted Living and Shared Housing Standards and Quality of Life Advisory Board which shall be responsible for advising the Director in all aspects of the administration of the Act. The Board shall give advice to the Department concerning activities of the assisted living ombudsman and all other matters deemed relevant by the Director and to the Director concerning the delivery of personal care services, the unique needs and concerns of seniors residing in housing projects, and all other issues affecting the quality of life of residents.

(b) The Board shall be comprised of the following persons:

(1) the Director who shall serve as chair, ex officio and nonvoting;

(2) the Director of Aging who shall serve as vice-chair, ex officio and nonvoting;

(3) one representative each of the Departments of Public Health, Public Aid, and Human Services, ~~the Department on Aging,~~ the Office of the State Fire Marshal, and the Illinois Housing Development Authority, and 2 representatives of the Department on Aging, all nonvoting members;

(4) the State Ombudsman or his or her designee;

(5) one representative of the Association of Area Agencies on Aging;

(6) four members selected from the recommendations by provider organizations whose membership consist of nursing care or assisted living establishments;

(7) one member selected from the recommendations of provider organizations whose membership consists of home health agencies;

(8) two residents of assisted living or shared housing establishments;

(9) three members selected from the recommendations of consumer organizations which engage solely in advocacy or legal representation on behalf of the senior population;

(10) one member who shall be a physician;

(11) one member who shall be a registered professional nurse selected from the recommendations of professional nursing associations; ~~and~~

(12) two citizen members with expertise in the area of gerontology research or legal research regarding implementation of assisted living statutes; ~~.~~

(13) two members representing providers of community care services; and

(14) one member representing agencies providing case coordination services.

(c) Members of the Board appointed under paragraphs (5) through (14) of subsection (b) ~~created by this Act~~ shall be appointed to serve for terms of 3 years except as otherwise provided in this Section. All members shall be appointed by January 1, 2001, except that the 2 members representing the Department on Aging appointed under paragraph (3) of subsection (b) and the members appointed under paragraphs (13) and (14) of subsection (b) shall be appointed by January 1, 2005. One third of the Board members' initial terms shall expire in one year; one third in 2 years, and one third in 3 years. Of the 3 members appointed under paragraphs (13) and (14) of subsection (b), one shall serve for an initial term of one year, one shall serve for an initial term of 2 years, and one shall serve for an initial term of 3 years. A member's term does not expire until a successor is appointed by the Governor. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of that term. The Board shall meet at the call of the Director. The affirmative vote of 10 ~~9~~ members of the Board shall be necessary for Board action. Members of this Board shall receive no compensation for their services, however, resident members shall be reimbursed for their actual expenses.

(d) The Board shall be provided copies of all administrative rules and changes to administrative rules for review and comment prior to notice being given to the public. If the Board, having been asked for its review, fails to advise the Department within 90 days, the rules shall be considered acted upon.

(Source: P.A. 91-656, eff. 1-1-01.)

(210 ILCS 9/130 rep.)

Section 6. The Assisted Living and Shared Housing Act is amended by repealing Section 130.

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

Under the rules, the foregoing **Senate Bill No. 2768**, with House Amendment No. 2, was referred to the Secretary's Desk.

A message from the House by
Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2845

A bill for AN ACT concerning public health.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2845

House Amendment No. 2 to SENATE BILL NO. 2845

Passed the House, as amended, May 18, 2004.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1

AMENDMENT NO. ___1___. Amend Senate Bill 2845 by replacing everything after the enacting

clause with the following:

"Section 1. Short title. This Act may be cited as the Excellence in Alzheimer's Disease Center Treatment Act.

Section 5. Purpose. This Act is intended to maintain and enhance excellence in Alzheimer's disease treatment in Illinois in order to develop strategies to treat and prevent Alzheimer's disease in Illinois and across the United States, ensure that all Illinois citizens obtain the highest quality clinical care for Alzheimer's disease and other dementias, reduce the enormous societal cost of this disease, ensure that Illinois is a national center for Alzheimer's disease research, and maintain and enhance Illinois' ability to attract additional federal and private funding for these purposes.

Section 15. Definitions. As used in this Act:

"Academic medical center hospital" means a hospital located in Illinois that is either (i) under common ownership with the college of medicine of a college or university or (ii) a free-standing hospital in which the majority of the clinical chiefs of service are department chairmen in an affiliated medical school.

"Qualified Academic Medical Center Hospital - Pre 1996 Designation" means any academic medical center hospital that was designated by the National Institutes of Health and National Institutes on Aging as an Alzheimer's Disease Core (or Research) Center prior to calendar year 1996.

"Qualified Academic Medical Center Hospital - Post 1996 Designation" means any academic medical center hospital that was designated by the National Institutes of Health and National Institutes on Aging as an Alzheimer's Disease Core (or Research) Center in or after calendar year 1996 through calendar year 2003.

"Medicaid inpatient day of care" means each day contained in the Illinois Department of Public Aid's paid claims database, including obstetrical days multiplied by two and excluding Medicare crossover days, for dates of service occurring during State fiscal year 1998 and adjudicated through June 30, 1999.

Section 20. Funds created.

(a) The Alzheimer's Disease Center Clinical Fund is created as a special fund in the State treasury, to which the General Assembly shall from time to time appropriate funds and from which the Comptroller shall pay amounts as authorized by law. Appropriations made to this Fund are exempt from the provisions of Section 8h of the State Finance Act.

(b) The Alzheimer's Disease Center Expanded Clinical Fund is created as a special fund in the State treasury, to which the General Assembly shall from time to time appropriate funds and from which the Comptroller shall pay amounts as authorized by law. Appropriations made to this Fund are exempt from the provisions of Section 8h of the State Finance Act.

(c) The Alzheimer's Disease Center Independent Clinical Fund is created as a special fund in the State treasury, to which the General Assembly shall from time to time appropriate funds and from which the Comptroller shall pay amounts as authorized by law. Appropriations made to this Fund are exempt from the provisions of Section 8h of the State Finance Act.

Section 25. The Alzheimer's Disease Center Clinical Fund.

(a) Each institution defined as a Qualified Academic Medical Center Hospital - Pre 1996 Designation shall be eligible for payments from the Alzheimer's Disease Center Clinical Fund.

(b) Appropriations allocated to this Fund shall be divided among the qualifying hospitals. The Department of Public Aid shall calculate payment rates for each hospital qualifying under this Section as follows:

(1) Hospitals that qualify under the Qualified Academic Medical Center Hospital - Pre 1996 Designation shall be paid a rate of $55.50 for each Medicaid inpatient day of care.

(2) No qualifying hospital shall receive payments under this Section that exceed $1,200,000.

(c) Payments under this Section shall be made at least quarterly.

Section 30. The Alzheimer's Disease Center Expanded Clinical Fund.

(a) Each institution defined as a Qualified Academic Medical Center Hospital - Pre 1996 Designation or as a Qualified Academic Medical Center Hospital - Post 1996 Designation shall be eligible for payments from the Alzheimer's Disease Center Expanded Clinical Fund.

(b) Appropriations allocated to this Fund shall be divided among the qualifying hospitals. The

Department of Public Aid shall calculate payment rates for each hospital qualifying under this Section as follows:

(1) Hospitals that are defined as a Qualifying Academic Medical Center Hospital - Pre 1996 Designation shall be paid $13.90 for each Medicaid inpatient day of care.

(2) Hospitals that are defined as a Qualifying Academic Medical Center Hospital - Post 1996 Designation and do not meet the Pre 1996 Designation criterion, shall be paid $10.75 for each Medicaid inpatient day of care.

(3) Hospitals that qualify under the Pre and Post 1996 Designation shall qualify for payments under this Section according to the payment guidelines for Pre 1996 Designated hospitals.

(4) No qualifying hospital shall receive payments under this Section that exceed $300,000.

(c) Payments under this Section shall be made at least quarterly.

Section 35. The Alzheimer's Disease Center Independent Clinical Fund.

(a) Each institution defined as a Qualified Academic Medical Center Hospital - Pre 1996 Designation or as a Qualified Academic Medical Center Hospital - Post 1996 Designation may be eligible for payments from the Alzheimer's Disease Center Independent Clinical Fund.

(b) Appropriations allocated to this Fund shall be allocated to specific Qualified Academic Medical Center Hospitals (either Pre 1996 or Post 1996 Designation) for specific and unique clinical/research projects as determined by the General Assembly.

(c) Payments under this Section shall be made at least quarterly.

Section 40. Use of funds. Reimbursement for medical services under this Act eligible for federal financial participation under Title XIX of the Social Security Act shall be used for the following 6 general purposes:

(1) Clinical Care. Funds disbursed to each Qualified Academic Medical Center Hospital (either Pre 1996 or Post 1996 Designation) must be used to support clinical care for affected persons and their families. In addition to providing clinical care, the Qualified Academic Medical Center Hospitals (either Pre 1996 or Post 1996 Designation) shall serve as models of multi-disciplinary diagnostic and treatment facilities for Alzheimer's disease and other dementias.

(2) Underserved Community Outreach. Funds disbursed to each Qualified Academic Medical Center Hospital (either Pre 1996 or Post 1996 Designation) must be used to support some type of outreach program in underserved communities.

(3) Research. Funds disbursed to each Qualified Academic Medical Center Hospital (either Pre 1996 or Post 1996 Designation) must be used to support research on aging and dementia.

(4) Education. Funds disbursed to each Qualified Academic Medical Center Hospital (either Pre 1996 or Post 1996 Designation) must be used to support education regarding aging and dementia.

(5) Brain Bank. Funds should be used by each Qualified Academic Medical Center Hospital (either Pre 1996 or Post 1996 Designation) to support a brain banking program.

(6) Administration. Funds, as needed, may be used to cover administrative costs, facility costs, and other costs commonly incurred by clinical, research, and educational programs according to the rules governing each Qualified Academic Medical Center Hospital (either Pre 1996 or Post 1996 Designation).

Section 45. Payment of funds. The Comptroller shall disburse all funds appropriated to the Alzheimer's Disease Center Clinical Fund, the Alzheimer's Disease Center Expanded Clinical Fund, and the Alzheimer's Disease Center Independent Clinical Fund to the appropriate Qualified Academic Medical Center Hospitals (either Pre 1996 or Post 1996 Designation) as the funds are appropriated by the General Assembly and come due under this Act. The payment of these funds shall be made through the Department of Public Aid.

Section 50. Reporting requirements. Qualified Academic Medical Center Hospitals (either Pre 1996 or Post 1996 Designation) receiving payments from the Alzheimer's Disease Center Clinical Fund, the Alzheimer's Disease Center Expanded Clinical Fund, or the Alzheimer's Disease Center Independent Clinical Fund shall submit annual reports to the Department of Public Health and the ADA Advisory Committee.

Section 55. Payment methodology. The Department of Public Aid shall promulgate rules necessary to make payments to the Qualifying Academic Medical Center Hospitals (either Pre 1996 or Post 1996 Designation) utilizing a reimbursement methodology consistent with this Act for distribution of all moneys from the funds in a manner that would help ensure these funds could be matchable to the maximum extent possible under Title XIX of the Social Security Act.

Section 60. Reimbursements of payments by the State. Nothing in this Act may be used to reduce reimbursements or payments by the State to a Qualifying Academic Medical Center Hospital (either Pre 1996 or Post 1996 Designation) under any other Act.

Section 65. Contravention of law. Funds received under this Act shall not be used in contravention of any law of this State.

Section 900. The Department of Public Health Powers and Duties Law of the Civil Administrative Code of Illinois is amended by changing Section 2310-215 as follows:

(20 ILCS 2310/2310-215) (was 20 ILCS 2310/55.62)

Sec. 2310-215. Center for Minority Health Services.

(a) The Department shall establish a Center for Minority Health Services to advise the Department on matters pertaining to the health needs of minority populations within the State.

(b) The Center shall have the following duties:

(1) To assist in the assessment of the health needs of minority populations in the State.

(2) To recommend treatment methods and programs that are sensitive and relevant to the unique linguistic, cultural, and ethnic characteristics of minority populations.

(3) To provide consultation, technical assistance, training programs, and reference materials to service providers, organizations, and other agencies.

(4) To promote awareness of minority health concerns, and encourage, promote, and aid in the establishment of minority services.

(5) To disseminate information on available minority services.

(6) To provide adequate and effective opportunities for minority populations to express their views on Departmental policy development and program implementation.

(7) To coordinate with the Department on Aging and the Department of Public Aid to coordinate services designed to meet the needs of minority senior citizens.

(8) To promote awareness of the incidence of Alzheimer's disease and related dementias among minority populations and to encourage, promote, and aid in the establishment of prevention and treatment programs and services relating to this health problem.

(c) For the purpose of this Section, "minority" shall mean and include any person or group of persons who are:

(1) African-American (a person having origins in any of the black racial groups in Africa);

(2) Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race);

(3) Asian American (a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent or the Pacific Islands); or

(4) American Indian or Alaskan Native (a person having origins in any of the original peoples of North America).

(Source: P.A. 91-239, eff. 1-1-00.)

Section 905. The State Finance Act is amended by adding Sections 5.625, 5.626, and 5.627 as follows:

(30 ILCS 105/5.625 new)

Sec. 5.625. The Alzheimer's Disease Center Clinical Fund.

(30 ILCS 105/5.626 new)

Sec. 5.626. The Alzheimer's Disease Center Expanded Clinical Fund.

(30 ILCS 105/5.627 new)

Sec. 5.627. The Alzheimer's Disease Center Independent Clinical Fund.

Section 910. The Alzheimer's Disease Assistance Act is amended by changing Sections 2, 6, and 7 as follows:

(410 ILCS 405/2) (from Ch. 111 1/2, par. 6952)

Sec. 2. Policy declaration. The General Assembly finds that Alzheimer's disease and related disorders are devastating health conditions which destroy certain vital cells of the brain and which affect an estimated 4,500,000 ~~1,500,000~~ Americans. This means that approximately 200,000 ~~111,000~~ Illinois citizens are victims. The General Assembly also finds that 50% of all nursing home admissions in the State may be attributable to the Alzheimer's disease and related disorders and that these conditions are the fourth leading cause of death among the elderly. It is the opinion of the General Assembly that Alzheimer's disease and related disorders cause serious financial, social and emotional hardships on the victims and their families of such a major consequence that it is essential for the State to develop and implement policies, plans, programs and services to alleviate such hardships.

The General Assembly recognizes that there is no known cause or cure of Alzheimer's disease at this time, and that it can progress over an extended period of time and to such a degree that the victim's deteriorated condition makes him or her susceptible to other medical disorders that generally prove fatal. It is the intent of the General Assembly, through implementation of this Act, to establish a program for the conduct of research regarding the cause, cure and treatment of Alzheimer's disease and related disorders; and, through the establishment of Regional Alzheimer's Disease Assistance Centers and a comprehensive, Statewide system of regional and community-based services, to provide for the identification, evaluation, diagnosis, referral and treatment of victims of such health problems.
(Source: P.A. 85-1209.)

(410 ILCS 405/6) (from Ch. 111 1/2, par. 6956)

Sec. 6. ADA Advisory Committee. There is created the Alzheimer's Disease Advisory Committee consisting of 21 voting members appointed by the Director of the Department, as well as 5 nonvoting members as hereinafter provided in this Section. The Director or his designee shall serve as one of the 21 voting members and as the Chairman of the Committee. Those appointed as voting members shall include persons who are experienced in research and the delivery of services to victims and their families. Such members shall include 4 physicians licensed to practice medicine in all of its branches, one representative of a postsecondary educational institution which administers or is affiliated with a medical center in the State, one representative of a licensed hospital, one registered nurse, one representative of a long term care facility under the Nursing Home Care Act, one representative of an area agency on aging as defined by Section 3.07 of the Illinois Act on the Aging, one social worker, one representative of an organization established under the Illinois Insurance Code for the purpose of providing health insurance, 5 family members or representatives of victims of Alzheimer's disease and related disorders, and 4 members of the general public. Among the physician appointments shall be persons with specialties in the fields of neurology, family medicine, psychiatry and pharmacology. Among the general public members, at least 2 appointments shall include persons 65 years of age or older.

In addition to the 21 voting members, the Secretary of Human Services (or his or her designee) and one additional representative of the Department of Human Services designated by the Secretary plus the Directors of the following State agencies or their designees shall serve as nonvoting members: Department on Aging, Department of Public Aid, and Guardianship and Advocacy Commission.

Each voting member appointed by the Director of Public Health shall serve for a term of 2 years, and until his successor is appointed and qualified. Members of the Committee shall not be compensated but shall be reimbursed for expenses actually incurred in the performance of their duties. No more than 11 voting members may be of the same political party. Vacancies shall be filled in the same manner as original appointments.

The Committee shall review all State programs and services provided by State agencies that are directed toward persons with Alzheimer's disease and related dementias, and recommend changes to improve the State's response to this serious health problem.
(Source: P.A. 89-507, eff. 7-1-97.)

(410 ILCS 405/7) (from Ch. 111 1/2, par. 6957)

Sec. 7. Regional ADA center funding. Pursuant to appropriations enacted by the General Assembly, the Department shall provide funds to hospitals affiliated with each Regional ADA Center for necessary research and for the development and maintenance of services for victims of Alzheimer's disease and related disorders and their families. For the fiscal year beginning July 1, 2003, and each year thereafter, the Department shall effect payments under this Section to hospitals affiliated with each Regional ADA Center through the Illinois Department of Public Aid under the Excellence in Alzheimer's Disease Center Treatment Act. The Department of Public Aid shall annually report to the Advisory Committee established under this Act regarding the funding of centers under this Act. The Department shall include the annual expenditures for this purpose in the plan required by Section 5 of this Act.
(Source: P.A. 93-20, eff. 6-20-03.)

Section 999. Effective date. This Act takes effect upon becoming law.".

AMENDMENT NO. 2

AMENDMENT NO. __2__. Amend Senate Bill 2845, AS AMENDED, with reference to page and line numbers of House Amendment No. 1, on page 2, line 22, by replacing "Appropriations made to this Fund are" with "This Fund is"; and

on page 2, line 28, by replacing "Appropriations made to this Fund are" with "This Fund is"; and

on page 3, line 1, by replacing "Appropriations made to this Fund are" with "This Fund is".

Under the rules, the foregoing **Senate Bill No. 2845**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by
Mr. Mahoney, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2982

A bill for AN ACT concerning limited partnerships.
Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:
House Amendment No. 1 to SENATE BILL NO. 2982
Passed the House, as amended, May 18, 2004.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1

AMENDMENT NO. __1__. Amend Senate Bill 2982 on page 88, by deleting lines 23 through 27.

Under the rules, the foregoing **Senate Bill No. 2982**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Mahoney, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 3211

A bill for AN ACT concerning health.
Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:
House Amendment No. 1 to SENATE BILL NO. 3211
Passed the House, as amended, May 18, 2004.

MARK MAHONEY, Clerk of the House

AMENDMENT NO. 1

AMENDMENT NO. __1__. Amend Senate Bill 3211, on page 2, by deleting lines 1 through 34; and

on page 3, by deleting line 1.

Under the rules, the foregoing **Senate Bill No. 3211**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by
Mr. Mahoney, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has refused to concur with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 599

A bill for AN ACT in relation to pensions.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 599

Non-concurred in by the House, May 18, 2004.

MARK MAHONEY, Clerk of the House

Under the rules, the foregoing **House Bill No. 599**, with Senate Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of bills of the following titles, to-wit:

SENATE BILL NO. 2274

A bill for AN ACT concerning property.

SENATE BILL NO. 2290

A bill for AN ACT in relation to alcohol.

SENATE BILL NO. 2374

A bill for AN ACT concerning vehicles.

SENATE BILL NO. 2653

A bill for AN ACT concerning corrections.

SENATE BILL NO. 3083

A bill for AN ACT concerning finance.

Passed the House, May 18, 2004.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 378

A bill for AN ACT in relation to public employee benefits.

Which amendment is as follows:

Senate Amendment No. 2 to HOUSE BILL NO. 378

Concurred in by the House, May 18, 2004.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 393

A bill for AN ACT concerning insurance.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 393

Concurred in by the House, May 18, 2004.

MARK MAHONEY, Clerk of the House

A message from the House by

Mr. Mahoney, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 4005

A bill for AN ACT concerning disaster service volunteers.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 4005

Concurred in by the House, May 18, 2004.

MARK MAHONEY, Clerk of the House

A message from the House by
Mr. Mahoney, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 4475

A bill for AN ACT concerning public health.
Which amendments are as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 4475
Senate Amendment No. 2 to HOUSE BILL NO. 4475
Concurred in by the House, May 18, 2004.

MARK MAHONEY, Clerk of the House

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION 551

Offered by Senator Dillard and all Senators:
Mourns the death of Dr. Mina Rea Perlow of Downers Grove.

By unanimous consent, the foregoing resolution was referred to the Resolutions Consent Calendar.

Senator Trotter offered the following Senate Resolution, which was referred to the Committee on Rules:

SENATE RESOLUTION NO. 552

WHEREAS, In commemoration of Haitian people, this body proclaims May 18th, 2004, as Haitian Flag Day as it has become a source of pride and is synonymous with unity and individual liberty; and

WHEREAS, In 1779, a regiment of soldiers of Haitian descent called the Chasseurs-Volontaires made a crucial contribution to our country when they fought on the side of Americans in the Battle of Savannah, Georgia, one of the two bloodiest battles of the American Revolutionary War; and

WHEREAS, The forces merged with 4,000 American troops led by General Benjamin Lincoln, among them was a 12-year old drummer boy named Henri Christophe; he later also fought against the British in Pensacola, Florida, and survived both battles as he was destined to become a foremost leader in Haitian history, indeed the George Washington of Haiti; he was a Freedom Fighter and fought for American Independence; and

WHEREAS, As part of his plan to regain control of Savannah from the British, General Benjamin Lincoln summoned French Admiral D'estaing's naval forces to blockade the coastal Georgia port from British ships; among them were 500 to 800 Haitian volunteers who had joined the Admiral's 4,000 men; and

WHEREAS, Once on land, Haitian soldiers fought fiercely alongside some of the finest American officers, including Lincoln, McIntosh, Pulaski, and Marion; and

WHEREAS, Indeed, the contribution of the French brigade on land, composed mainly of Haitians, was crucial in protecting the American soldiers as they retreated; even though this battle was lost, the Americans were able to recover to fight another battle thanks to the soldiers who provided their cover, including the Haitians who died fighting for America's freedom; and

WHEREAS, In these important ways and many more, Haitians have contributed greatly to the history and development of our country, making us who we are today and continuing to positively shape who we will be tomorrow; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we proclaim May 18, 2004, as Haitian Flag Day to commemorate the contributions of Haitians in the Battle of Savannah, Georgia, and thank the Haitians today for the courage Haitian soldiers showed as American allies during the Revolutionary War, and for the contributions Haitians continue to make to our country; and be it further

RESOLVED, That suitable copies of this resolution be presented to the representative of the Haitian Diplomatic Mission accredited in the United States and to the National Chairman of the Haitian/American Voters and Entrepreneurs National Organization.

REPORTS FROM STANDING COMMITTEES

Senators Cullerton and Dillard, Co-Chairpersons of the Committee on Judiciary, to which was referred the following Senate floor amendments, reported that the Committee recommends that they be adopted:

Senate Amendment No. 3 to House Bill 1080
Senate Amendment No. 1 to House Bill 4771

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

Senator Shadid, Chairperson of the Committee on Transportation, to which was referred the following Senate floor amendments, reported that the Committee recommends that they be adopted:

Senate Amendment No. 2 to House Bill 3835
Senate Amendment No. 1 to House Bill 4086

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

Senator del Valle, Chairperson of the Committee on Education, to which was referred the following Senate floor amendments, reported that the Committee recommends that they be adopted:

Senate Amendment No. 4 to House Bill 3000
Senate Amendment No. 2 to House Bill 3001

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

Senator Jacobs, Chairperson of the Committee on Insurance and Pensions, to which was referred the following Senate floor amendment, reported that the Committee recommends that it be adopted:

Senate Amendment No. 2 to House Bill 1075

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

Senator Haine, Chairperson of the Committee on Local Government, to which was referred the following Senate floor amendments, reported that the Committee recommends that they be approved for consideration:

Senate Amendment No. 2 to House Bill 690
Senate Amendment No. 1 to House Bill 1300
Senate Amendment No. 2 to House Bill 4280
Senate Amendment No. 4 to House Bill 5017

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

Senator Obama, Chairperson of the Committee on Health and Human Services, to which was referred the following Senate floor amendments reported that the Committee recommends that they be approved for consideration:

Senate Amendment No. 2 to House Bill 1660
Senate Amendment No. 4 to House Bill 2268
Senate Amendment No. 3 to House Bill 4502

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

Senator Silverstein, Chairperson of the Committee on Executive, to which was referred the following Senate floor amendments, reported that the Committee recommends that they be adopted:

Senate Amendment No. 2 to House Bill 622
Senate Amendment No. 3 to House Bill 729

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

Senator Link, Chairperson of the Committee on Revenue, to which was referred the following Senate floor amendments, reported that the Committee recommends that they be approved for consideration:

Senate Amendment No. 1 to House Bill 848
Senate Amendment No. 1 to House Bill 855
Senate Amendment No. 1 to House Bill 4977

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

Senator Schoenberg, Chairperson of the Committee on State Government, to which was referred the following Senate floor amendment, reported that the Committee recommends that it be adopted:

Senate Amendment No. 3 to House Bill 4996

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

Senator Burzynski asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

At the hour of 3:22 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 4:27 o'clock p.m., the Senate resumed consideration of business.
Senator Halvorson, presiding.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A FIRST TIME

House Bill No. 5056, sponsored by Senator Munoz, was taken up, read by title a first time and referred to the Committee on Rules.

JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendment 1 to Senate Bill 2424
Motion to Concur in House Amendment 1 to Senate Bill 2551
Motion to Concur in House Amendment 1 to Senate Bill 2940
Motion to Concur in House Amendment 1 to Senate Bill 2982
Motion to Concur in House Amendment 1 to Senate Bill 3211

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION 553

Offered by Senator Forby and all Senators:
Mourns the death of Ken Ledbetter of Ullin.

SENATE RESOLUTION 554

Offered by Senator Forby and all Senators:
Mourns the death of Peggy Ann (Cook) Womble of Benton.

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

HOUSE BILL RECALLED

On motion of Senator Clayborne, **House Bill No. 622** was recalled from the order of third reading to the order of second reading.

Senator Clayborne offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. __2__. Amend House Bill 622 by replacing everything after the enacting clause with the following:

"Section 5. Short title. This Act may be cited as the Southeastern Illinois Economic Development Authority Act.

Section 10. Findings. The General Assembly determines and declares the following:

(1) that labor surplus areas currently exist in southeastern Illinois;

(2) that the economic burdens resulting from involuntary unemployment fall, in part, upon the State in the form of increased need for public assistance and reduced tax revenues and, in the event that the unemployed worker and his or her family migrate elsewhere to find work, the burden may also fall upon the municipalities and other taxing districts within the areas of unemployment in the form of reduced tax revenues, thereby endangering their financial ability to support necessary governmental services for their remaining inhabitants;

(3) that the State has a responsibility to help create a favorable climate for new and improved job opportunities for its citizens by encouraging the development of tourism, commercial, and service businesses and industrial and manufacturing plants within the southeastern region of Illinois;

(4) that a lack of decent housing contributes to urban blight, crime, anti-social behavior, disease, a higher need for public assistance, reduced tax revenues, and the migration of workers and their families away from areas which fail to offer adequate, decent, and affordable housing;

(5) that decent, affordable housing is a necessary ingredient of life affording each citizen basic human dignity, a sense of self worth, confidence, and a firm foundation upon which to build a family and educate children;

(6) that in order to foster civic and neighborhood pride, citizens require access to educational institutions, recreation, parks and open spaces, entertainment, sports, a reliable transportation network, cultural facilities, and theaters; and

(7) that the main purpose of this Act is to promote industrial, commercial, residential, service, transportation, and recreational activities and facilities, thereby reducing the evils attendant upon unemployment and enhancing the public health, safety, morals, happiness, and general welfare of the State.

Section 15. Definitions. In this Act:

"Authority" means the Southeastern Illinois Economic Development Authority.

"Governmental agency" means any federal, State, or local governmental body and any agency or instrumentality thereof, corporate or otherwise.

"Person" means any natural person, firm, partnership, corporation, both domestic and foreign, company, association or joint stock association and includes any trustee, receiver, assignee or personal representative thereof.

"Revenue bond" means any bond issued by the Authority, the principal and interest of which is

payable solely from revenues or income derived from any project or activity of the Authority.

"Board" means the Board of Directors of the Southeastern Illinois Economic Development Authority.

"Governor" means the Governor of the State of Illinois.

"City" means any city, village, incorporated town, or township within the geographical territory of the Authority.

"Industrial project" means the following:

(1) a capital project, including one or more buildings and other structures, improvements, machinery and equipment whether or not on the same site or sites now existing or hereafter acquired, suitable for use by any manufacturing, industrial, research, transportation or commercial enterprise including but not limited to use as a factory, mill, processing plant, assembly plant, packaging plant, fabricating plant, ethanol plant, office building, industrial distribution center, warehouse, repair, overhaul or service facility, freight terminal, research facility, test facility, power generation facility, mining operation, railroad facility, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or waste reduction, recovery, treatment and disposal facilities, tourism-related facilities, including hotels, theaters, water parks, and amusement parks, and including also the sites thereof and other rights in land therefore whether improved or unimproved, site preparation and landscaping and all appurtenances and facilities incidental thereto such as utilities, access roads, railroad sidings, truck docking and similar facilities, parking facilities, dockage, wharfage, railroad roadbed, track, trestle, depot, terminal, switching and signaling equipment or related equipment and other improvements necessary or convenient thereto; or

(2) any land, buildings, machinery or equipment comprising an addition to or renovation, rehabilitation or improvement of any existing capital project.

"Commercial project" means any project, including, but not limited to, one or more buildings and other structures, improvements, machinery, and equipment, whether or not on the same site or sites now existing or hereafter acquired, suitable for use by any retail or wholesale concern, distributorship, or agency, or health facility or retirement facility.

"Project" means an industrial, housing, residential, commercial, or service project, or any combination thereof, provided that all uses fall within one of the categories described above. Any project automatically includes all site improvements and new construction involving sidewalks, sewers, solid waste and wastewater treatment and disposal sites and other pollution control facilities, resource or waste reduction, recovery, treatment and disposal facilities, parks, open spaces, wildlife sanctuaries, streets, highways, and runways.

"Lease agreement" means an agreement in which a project acquired by the Authority by purchase, gift, or lease is leased to any person or corporation that will use, or cause the project to be used, as a project, upon terms providing for lease rental payments at least sufficient to pay, when due, all principal of and interest and premium, if any, on any bonds, notes, or other evidences of indebtedness of the Authority, issued with respect to the project, providing for the maintenance, insurance, and operation of the project on terms satisfactory to the Authority and providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, with other terms as may be deemed desirable by the Authority.

"Loan agreement" means any agreement in which the Authority agrees to loan the proceeds of its bonds, notes, or other evidences of indebtedness, issued with respect to a project, to any person or corporation which will use or cause the project to be used as a project, upon terms providing for loan repayment installments at least sufficient to pay, when due, all principal of and interest and premium, if any, on any bonds, notes, or other evidences of indebtedness of the Authority issued with respect to the project, providing for maintenance, insurance, and operation of the project on terms satisfactory to the Authority and providing for other terms deemed advisable by the Authority.

"Financial aid" means the expenditure of Authority funds or funds provided by the Authority for the development, construction, acquisition or improvement of a project, through the issuance of revenue bonds, notes, or other evidences of indebtedness.

"Costs incurred in connection with the development, construction, acquisition or improvement of a project" means the following:

(1) the cost of purchase and construction of all lands and improvements in connection therewith and equipment and other property, rights, easements, and franchises acquired which are deemed necessary for the construction;

(2) financing charges;

(3) interest costs with respect to bonds, notes, and other evidences of indebtedness of the Authority prior to and during construction and for a period of 6 months thereafter;

(4) engineering and legal expenses; and

(5) the costs of plans, specifications, surveys, and estimates of costs and other expenses necessary or incident to determining the feasibility or practicability of any project, together with such other expenses as may be necessary or incident to the financing, insuring, acquisition, and construction of a specific project and the placing of the same in operation.

Section 20. Creation.

(a) There is created a political subdivision, body politic, and municipal corporation named the Southeastern Illinois Economic Development Authority. The territorial jurisdiction of the Authority is that geographic area within the boundaries of the following counties: Fayette, Cumberland, Clark, Effingham, Jasper, Crawford, Marion, Clay, Richland, Lawrence, Jefferson, Wayne, Edwards, Wabash, Hamilton, and White and any navigable waters and air space located therein.

(b) The governing and administrative powers of the Authority shall be vested in a body consisting of 10 members as follows:

(1) Nine members shall be appointed by the Governor with the advice and consent of the Senate.

(2) One member shall be appointed by the Director of Commerce and Economic Opportunity.

All public members shall reside within the territorial jurisdiction of the Authority. The public members shall be persons of recognized ability and experience in one or more of the following areas: economic development, finance, banking, industrial development, state or local government, commercial agriculture, small business management, real estate development, community development, venture finance, organized labor, or civic or community organization.

(c) Six members shall constitute a quorum.

(d) The chairman of the Authority shall be elected annually by the Board.

(e) The terms of all initial members of the Authority shall begin 30 days after the effective date of this Act. Of the 10 original members appointed pursuant to subsection (b), one shall serve until the third Monday in January, 2005; one shall serve until the third Monday in January, 2006; 2 shall serve until the third Monday in January, 2007; 2 shall serve until the third Monday in January, 2008; 2 shall serve until the third Monday in January, 2009; and 2 shall serve until the third Monday in January, 2010. All successors to these original public members shall be appointed by the Governor with the advice and consent of the Senate, or by the Director of Commerce and Economic Opportunity, as the case may be, pursuant to subsection (b), and shall hold office for a term of 3 years commencing the third Monday in January of the year in which their term commences, except in the case of an appointment to fill a vacancy. Vacancies occurring among the public members shall be filled for the remainder of the term. In case of vacancy in a Governor-appointed membership when the Senate is not in session, the Governor may make a temporary appointment until the next meeting of the Senate when a person shall be nominated to fill the office and, upon confirmation by the Senate, he or she shall hold office during the remainder of the term and until a successor is appointed and qualified. Members of the Authority are not entitled to compensation for their services as members but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. Members of the Board may participate in Board meetings by teleconference or video conference.

(f) The Governor may remove any public member of the Authority appointed by the Governor, and the Director of Commerce and Economic Opportunity may remove any public member appointed by the Director, in case of incompetence, neglect of duty, or malfeasance in office.

(g) The Board shall appoint an Executive Director who shall have a background in finance, including familiarity with the legal and procedural requirements of issuing bonds, real estate, or economic development and administration. The Executive Director shall hold office at the discretion of the Board. The Executive Director shall be the chief administrative and operational officer of the Authority, shall direct and supervise its administrative affairs and general management, perform such other duties as may be prescribed from time to time by the members, and receive compensation fixed by the Authority. The Executive Director shall attend all meetings of the Authority. However, no action of the Authority shall be invalid on account of the absence of the Executive Director from a meeting. The Authority may engage the services of the Illinois Finance Authority, attorneys, appraisers, engineers, accountants, credit analysts, and other consultants, if the Southeastern Illinois Economic Development Authority deems it advisable.

Section 25. Duty. All official acts of the Authority shall require the approval of at least 6 members. It shall be the duty of the Authority to promote development within the territorial jurisdiction of the Authority. The Authority shall use the powers conferred upon it to assist in the development, construction, and acquisition of industrial, commercial, housing, or residential projects within those

counties.

Section 30. Powers.

(a) The Authority possesses all the powers of a body corporate necessary and convenient to accomplish the purposes of this Act, including, without any intended limitation upon the general powers hereby conferred, the following powers:

(1) to enter into loans, contracts, agreements, and mortgages in any matter connected with any of its corporate purposes and to invest its funds;

(2) to sue and be sued;

(3) to utilize services of the Illinois Finance Authority;

(4) to have and use a common seal and to alter the seal at its discretion;

(5) to adopt all needful ordinances, resolutions, by-laws, rules, and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired, and improved in furtherance of its purposes;

(6) to own or finance communications projects such as telecommunications, fiber optics, and data transfer projects;

(7) to designate the fiscal year for the Authority;

(8) to accept and expend appropriations;

(9) to acquire, own, lease, sell, or otherwise dispose of interests in and to real property and improvements situated on that real property and in personal property necessary to fulfill the purposes of the Authority;

(10) to engage in any activity or operation which is incidental to and in furtherance of efficient operation to accomplish the Authority's primary purpose;

(11) to acquire, own, construct, lease, operate, and maintain bridges, terminals, terminal facilities, and port facilities and to fix and collect just, reasonable, and nondiscriminatory charges for the use of such facilities. These charges shall be used to defray the reasonable expenses of the Authority and to pay the principal and interest of any revenue bonds issued by the Authority;

(12) subject to any applicable condition imposed by this Act, to locate, establish and maintain a public airport, public airports and public airport facilities within its corporate limits or within or upon any body of water adjacent thereto and to construct, develop, expand, extend and improve any such airport or airport facility; and

(13) to have and exercise all powers and be subject to all duties usually incident to boards of directors of corporations.

(b) The Authority shall not issue any bonds relating to the financing of a project located within the planning and subdivision control jurisdiction of any municipality or county unless notice, including a description of the proposed project and the financing for that project, is submitted to the corporate authorities of the municipality or, in the case of a proposed project in an unincorporated area, to the county board.

(c) If any of the powers set forth in this Act are exercised within the jurisdictional limits of any municipality, all ordinances of the municipality remain in full force and effect and are controlling.

Section 35. Bonds.

(a) The Authority, with the written approval of the Governor, shall have the continuing power to issue bonds, notes, or other evidences of indebtedness in an aggregate amount not to exceed $250,000,000 for the following purposes: (i) development, construction, acquisition, or improvement of projects, including those established by business entities locating or expanding property within the territorial jurisdiction of the Authority; (ii) entering into venture capital agreements with businesses locating or expanding within the territorial jurisdiction of the Authority; (iii) acquisition and improvement of any property necessary and useful in connection therewith; and (iv) for the purposes of the Employee Ownership Assistance Act. For the purpose of evidencing the obligations of the Authority to repay any money borrowed, the Authority may, pursuant to resolution, from time to time, issue and dispose of its interest-bearing revenue bonds, notes, or other evidences of indebtedness and may also from time to time issue and dispose of such bonds, notes, or other evidences of indebtedness to refund, at maturity, at a redemption date or in advance of either, any bonds, notes, or other evidences of indebtedness pursuant to redemption provisions or at any time before maturity. All such bonds, notes, or other evidences of indebtedness shall be payable solely and only from the revenues or income to be derived from loans made with respect to projects, from the leasing or sale of the projects, or from any other funds available to the Authority for such purposes. The bonds, notes, or other evidences of indebtedness may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may bear interest at

such rate or rates not exceeding the maximum rate permitted by the Bond Authorization Act, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium, as is stated on the face thereof, may be authenticated in such manner and may contain such terms and covenants as may be provided by an applicable resolution.

(b) The holder or holders of any bonds, notes, or other evidences of indebtedness issued by the Authority may bring suits at law or proceedings in equity to compel the performance and observance by any corporation or person or by the Authority or any of its agents or employees of any contract or covenant made with the holders of the bonds, notes, or other evidences of indebtedness, to compel such corporation, person, the Authority, and any of its agents or employees to perform any duties required to be performed for the benefit of the holders of the bonds, notes, or other evidences of indebtedness by the provision of the resolution authorizing their issuance and to enjoin the corporation, person, the Authority, and any of its agents or employees from taking any action in conflict with any contract or covenant.

(c) If the Authority fails to pay the principal of or interest on any of the bonds or premium, if any, as the bond becomes due, a civil action to compel payment may be instituted in the appropriate circuit court by the holder or holders of the bonds on which the default of payment exists or by an indenture trustee acting on behalf of the holders. Delivery of a summons and a copy of the complaint to the chairman of the Board shall constitute sufficient service to give the circuit court jurisdiction over the subject matter of the suit and jurisdiction over the Authority and its officers named as defendants for the purpose of compelling such payment. Any case, controversy, or cause of action concerning the validity of this Act relates to the revenue of the State of Illinois.

(d) Notwithstanding the form and tenor of any bond, note, or other evidence of indebtedness and in the absence of any express recital on its face that it is non-negotiable, all such bonds, notes, and other evidences of indebtedness shall be negotiable instruments. Pending the preparation and execution of any bonds, notes, or other evidences of indebtedness, temporary bonds, notes, or evidences of indebtedness may be issued as provided by ordinance.

(e) To secure the payment of any or all of such bonds, notes, or other evidences of indebtedness, the revenues to be received by the Authority from a lease agreement or loan agreement shall be pledged, and, for the purpose of setting forth the covenants and undertakings of the Authority in connection with the issuance of the bonds, notes, or other evidences of indebtedness and the issuance of any additional bonds, notes or other evidences of indebtedness payable from such revenues, income, or other funds to be derived from projects, the Authority may execute and deliver a mortgage or trust agreement. A remedy for any breach or default of the terms of any mortgage or trust agreement by the Authority may be by mandamus proceeding in the appropriate circuit court to compel performance and compliance under the terms of the mortgage or trust agreement, but the trust agreement may prescribe by whom or on whose behalf the action may be instituted.

(f) Bonds or notes shall be secured as provided in the authorizing ordinance which may include, notwithstanding any other provision of this Act, in addition to any other security, a specific pledge, assignment of and lien on, or security interest in any or all revenues or money of the Authority, from whatever source, which may, by law, be used for debt service purposes and a specific pledge, or assignment of and lien on, or security interest in any funds or accounts established or provided for by ordinance of the Authority authorizing the issuance of the bonds or notes.

(g) In the event that the Authority determines that moneys of the Authority will not be sufficient for the payment of the principal of and interest on its bonds during the next State fiscal year, the chairman, as soon as practicable, shall certify to the Governor the amount required by the Authority to enable it to pay the principal of and interest on the bonds. The Governor shall submit the certified amount to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year. This Section shall not apply to any bonds or notes to which the Authority determines, in the resolution authorizing the issuance of the bonds or notes, that this Section shall not apply. Whenever the Authority makes this determination, it shall be plainly stated on the face of the bonds or notes and the determination shall also be reported to the Governor. In the event of a withdrawal of moneys from a reserve fund established with respect to any issue or issues of bonds of the Authority to pay principal or interest on those bonds, the chairman of the Authority, as soon as practicable, shall certify to the Governor the amount required to restore the reserve fund to the level required in the resolution or indenture securing those bonds. The Governor shall submit the certified amount to the General Assembly as soon as practicable, but no later than the end of the current State fiscal year.

(h) The State of Illinois pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the rights and powers vested in the

Authority by this Act so as to impair the terms of any contract made by the Authority with the holders of bonds or notes or in any way impair the rights and remedies of those holders until the bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the holders, are fully met and discharged. In addition, the State pledges to and agrees with the holders of the bonds and notes of the Authority issued pursuant to this Section that the State will not limit or alter the basis on which State funds are to be paid to the Authority as provided in this Act, or the use of such funds, so as to impair the terms of any such contract. The Authority is authorized to include these pledges and agreements of the State in any contract with the holders of bonds or notes issued pursuant to this Section.

Section 40. Bonds and notes; exemption from taxation. The creation of the Authority is in all respects for the benefit of the people of Illinois and for the improvement of their health, safety, welfare, comfort, and security, and its purposes are public purposes. In consideration thereof, the notes and bonds of the Authority issued pursuant to this Act and the income from these notes and bonds may be free from all taxation by the State or its political subdivisions, exempt for estate, transfer, and inheritance taxes. The exemption from taxation provided by the preceding sentence shall apply to the income on any notes or bonds of the Authority only if the Authority in its sole judgment determines that the exemption enhances the marketability of the bonds or notes or reduces the interest rates that would otherwise be borne by the bonds or notes. For purposes of Section 250 of the Illinois Income Tax Act, the exemption of the Authority shall terminate after all of the bonds have been paid. The amount of such income that shall be added and then subtracted on the Illinois income tax return of a taxpayer, subject to Section 203 of the Illinois Income Tax Act, from federal adjusted gross income or federal taxable income in computing Illinois base income shall be the interest net of any bond premium amortization.

Section 45. Acquisition.

(a) The Authority may, but need not, acquire title to any project with respect to which it exercises its authority.

(b) The Authority shall have power to acquire by purchase, lease, gift, or otherwise any property or rights therein from any person or persons, the State of Illinois, any municipal corporation, any local unit of government, the government of the United States and any agency or instrumentality of the United States, any body politic, or any county useful for its purposes, whether improved for the purposes of any prospective project or unimproved. The Authority may also accept any donation of funds for its purposes from any of these sources.

(c) The Authority shall have power to develop, construct, and improve, either under its own direction or through collaboration with any approved applicant, or to acquire, through purchase or otherwise, any project, using for this purpose the proceeds derived from its sale of revenue bonds, notes, or other evidences of indebtedness or governmental loans or grants and shall have the power to hold title to those projects in the name of the Authority.

(d) The Authority shall have the power to enter into intergovernmental agreements with the State of Illinois, the counties of Fayette, Cumberland, Clark, Effingham, Jasper, Crawford, Marion, Clay, Richland, Lawrence, Jefferson, Wayne, Edwards, Wabash, Hamilton, and White, the Illinois Development Finance Authority, the Illinois Housing Development Authority, the Illinois Education Facilities Authority, the Illinois Farm Development Authority, the Rural Bond Bank, the United States government and any agency or instrumentality of the United States, any unit of local government located within the territory of the Authority, or any other unit of government to the extent allowed by Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act.

(e) The Authority shall have the power to share employees with other units of government, including agencies of the United States, agencies of the State of Illinois, and agencies or personnel of any unit of local government.

(f) The Authority shall have the power to exercise powers and issue bonds as if it were a municipality so authorized in Divisions 12.1, 74, 74.1, 74.3, and 74.5 of Article 11 of the Illinois Municipal Code.

Section 50. Enterprise zones. The Authority may by ordinance designate a portion of the territorial jurisdiction of the Authority for certification as an Enterprise Zone under the Illinois Enterprise Zone Act in addition to any other enterprise zones which may be created under that Act, which area shall have all the privileges and rights of an Enterprise Zone pursuant to the Illinois Enterprise Zone Act, but which shall not be counted in determining the number of Enterprise Zones to be created in any year pursuant to that Act.

Section 55. Designation of depository. The Authority shall biennially designate a national or State bank or banks as depositories of its money. Such depositories shall be designated only within the State and upon condition that bonds approved as to form and surety by the Authority and at least equal in amount to the maximum sum expected to be on deposit at any one time shall be first given by such depositories to the Authority, such bonds to be conditioned for the safekeeping and prompt repayment of such deposits. When any of the funds of the Authority shall be deposited by the treasurer in any such depository, the treasurer and the sureties on his official bond shall, to such extent, be exempt from liability for the loss of any such deposited funds by reason of the failure, bankruptcy, or any other act or default of such depository; provided that the Authority may accept assignments of collateral by any depository of its funds to secure such deposits to the same extent and conditioned in the same manner as assignments of collateral are permitted by law to secure deposits of the funds of any city.

Section 60. Taxation prohibited. The Authority shall have no right or authority to levy any tax or special assessment, to pledge the credit of the State or any other subdivision or municipal corporation thereof, or to incur any obligation enforceable upon any property, either within or without the territory of the Authority.

Section 65. Fees. The Authority may collect fees and charges in connection with its loans, commitments, and servicing and may provide technical assistance in the development of the region.

Section 70. Reports and audit.

(a) The Authority shall annually submit a report of its finances to the Auditor General. The Authority shall annually submit a report of its activities to the Governor and to the General Assembly.

(b) Beginning 5 years after the effective date of this Act and every 5 years thereafter, the Auditor General shall conduct a financial audit of the Authority.

Section 99. The Illinois State Auditing Act is amended by changing Section 3-1 as follows:

(30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

Sec. 3-1. Jurisdiction of Auditor General. The Auditor General has jurisdiction over all State agencies to make post audits and investigations authorized by or under this Act or the Constitution.

The Auditor General has jurisdiction over local government agencies and private agencies only:

(a) to make such post audits authorized by or under this Act as are necessary and incidental to a post audit of a State agency or of a program administered by a State agency involving public funds of the State, but this jurisdiction does not include any authority to review local governmental agencies in the obligation, receipt, expenditure or use of public funds of the State that are granted without limitation or condition imposed by law, other than the general limitation that such funds be used for public purposes;

(b) to make investigations authorized by or under this Act or the Constitution; and

(c) to make audits of the records of local government agencies to verify actual costs of state-mandated programs when directed to do so by the Legislative Audit Commission at the request of the State Board of Appeals under the State Mandates Act.

In addition to the foregoing, the Auditor General may conduct an audit of the Metropolitan Pier and Exposition Authority, the Regional Transportation Authority, the Suburban Bus Division, the Commuter Rail Division and the Chicago Transit Authority and any other subsidized carrier when authorized by the Legislative Audit Commission. Such audit may be a financial, management or program audit, or any combination thereof.

The audit shall determine whether they are operating in accordance with all applicable laws and regulations. Subject to the limitations of this Act, the Legislative Audit Commission may by resolution specify additional determinations to be included in the scope of the audit.

In addition to the foregoing, the Auditor General must also conduct a financial audit of the Illinois Sports Facilities Authority's expenditures of public funds in connection with the reconstruction, renovation, remodeling, extension, or improvement of all or substantially all of any existing "facility", as that term is defined in the Illinois Sports Facilities Authority Act.

The Auditor General may also conduct an audit, when authorized by the Legislative Audit Commission, of any hospital which receives 10% or more of its gross revenues from payments from the State of Illinois, Department of Public Aid, Medical Assistance Program.

The Auditor General is authorized to conduct financial and compliance audits of the Illinois Distance Learning Foundation and the Illinois Conservation Foundation.

As soon as practical after the effective date of this amendatory Act of 1995, the Auditor General shall

conduct a compliance and management audit of the City of Chicago and any other entity with regard to the operation of Chicago O'Hare International Airport, Chicago Midway Airport and Merrill C. Meigs Field. The audit shall include, but not be limited to, an examination of revenues, expenses, and transfers of funds; purchasing and contracting policies and practices; staffing levels; and hiring practices and procedures. When completed, the audit required by this paragraph shall be distributed in accordance with Section 3-14.

The Auditor General shall conduct a financial and compliance and program audit of distributions from the Municipal Economic Development Fund during the immediately preceding calendar year pursuant to Section 8-403.1 of the Public Utilities Act at no cost to the city, village, or incorporated town that received the distributions.

The Auditor General must conduct an audit of the Health Facilities Planning Board pursuant to Section 19.5 of the Illinois Health Facilities Planning Act.

The Auditor General of the State of Illinois shall annually conduct or cause to be conducted a financial and compliance audit of the books and records of any county water commission organized pursuant to the Water Commission Act of 1985 and shall file a copy of the report of that audit with the Governor and the Legislative Audit Commission. The filed audit shall be open to the public for inspection. The cost of the audit shall be charged to the county water commission in accordance with Section 6z-27 of the State Finance Act. The county water commission shall make available to the Auditor General its books and records and any other documentation, whether in the possession of its trustees or other parties, necessary to conduct the audit required. These audit requirements apply only through July 1, 2007.

The Auditor General must conduct audits of the Rend Lake Conservancy District as provided in Section 25.5 of the River Conservancy Districts Act.

The Auditor General must conduct financial audits of the Southeastern Illinois Economic Development Authority as provided in Section 70 of the Southeastern Illinois Economic Development Authority Act.

(Source: P.A. 93-226, eff. 7-22-03; 93-259, eff. 7-22-03; 93-275, eff. 7-22-03; revised 8-25-03.)

Section 999. 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 bill, as amended, was ordered to a third reading.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Clayborne, **House Bill No. 622**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 54; Nays 3.

The following voted in the affirmative:

Althoff	Geo-Karis	Meeks	Sieben
Bomke	Haine	Munoz	Silverstein
Brady	Halvorson	Obama	Soden
Clayborne	Harmon	Peterson	Sullivan, J.
Collins	Hendon	Petka	Syverson
Cronin	Hunter	Radogno	Trotter
Crotty	Jacobs	Righter	Viverito
Cullerton	Jones, J.	Risinger	Walsh
del Valle	Jones, W.	Ronen	Watson
DeLeo	Lightford	Roskam	Welch
Demuzio	Link	Rutherford	Winkel
Dillard	Luechtefeld	Sandoval	Mr. President
Forby	Maloney	Schoenberg	
Garrett	Martinez	Shadid	

The following voted in the negative:

Burzynski
Lauzen
Rauschenberger

This bill, having received the vote of a constitutional majority 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 in the Senate Amendment adopted thereto.

HOUSE BILL RECALLED

On motion of Senator Viverito, **House Bill No. 690** was recalled from the order of third reading to the order of second reading.

Senator Viverito offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend House Bill 690, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Public Aid Code is amended by changing Section 11-8 as follows:

(305 ILCS 5/11-8) (from Ch. 23, par. 11-8)

Sec. 11-8. Appeals - to whom taken. Applicants or recipients of aid may, at any time within 60 days after the decision of the County Department or local governmental unit, as the case may be, appeal a decision denying or terminating aid, or granting aid in an amount which is deemed inadequate, or changing, cancelling, revoking or suspending grants as provided in Section 11-16, or determining to make a protective payment under the provisions of Sections 3-5a or 4-9, or a decision by an administrative review board to impose administrative safeguards as provided in Section 8A-8. An appeal shall also lie when an application is not acted upon within the time period after filing of the application as provided by rule of the Illinois Department.

If an appeal is not made, the action of the County Department or local governmental unit shall be final.

Appeals by applicants or recipients under Articles III, IV, or V shall be taken to the Illinois Department.

Appeals by applicants or recipients under Article VI shall be taken as follows:

(1) In counties under township organization (except such counties in which the governing authority is a Board of Commissioners) appeals shall be to a Public Aid Committee consisting of the Chairman of the County Board, and 4 members who are township supervisors of general assistance, appointed by the Chairman, with the advice and consent of the county board.

(2) In counties in excess of 3,000,000 population and under township organization in which the governing authority is a Board of Commissioners, appeals of persons from government units outside the corporate limits of a city, village or incorporated town of more than 500,000 population, and of persons from incorporated towns which have superseded civil townships in respect to aid under Article VI, shall be to the Cook County Townships Public Aid Committee consisting of 2 township supervisors and 3 persons knowledgeable in the area of General Assistance and the regulations of the Illinois Department pertaining thereto and who are not officers, agents or employees of any township, except that township supervisors may serve as members of the Cook County Township Public Aid and Committee. The 5 member committee shall be appointed by the township supervisors. The first appointments shall be made with one person serving a one year term, 2 persons serving a 2 year term, and 2 persons serving a 3 year term. Committee members shall thereafter serve 3 year terms. In any appeal involving a local governmental unit whose supervisor of general assistance is a member of the Committee, such supervisor shall not act as a member of the Committee for the purposes of such appeal, and the Committee shall select another township supervisor to serve as an alternate member for that appeal. The township whose action, inaction, or decision is being appealed shall bear the expenses related to the appeal as determined by the Cook County Townships Public Aid Committee. A township supervisor's compensation for general assistance or township related duties shall not be considered an expense related to the appeal except for expenses related to service on the

Committee.

(3) In counties described in paragraph (2) appeals of persons from a city, village or incorporated town of more than 500,000 population shall be to the Illinois Department.

(4) In counties not under township organization, appeals shall be to the County Board of Commissioners which shall for this purpose be the Public Aid Committee of the County.

In counties designated in paragraph (1) the Chairman or President of the County Board shall appoint, with the advice and consent of the county board, one or more alternate members of the Public Aid Committee. All regular and alternate members shall be Supervisors of General Assistance. In any appeal involving a local governmental unit whose Supervisor of General Assistance is a member of the Committee, he shall be replaced for that appeal by an alternate member designated by the Chairman or President of the County Board, with the advice and consent of the county board. In these counties not more than 3 of the 5 regular appointees shall be members of the same political party unless the political composition of the Supervisors of the General Assistance precludes such a limitation. In these counties at least one member of the Public Aid Committee shall be a person knowledgeable in the area of general assistance and the regulations of the Illinois Department pertaining thereto. If no member of the Committee possesses such knowledge, the Illinois Department shall designate an employee of the Illinois Department having such knowledge to be present at the Committee hearings to advise the Committee.

In every county the County Board shall provide facilities for the conduct of hearings on appeals under Article VI. All expenses incident to such hearings shall be borne by the county except that in counties under township organization in which the governing authority is a Board of Commissioners (1) the salary and other expenses of the Commissioner of Appeals shall be paid from General Assistance funds available for administrative purposes, and (2) all expenses incident to such hearings shall be borne by the township and the per diem and traveling expenses of the township supervisors serving on the Public Aid Committee shall be fixed and paid by their respective townships. In all other counties the members of the Public Aid Committee shall receive the compensation and expenses provided by law for attendance at meetings of the County Board.

In appeals under Article VI involving a governmental unit receiving State funds, the Public Aid Committee and the Commissioner of Appeals shall be bound by the rules and regulations of the Illinois Department which are relevant to the issues on appeal, and shall file such reports concerning appeals as the Illinois Department requests.

The members of each Public Aid Committee and the members of the Cook County Townships Public Aid Committee are immune from personal liability in connection with their service on the committee to the same extent as an elected or appointed judge in this State is immune from personal liability in connection with the performance of his or her duties as judge.

An appeal shall be without cost to the appellant and shall be made, at the option of the appellant, either upon forms provided and prescribed by the Illinois Department or, for appeals to a Public Aid Committee, upon forms prescribed by the County Board; or an appeal may be made by calling a toll-free number provided for that purpose by the Illinois Department and providing the necessary information. The Illinois Department may assist County Boards or a Commissioner of Appeals in the preparation of appeal forms, or upon request of a County Board or Commissioner of Appeals may furnish such forms. County Departments and local governmental units shall render all possible aid to persons desiring to make an appeal. The provisions of Sections 11-8.1 to 11-8.7, inclusive, shall apply to all such appeals.
(Source: P.A. 92-111, eff. 1-1-02; 93-295, eff. 7-22-03.)

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 bill, as amended, was ordered to a third reading.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Viverito, **House Bill No. 690**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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:

Althoff	Haine	Munoz	Silverstein
Bomke	Halvorson	Obama	Soden
Brady	Harmon	Peterson	Sullivan, J.
Burzynski	Hendon	Petka	Syverson
Clayborne	Hunter	Radogno	Trotter
Collins	Jacobs	Rauschenberger	Viverito
Cronin	Jones, J.	Righter	Walsh
Crotty	Jones, W.	Risinger	Watson
Cullerton	Lauzen	Ronen	Welch
del Valle	Lightford	Roskam	Winkel
DeLeo	Link	Rutherford	Mr. President
Demuzio	Luechtefeld	Sandoval	
Dillard	Maloney	Schoenberg	
Garrett	Martinez	Shadid	
Geo-Karis	Meeks	Sieben	

This bill, having received the vote of a constitutional majority 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 in the Senate Amendments adopted thereto.

On motion of Senator Shadid, **House Bill No. 722**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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:

Althoff	Geo-Karis	Meeks	Sieben
Bomke	Haine	Munoz	Silverstein
Brady	Halvorson	Obama	Soden
Burzynski	Harmon	Peterson	Sullivan, J.
Clayborne	Hendon	Petka	Syverson
Collins	Hunter	Radogno	Trotter
Cronin	Jacobs	Rauschenberger	Walsh
Crotty	Jones, J.	Righter	Watson
Cullerton	Jones, W.	Risinger	Welch
del Valle	Lauzen	Ronen	Winkel
DeLeo	Lightford	Roskam	Mr. President
Demuzio	Link	Rutherford	
Dillard	Luechtefeld	Sandoval	
Forby	Maloney	Schoenberg	
Garrett	Martinez	Shadid	

This bill, having received the vote of a constitutional majority 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 in the Senate Amendment adopted thereto.

HOUSE BILL RECALLED

On motion of Senator Harmon, **House Bill No. 729** was recalled from the order of third reading to the order of second reading.

Senator Harmon offered the following amendment and moved its adoption:

AMENDMENT NO. 3

AMENDMENT NO. __3__. Amend House Bill 729, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 4, by replacing lines 2 through 17 with the following:

"(e) Upon the dissolution of the Suburban Cook County Tuberculosis Sanitarium District: (i) any levy imposed by the dissolved District is abolished and (ii) Cook County, as a home rule unit, may impose a levy for the purpose of the care and treatment of tuberculosis and emerging respiratory diseases, including, but not limited to, severe acute respiratory syndrome and avian flu, in Cook County. In accordance with subsection (b) of Section 12 of the State Revenue Sharing Act, the tax base of the dissolved Suburban Cook County Tuberculosis Sanitarium District shall be added to the tax base of Cook County.".

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.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Harmon, **House Bill No. 729**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 49; Nays 8.

The following voted in the affirmative:

Althoff	Halvorson	Munoz	Sieben
Brady	Harmon	Obama	Silverstein
Burzynski	Hendon	Peterson	Soden
Clayborne	Hunter	Petka	Trotter
Collins	Jacobs	Radogno	Viverito
Cronin	Jones, W.	Rauschenberger	Walsh
Crotty	Lauzen	Risinger	Watson
Cullerton	Lightford	Ronen	Winkel
del Valle	Link	Roskam	Wojcik
DeLeo	Luechtefeld	Rutherford	Mr. President
Garrett	Maloney	Sandoval	
Geo-Karis	Martinez	Schoenberg	
Haine	Meeks	Shadid	

The following voted in the negative:

Bomke	Forby	Syverson
Demuzio	Jones, J.	Welch
Dillard	Sullivan, J.	

This bill, having received the vote of a constitutional majority 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 in the Senate Amendments adopted thereto.

On motion of Senator Welch, **House Bill No. 770**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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:

Althoff	Geo-Karis	Meeks	Sieben
Bomke	Haine	Munoz	Silverstein
Brady	Halvorson	Obama	Soden
Burzynski	Harmon	Peterson	Sullivan, J.
Clayborne	Hendon	Petka	Syverson
Collins	Hunter	Radogno	Trotter
Cronin	Jacobs	Rauschenberger	Viverito
Crotty	Jones, J.	Righter	Walsh
Cullerton	Jones, W.	Risinger	Watson
del Valle	Lauzen	Ronen	Welch
DeLeo	Lightford	Roskam	Winkel
Demuzio	Link	Rutherford	Wojcik
Dillard	Luechtefeld	Sandoval	Mr. President
Forby	Maloney	Schoenberg	
Garrett	Martinez	Shadid	

This bill, having received the vote of a constitutional majority 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 in the Senate Amendment adopted thereto.

HOUSE BILL RECALLED

On motion of Senator Cullerton, **House Bill No. 1075** was recalled from the order of third reading to the order of second reading.

Senators Brady - Jacobs offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. ___2___. Amend House Bill 1075, AS AMENDED, with reference to page and line numbers of Senate Amendment No. 1, on page 1, line 4, after "amended by", by inserting "changing Section 209 and"; and

on page 1, immediately below line 15, by inserting the following:

"(215 ILCS 5/209) (from Ch. 73, par. 821)

Sec. 209. Proof and allowance of claims.

(1) A proof of claim shall consist of a written statement signed under oath setting forth the claim, the consideration for it, whether the claim is secured and, if so, how, what payments have been made on the claim, if any, and that the sum claimed is justly owing from the company. Whenever a claim is based upon a document, the document, unless lost or destroyed, shall be filed with the proof of claim. If the document is lost or destroyed, a statement of that fact and of the circumstances of the loss or destruction shall be included in the proof of claim. A claim may be allowed even if contingent or unliquidated as of the date fixed by the court pursuant to subsection (a) of Section 194 if it is filed in accordance with this subsection. Except as otherwise provided in subsection (7), a proof of claim required under this Section must identify a known loss or occurrence ~~particular claim~~.

(2) At any time, the Director may require the claimant to present information or evidence supplementary to that required under subsection (l) and may take testimony under oath, require production of affidavits or depositions, or otherwise obtain additional information or evidence.

(3) Upon the liquidation, rehabilitation, or conservation of any company which has issued policies insuring the lives of persons, the Director shall, within a reasonable time, after the last day set for the

filing of claims, make a list of the persons who have not filed proofs of claim with him and whose rights have not been reinsured, to whom it appears from the books of the company, there are owing amounts on such policies and he shall set opposite the name of each person such amount so owing to such person. The Director shall incur no personal liability by reason of any mistake in such list. Each person whose name shall appear upon said list shall be deemed to have duly filed prior to the last day set for filing of claims a proof of claim for the amount set opposite his name on said list.

(4)(a) When a Liquidation, Rehabilitation, or Conservation Order has been entered in a proceeding against an insurer under this Code, any insured under an insurance policy shall have the right to file a contingent claim. The Court at the time of the entry of the Order of Liquidation, Rehabilitation or Conservation shall fix the final date for the liquidation of insureds' contingent claims, but in no event shall said date be more than 3 years after the last day fixed for the filing of claims, provided, such date may be extended by the Court on petition of the Director should the Director determine that such extension will not delay distribution of assets under Section 210. Such a contingent claim shall be allowed if such claim is liquidated and the insured claimant presents evidence of payment of such claim to the Director on or before the last day fixed by the Court.

(b) When an insured has been unable to liquidate its claim under paragraph (a) of this subsection (4), the insured may have its claim allowed by estimation if (i) it may be reasonably inferred from the proof presented upon the claim that a claim exists under the policy; (ii) the insured has furnished suitable proof, unless the court for good cause shown shall otherwise direct, that no further valid claims against the insurer arising out of the cause of action other than those already presented can be made, and (iii) the total liability of the insurer to all claimants arising out of the same act shall be no greater than its total liability would be were it not in liquidation, rehabilitation, or conservation.

(5) The obligation of the insurer, if any, to defend or continue the defense of any claim or suit under a liability insurance policy shall terminate on the entry of the Order of Liquidation, Rehabilitation or Conservation, except during the appeal of an Order of Liquidation as provided by Section 190.1 or, unless upon the petition of the Director, the court directs otherwise. Insureds may include in contingent claims reasonable attorneys fees for services rendered subsequent to the date of Liquidation, Rehabilitation or Conservation in defense of claims or suits covered by the insured's policy provided such attorneys fees have actually been paid by the assured and evidence of payment presented in the manner required for insured's contingent claims.

(6) When a liquidation, rehabilitation, or conservation order has been entered in a proceeding against an insurer under this Code, any person who has a cause of action against an insured of the insurer under an insurance policy issued by the insurer shall have the right to file a claim in the proceeding, regardless of the fact that the claim may be contingent, and the claim may be allowed by estimation (a) if it may be reasonably, inferred from proof presented upon the claim that the claimant would be able to obtain a judgment upon the cause of action against the insured; and (b) if the person has furnished suitable proof, unless the court for good cause shown shall otherwise direct, that no further valid claims against the insurer arising out of the cause of action other than those already presented can be made, and (c) the total liability of the insurer to all claimants arising out of the same act shall be no greater than its total liability would be were it not in liquidation, rehabilitation, or conservation.

(7) Contingent or unliquidated general creditors' and ceding insurers' claims that are not made absolute and liquidated by the last day fixed by the court pursuant to subsection (4) may ~~shall~~ be determined and allowed by estimation. Any such estimate shall be based upon an actuarial evaluation made with reasonable actuarial certainty or upon another accepted method of valuing claims with reasonable certainty and, with respect to ceding insurers' claims, may include an estimate of incurred but not reported losses.

(7.5) (a) The estimation and allowance of the loss development on a known loss or occurrence shall trigger a reinsurer's obligation to pay pursuant to its reinsurance contract with the insolvent company, provided that the allowance is made in accordance with paragraph (b) of subsection (4) or subsection (6). The Director shall have the authority to exercise all available remedies on behalf of the insolvent company to marshal these reinsurance recoverables.

(b) That portion of any estimated and allowed contingent claim that is attributable to claims incurred but not reported to the insolvent company's reinsured shall not be billable to the insolvent company's reinsurers, except to the extent that (A) such claims develop into known losses or occurrences and become billable under paragraph (a) of this subsection or (B) the reinsurance contract specifically provides for the payment of such losses or reserves.

(c) Notwithstanding any other provision of this Code, the liquidator may negotiate a voluntary commutation and release of all obligations arising from reinsurance contracts or other agreements.

(8) No judgment against such an insured or an insurer taken after the date of the entry of the

liquidation, rehabilitation, or conservation order shall be considered in the proceedings as evidence of liability, or of the amount of damages, and no judgment against an insured or an insurer taken by default, or by collusion prior to the entry of the liquidation order shall be considered as conclusive evidence in the proceeding either of the liability of such insured to such person upon such cause of action or of the amount of damages to which such person is therein entitled.

(9) The value of securities held by secured creditors shall be determined by converting the same into money according to the terms of the agreement pursuant to which such securities were delivered to such creditors, or by such creditors and the Director by agreement, or by the court, and the amount of such value shall be credited upon the claims of such secured creditors and their claims allowed only for the balance.

(10) Claims of creditors or policyholders who have received preferences voidable under Section 204 or to whom conveyances or transfers, assignments or incumbrances have been made or given which are void under Section 204, shall not be allowed unless such creditors or policyholders shall surrender such preferences, conveyances, transfers, assignments or incumbrances.

(11)(a) When the Director denies a claim or allows a claim for less than the amount requested by the claimant, written notice of the determination and of the right to object shall be given promptly to the claimant or the claimant's representative by first class mail at the address shown on the proof of claim. Within 60 days from the mailing of the notice, the claimant may file his written objections with the Director. If no such filing is made on a timely basis, the claimant may not further object to the determination.

(b) Whenever objections are filed with the Director and he does not alter his determination as a result of the objection and the claimant continues to object, the Director shall petition the court for a hearing as soon as practicable and give notice of the hearing by first class mail to the claimant or his representative and to any other persons known by the Director to be directly affected, not less than 10 days before the date of the hearing.

(12) The Director shall review all claims duly filed in the liquidation, rehabilitation, or conservation proceeding, unless otherwise directed by the court, and shall make such further investigation as he considers necessary. The Director may compound, compromise, or in any other manner negotiate the amount for which claims will be recommended to the court. Unresolved disputes shall be determined under subsection (11).

(13)(a) The Director shall present to the court reports of claims reviewed under subsection (12) with his recommendations as to each claim.

(b) The court may approve or disapprove any recommendations contained in the reports of claims filed by the Director, except that the Director's agreements with claimants shall be accepted as final by the court on claims settled for $10,000 or less.

(14) The changes made in this Section by this amendatory Act of 1993 apply to all liquidation, rehabilitation, or conservation proceedings that are pending on the effective date of this amendatory Act of 1993 and to all future liquidation, rehabilitation, or conservation proceedings, except that the changes made to the provisions of this Section by this amendatory Act of 1993 shall not apply to any company ordered into liquidation on or before January 1, 1982.

(15) The changes made in this Section by this amendatory Act of the 93rd General Assembly do not apply to any company ordered into liquidation on or before January 1, 2004.

(Source: P.A. 91-357, eff. 7-29-99.)".

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.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Cullerton, **House Bill No. 1075**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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 55; Nays 1.

The following voted in the affirmative:

Althoff	Geo-Karis	Martinez	Shadid
Bomke	Haine	Meeks	Sieben
Brady	Halvorson	Munoz	Silverstein
Burzynski	Harmon	Obama	Soden
Clayborne	Hendon	Peterson	Sullivan, J.
Collins	Hunter	Petka	Syverson
Cronin	Jacobs	Radogno	Trotter
Crotty	Jones, J.	Rauschenberger	Viverito
Cullerton	Jones, W.	Righter	Walsh
del Valle	Lauzen	Ronen	Watson
DeLeo	Lightford	Roskam	Welch
Demuzio	Link	Rutherford	Winkel
Forby	Luechtefeld	Sandoval	Wojcik
Garrett	Maloney	Schoenberg	

The following voted in the negative:

Risinger

This bill, having received the vote of a constitutional majority 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 in the Senate Amendments adopted thereto.

HOUSE BILL RECALLED

On motion of Senator Cullerton, **House Bill No. 1080** was recalled from the order of third reading to the order of second reading.

Senator Cullerton offered the following amendment and moved its adoption:

AMENDMENT NO. 3

AMENDMENT NO. __3__. Amend House Bill 1080, AS AMENDED, by replacing the introductory clause of Section 5 with the following:

"Section 5. The Trusts and Trustees Act is amended by changing Section 5.3 and adding Section 5.5 as follows:

(760 ILCS 5/5.3)

Sec. 5.3. Total return trusts.

(a) Conversion by trustee. A trustee may convert a trust to a total return trust as described in this Section if all of the following apply:

(1) The trust describes the amount that may or must be distributed to a beneficiary by referring to the trust's income, and the trustee determines that conversion to a total return trust will enable the trustee to better carry out the purposes of the trust and the conversion is in the best interests of the beneficiaries;

(2) conversion to a total return trust means the trustee will invest and manage trust assets seeking a total return without regard to whether that return is from income or appreciation of principal, and will make distributions in accordance with this Section (such a trust is called a "total return trust" in this Section);

(3) the trustee sends a written notice of the trustee's decision to convert the trust to a total return trust, specifying a prospective effective date for the conversion and including a copy of this Section, to the following beneficiaries, determined as of the date the notice is sent and assuming nonexercise of all powers of appointment:

(A) all of the legally competent beneficiaries who are currently receiving or eligible to receive income from the trust; and

(B) all of the legally competent beneficiaries who would receive or be eligible to receive a distribution of principal or income if the current interests of beneficiaries currently receiving or eligible to receive income ended;

(4) there are one or more legally competent income beneficiaries under subdivision

(3)(A) of this subsection (a) and one or more legally competent remainder beneficiaries under subdivision (3)(B) of this subsection (a), determined as of the date of sending the notice;

(5) no beneficiary objects to the conversion to a total return trust in a writing delivered to the trustee within 60 days after the notice is sent; and

(6) the trustee has signed acknowledgments of receipt confirming that notice was received by each beneficiary required to be sent notice under subdivision (3) of this subsection (a).

(b) Conversion by agreement. Conversion to a total return trust may be made by agreement between a trustee and all the primary beneficiaries of the trust under the virtual representation provisions of Section 16.1 of this Act if those provisions otherwise apply. The agreement may include any actions a court could properly order under subsection (g) of this Section; however, any distribution percentage determined by the agreement may not be less than 3% nor greater than 5%.

(c) Conversion or reconversion by court.

(1) The trustee may for any reason elect to petition the court to order conversion to a total return trust, including without limitation the reason that conversion under subsection (a) is unavailable because:

(A) a beneficiary timely objects to the conversion to a total return trust;

(B) there are no legally competent beneficiaries described in subdivision (3)(A) of subsection (a); or

(C) there are no legally competent beneficiaries described in subdivision (3)(B) of subsection (a).

(2) A beneficiary may request the trustee to convert to a total return trust or adjust the distribution percentage. If the trustee declines or fails to act within 6 months after receiving a written request to do so, the beneficiary may petition the court to order the conversion or adjustment.

(3) The trustee may petition the court prospectively to reconvert from a total return trust or adjust the distribution percentage if the trustee determines that the reconversion or adjustment will enable the trustee to better carry out the purposes of the trust. A beneficiary may request the trustee to petition the court prospectively to reconvert from a total return trust or adjust the distribution percentage. If the trustee declines or fails to act within 6 months after receiving a written request to do so, the beneficiary may petition the court to order the reconversion or adjustment.

(4) In a judicial proceeding under this subsection (c), the trustee may, but need not, present the trustee's opinions and reasons (A) for supporting or opposing conversion to (or reconversion from or adjustment of the distribution percentage of) a total return trust, including whether the trustee believes conversion (or reconversion or adjustment of the distribution percentage) would enable the trustee to better carry out the purposes of the trust, and (B) about any other matters relevant to the proposed conversion (or reconversion or adjustment of the distribution percentage). A trustee's actions in accordance with this subsection (c) shall not be deemed improper or inconsistent with the trustee's duty of impartiality unless the court finds from all the evidence that the trustee acted in bad faith.

(5) The court shall order conversion to (or reconversion prospectively from or adjustment of the distribution percentage of) a total return trust if the court determines that the conversion (or reconversion or adjustment of the distribution percentage) will enable the trustee to better carry out the purposes of the trust and the conversion (or reconversion or adjustment of the distribution percentage) is in the best interests of the beneficiaries.

(6) Notwithstanding any other provision of this Section, a trustee has no duty to inform beneficiaries about the availability of this Section and has no duty to review the trust to determine whether any action should be taken under this Section unless requested to do so in writing by a beneficiary described in subdivision (3) of subsection (a).

(d) Post conversion. While a trust is a total return trust, all of the following shall apply to the trust:

(1) the trustee shall make income distributions in accordance with the governing instrument subject to the provisions of this Section;

(2) the term "income" in the governing instrument means an annual amount (the "distribution amount") equal to a percentage (the "distribution percentage") of the net fair market value of the trust's assets, whether the assets are considered income or principal under the Principal and Income Act, averaged over the lesser of:

(i) the 3 preceding years; or

(ii) the period during which the trust has been in existence;

(3) the distribution percentage for any trust converted to a total return trust by a trustee in accordance with subsection (a) shall be 4%; ~~and~~

(4) the trustee shall pay to a beneficiary (in the case of an underpayment) and shall

recover from a beneficiary (in the case of an overpayment) an amount equal to the difference between the amount properly payable and the amount actually paid, plus interest compounded annually at a rate per annum equal to the distribution percentage in the year or years while the underpayment or overpayment exists; and .

(5) a change in the method of determining a reasonable current return by converting to a total return trust in accordance with this Section and substituting the distribution amount for net trust accounting income is a proper change in the definition of trust income notwithstanding any contrary provision of the Principal and Income Act, and the distribution amount shall be deemed a reasonable current return that fairly apportions the total return of a total return trust.

(e) Administration. The trustee, in the trustee's discretion, may determine any of the following matters in administering a total return trust as the trustee from time to time determines necessary or helpful for the proper functioning of the trust:

(1) the effective date of a conversion to a total return trust;

(2) the manner of prorating the distribution amount for a short year in which a beneficiary's interest commences or ceases;

(3) whether distributions are made in cash or in kind;

(4) the manner of adjusting valuations and calculations of the distribution amount to account for other payments from or contributions to the trust;

(5) whether to value the trust's assets annually or more frequently;

(6) what valuation dates and how many valuation dates to use;

(7) valuation decisions about any asset for which there is no readily available market value, including:

(A) how frequently to value such an asset;

(B) whether and how often to engage a professional appraiser to value such an asset; and

(C) whether to exclude the value of such an asset from the net fair market value of the trust's assets under subdivision (d)(2) for purposes of determining the distribution amount. Any such asset so excluded is referred to as an "excluded asset" in this subsection (e), and the trustee shall distribute any net income received from the excluded asset as provided for in the governing instrument, subject to the following principles:

(i) unless the trustee determines there are compelling reasons to the contrary considering all relevant factors including the best interests of the beneficiaries, the trustee shall treat each asset for which there is no readily available market value as an excluded asset;

(ii) if tangible personal property or real property is possessed or occupied by a beneficiary, the trustee shall not limit or restrict any right of the beneficiary to use the property in accordance with the governing instrument whether or not the trustee treats the property as an excluded asset;

(iii) examples of assets for which there is a readily available market value include: cash and cash equivalents; stocks, bonds, and other securities and instruments for which there is an established market on a stock exchange, in an over-the-counter market, or otherwise; and any other property that can reasonably be expected to be sold within one week of the decision to sell without extraordinary efforts by the seller;

(iv) examples of assets for which there is no readily available market value include: stocks, bonds, and other securities and instruments for which there is no established market on a stock exchange, in an over-the-counter market, or otherwise; real property; tangible personal property; and artwork and other collectibles; and

(8) any other administrative matters as the trustee determines necessary or helpful for the proper functioning of the total return trust.

(f) Allocations.

(1) Expenses, taxes, and other charges that would be deducted from income if the trust were not a total return trust shall not be deducted from the distribution amount.

(2) Unless otherwise provided by the governing instrument, the trustee shall fund the distribution amount each year from the following sources for that year in the order listed: first from net income (as the term would be determined if the trust were not a total return trust), then from other ordinary income as determined for federal income tax purposes, then from net realized short-term capital gains as determined for federal income tax purposes, then from net realized long-term capital gains as determined for federal income tax purposes, then from trust principal comprised of assets for which there is a readily available market value, and then from other trust principal.

(g) Court orders. The court may order any of the following actions in a proceeding brought by a

trustee or a beneficiary in accordance with subdivision (c)(1), (c)(2), or (c)(3):

(1) select a distribution percentage other than 4%;

(2) average the valuation of the trust's net assets over a period other than 3 years;

(3) reconvert prospectively from or adjust the distribution percentage of a total return trust;

(4) direct the distribution of net income (determined as if the trust were not a total return trust) in excess of the distribution amount as to any or all trust assets if the distribution is necessary to preserve a tax benefit; or

(5) change or direct any administrative procedure as the court determines necessary or helpful for the proper functioning of the total return trust.

Nothing in this subsection (g) limits the equitable powers of the court to grant other relief.

(h) Restrictions. ~~The distribution amount may not be less than the net income of the trust, determined without regard to the provisions of this Section, for either a trust for which an estate tax or a gift tax marital deduction was or may be claimed in whole or in part (but only during the lifetime of the spouse for whom the trust was created), or a trust that was exempt in whole or in part from generation skipping transfer tax on the effective date of this amendatory Act of the 92nd General Assembly by reason of any effective date or transition rule.~~ Conversion to a total return trust does not affect any provision in the governing instrument:

(1) directing or authorizing the trustee to distribute principal;

(2) directing or authorizing the trustee to distribute a fixed annuity or a fixed fraction of the value of trust assets;

(3) authorizing a beneficiary to withdraw a portion or all of the principal; or

(4) in any manner that would diminish an amount permanently set aside for charitable purposes under the governing instrument unless both income and principal are so set aside.

(i) Tax limitations. If a particular trustee is a beneficiary of the trust and conversion or failure to convert would enhance or diminish the beneficial interest of the trustee, or if possession or exercise of the conversion power by a particular trustee would alone cause any individual to be treated as owner of a part of the trust for income tax purposes or cause a part of the trust to be included in the gross estate of any individual for estate tax purposes, then that particular trustee may not participate as a trustee in the exercise of the conversion power; however:

(1) the trustee may petition the court under subdivision (c)(1) to order conversion in accordance with this Section; and

(2) if the trustee has one or more co-trustees to whom this subsection (i) does not apply, the co-trustee or co-trustees may convert the trust to a total return trust in accordance with this Section.

(j) Releases. A trustee may irrevocably release the power granted by this Section if the trustee reasonably believes the release is in the best interests of the trust and its beneficiaries. The release may be personal to the releasing trustee or may apply generally to some or all subsequent trustees, and the release may be for any specified period, including a period measured by the life of an individual.

(k) Remedies. A trustee who reasonably and in good faith takes or omits to take any action under this Section is not liable to any person interested in the trust. If a trustee reasonably and in good faith takes or omits to take any action under this Section and a person interested in the trust opposes the act or omission, the person's exclusive remedy is to obtain an order of the court directing the trustee to convert the trust to a total return trust, to reconvert from a total return trust, to change the distribution percentage, or to order any administrative procedures the court determines necessary or helpful for the proper functioning of the trust. An act or omission by a trustee under this Section is presumed taken or omitted reasonably and in good faith unless it is determined by the court to have been an abuse of discretion. Any claim by any person interested in the trust that an act or omission by a trustee under this Section was an abuse of discretion is barred if not asserted in a proceeding commenced by or on behalf of the person within 2 years after the trustee has sent to the person or the person's personal representative a notice or report in writing sufficiently disclosing facts fundamental to the claim such that the person knew or reasonably should have known of the claim. The preceding sentence shall not apply to a person who was under a legal disability at the time the notice or report was sent and who then had no personal representative. For purposes of this subsection (k), a personal representative refers to a court appointed guardian or conservator of the estate of a person.

(l) Application. This Section is available to trusts in existence on the effective date of this amendatory Act of the 92nd General Assembly or created after that date. This Section shall be construed as pertaining to the administration of a trust and shall be available to any trust that is administered in Illinois under Illinois law or that is governed by Illinois law with respect to the meaning and effect of its

terms unless:

(1) the trust is a trust described in Internal Revenue Code Section 642(c)(5), ~~170(f)(2)(B),~~ 664(d), ~~1361(d),~~

2702(a)(3), or 2702(b); or

(2) the governing instrument expressly prohibits use of this Section by specific reference to this Section. A provision in the governing instrument in the form: "Neither the provisions of Section 5.3 of the Trusts and Trustees Act nor any corresponding provision of future law may be used in the administration of this trust" or a similar provision demonstrating that intent is sufficient to preclude the use of this Section.

(m) Application to express trusts.

(1) This subsection (m) does not apply to a charitable remainder unitrust as defined by Section 664(d), Internal Revenue Code of 1986 (26 U.S.C. Section 664), as amended.

(2) In this subsection (m):

(A) "Unitrust" means a trust the terms of which require distribution of a unitrust amount, without regard to whether the trust has been converted to a total return trust in accordance with this Section or whether the trust is established by express terms of the governing instrument.

(B) "Unitrust amount" means an amount equal to a percentage of a trust's assets that may or must be distributed to one or more beneficiaries annually in accordance with the terms of the trust. The unitrust amount may be determined by reference to the net fair market value of the trust's assets as of a particular date or as an average determined on a multiple year basis.

(3) A unitrust changes the definition of income by substituting the unitrust amount for net trust accounting income as the method of determining current return and shall be given effect notwithstanding any contrary provision of the Principal and Income Act. By way of example and not limitation, a unitrust amount determined by a percentage of not less than 3% nor greater than 5% is conclusively presumed a reasonable current return that fairly apportions the total return of a unitrust.

(4) The allocations provision of subdivision (2) of subsection (f) of Section 5.3 applies to a unitrust except to the extent its governing instrument expressly provides otherwise.

(Source: P.A. 92-838, eff. 8-22-02.)

(760 ILCS 5/5.5 new)

Sec. 5.5. Gift to a deceased beneficiary under an inter vivos trust. Unless the settlor expressly provides otherwise in his or her trust:

(1) if a gift of a present or future interest is to a descendant of the settlor who dies before or after the settlor, the descendants of the deceased beneficiary living when the gift is to take effect in possession or enjoyment take per stirpes the gift so bequeathed;

(2) if a gift of a present or future interest is to a class and any member of the class dies before or after the settlor, the members of the class living when the gift is to take effect in possession or enjoyment take the share or shares that the deceased member would have taken if he or she were then living, except that, if the deceased member of the class is a descendant of the settlor, the descendants of the deceased member then living shall take per stirpes the share or shares that the deceased member would have taken if he or she were then living; and

(3) except as above provided in items (1) and (2), if the gift is not to a descendant of the settlor or is not to a class as provided in items (1) and (2) and if the beneficiary dies either before or after the settlor and before the gift is to take effect in possession or enjoyment, then the gift shall lapse. If the gift lapses by reason of the death of the beneficiary before the gift is to take possession or enjoyment, then the gift so given shall be included in and pass as part of the residue of the trust under the trust. If the gift is or becomes part of the residue, the gift so bequeathed shall pass to and be taken by the beneficiaries remaining, if any, of the residue in proportions and upon trusts corresponding to their respective interests in the residue of the trust.

The provisions of items (1) and (2) do not apply to a future interest that is or becomes indefeasibly vested at the settlor's death or at any time thereafter before it takes effect in possession or enjoyment.

The provisions of this Section apply on and after January 1, 2005 for any gifts to a deceased beneficiary under an inter vivos trust where the deceased beneficiary dies after January 1, 2005 and before the gift is to take effect in possession or enjoyment.

Section 10. The Uniform TOD Security Registration Act is amended by changing Section 1 as follows:".

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.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Cullerton, **House Bill No. 1080**, having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, 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:

Althoff	Geo-Karis	Meeks	Sieben
Bomke	Haine	Munoz	Silverstein
Brady	Halvorson	Obama	Soden
Burzynski	Harmon	Peterson	Sullivan, J.
Clayborne	Hendon	Petka	Syverson
Collins	Hunter	Radogno	Trotter
Cronin	Jacobs	Rauschenberger	Viverito
Crotty	Jones, J.	Righter	Walsh
Cullerton	Jones, W.	Risinger	Watson
del Valle	Lauzen	Ronen	Welch
DeLeo	Lightford	Roskam	Winkel
Demuzio	Link	Rutherford	Wojcik
Dillard	Luechtefeld	Sandoval	Mr. President
Forby	Maloney	Schoenberg	
Garrett	Martinez	Shadid	

This bill, having received the vote of a constitutional majority 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 in the Senate Amendments adopted thereto.

COMMITTEE MEETING ANNOUNCEMENT

Senator Haine, Chairperson of the Committee on Local Government, announced that the Local Government Committee will meet Wednesday, May 19, 2004, in Room A-1 Stratton Building, at 9:00 o'clock a.m.

At the hour of 5:00 o'clock p.m., the Chair announced that the Senate stand adjourned until Wednesday, May 19, 2004, at 10:00 o'clock a.m.