

Illinois Regulation is a summary of the weekly regulatory decisions of State agencies published in the Illinois Register and action taken by the Illinois General Assembly's Joint Committee on Administrative Rules. Illinois Regulation is designed to inform and involve the public in changes taking place in agency administration.

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☞ CONTRACTOR LOANS

The DEPARTMENT OF TRANSPORTATION adopted an emergency rule titled "Disadvantaged Business Revolving Loan Program" (92 Ill Adm Code 5; 37 Ill Reg 15531), effective 9/13/13, implementing Public Act 98-117, which established the Disadvantaged Business Revolving Loan and Grant Program. A companion proposed rulemaking appears in this week's *Illinois Register* at 37 Ill Reg 15513. The rulemakings define a disadvantaged business enterprise (DBE) as stated in federal rule at 49 CFR 26 (a small business that is at least 51 percent owned by a person that is both socially and economically disadvantaged, as determined by DOT, with individuals such as Black or Native Americans, women and Asian Americans rebuttably presumed to be socially and economically disadvantaged). An applicant for a DBE loan must meet 7 criteria stated in the rule, including: the applicant must be certified as a DBE; the applicant must demonstrate at least 2 years' experience in transportation construction or construction-related projects; the applicant must have been denied a loan from two or more conventional lenders; if incor-

porated, the applicant (or a firm's owners or principals if not incorporated) must not have had a bankruptcy or foreclosure in the past five years; and the applicant must not be encumbered by tax liens, judgment liens, or be delinquent in payment of any debt to the State of Illinois. Loan applications must include evidence that the applicant meets the required 51% ownership level; a description of the need for the loan and how loan proceeds will be used; contact information for the applicant, including two references; letters of rejection from two or more conventional lenders; applicable financial information (federal income tax returns, profit/loss statements, balance sheets, IRAs); bank account balances for the previous 90 days; and a copy of an approved contract indicating the DBE has been selected for an DOT project. Loan applications will be accepted at any time, will be viable if submitted 30 days before a contract letting, and shall be valid for six months after application. During the 5 year duration of the program, applicants are limited to three loans, and a second loan cannot be granted until the prior loan has been paid off. Interest rates shall be the prime rate

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☞ INCOME TAX

The DEPARTMENT OF REVENUE proposed amendments to "Income Tax" (86 Ill Adm Code 100; 37 Ill Reg 15464) that update statutory sunset dates for various tax deductions and credits for businesses. Property placed in service in a river edge redevelopment zone during tax years that begin after 7/12/16 shall no longer qualify for the river edge redevelopment zone income tax credit. The \$500 credit for each employee hired applies only to tax years ending prior to 7/25/13 for river edge redevelopment zones, or tax years ending prior to 8/7/12 for enterprise zones. The research and development tax credit is repealed on and after 1/1/16; the film production services credit is repealed for tax years beginning on or after 5/6/21; and the affordable housing donation credit ends on 12/31/16. Corporations operating in an enterprise zone may deduct from their taxable income dividends earned from operations in a zone if the dividends were received on or after 7/12/06 (when the deduction was enacted). Corporations operating in a river edge redevelopment zone may deduct dividends

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NEW REGULATIONS: Rules adopted by agencies this week.

PROPOSED REGULATIONS: Rules proposed by agencies this week, commencing a 45-day First Notice period. Public comments must be accepted by the agency for the period of time indicated.

☞: Symbol designating rules of special interest to small businesses, small municipalities, and not-for-profit corporations. Agencies are required to consider comments from these groups and minimize the regulatory burden on them.

QUESTIONS/COMMENTS/RULE TEXT: Direct mail or phone calls to the agency personnel listed below each summary. Providing volume and issue number of The Flinn Report or the Illinois Register will expedite the process. Some agencies charge copying fees. However, copy requests do not have to be made under the Freedom of Information Act.

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plus 0.5%; and loans are capped at 55% of the contract value or \$249,000. DOT will conduct a pre-eligibility evaluation of applicants for loans prior to granting a loan. A loan selection committee comprised of 3 members shall review loan applications, based upon assessment of need, total budget of the applicant, DBE participation, and information provided in the loan application. The Committee shall review and rank approved loan applications, with dollar amounts assigned to the loan applications up to the maximum amount of funding available. Loans may be used for transportation construction related purposes, including labor costs, materials, supplies, equipment rental, utility costs, permit and right-of-entry fees, taxes, insurance and bonding, but not for refinancing or payment of long-term debt, payment of non-current or delinquent taxes, payments, loans or dividends to stockholders, or purchase or lease of non-construction motor vehicles or equipment, among others. Third party fund control agents procured by DOT shall manage loans and approve disbursement of loan funds. DBE subcontractors shall be required to furnish lien waivers, releases, material certifications and certified payrolls to fund control agents as well as prime

contractors. DOT shall be responsible for fees and costs charged by fund control agents or an escrow agent (bank). Failure to make two or more consecutive payments shall be deemed a default, with possible action by DOT legal counsel and causing the DBE to be ineligible for future loans. The loan selection committee and fund control agents must participate in annual ethics training. Members of the loan committee and fund control agents must maintain conflict of interest controls, and execute a confidentiality statement agreeing not to disclose information gained during their participation in the loan program. Businesses meeting criteria for the loan program are affected.

Questions/requests for copies/comments concerning the proposed rulemaking through 11/12/13: DOT, Office of Chief Counsel, 2300 S. Dirksen Pkwy, Rm. 313, Springfield IL 62764, 217/782-3415.

SURS TRUSTEE ELECTIONS

The STATE UNIVERSITIES RETIREMENT SYSTEM adopted amendments to "Universities Retirement" (80 Ill Adm Code 1600; 37 Ill Reg 6170), effective 9/12/13, revising SURS Board of Trustees election

procedures. No later than Oct. 1 prior to an election, the Board Secretary shall announce the number and type of Board positions to be filled. Prospective candidates must apply by Dec. 31 immediately preceding the election date, and nominating petitions may be circulated between Oct. 1 and Jan. 31. The Board Secretary shall determine the suitability of candidates based on the Pension Code and this Part. Candidates determined to be ineligible shall be removed from the ballot. If a candidate becomes ineligible after ballots are printed, votes for the ineligible candidate shall not be counted. Nomination petitions for Board positions must be signed by an eligible voter and include at least a partial address of the voter. If a vacancy occurs between elections, the Board Secretary will announce the vacancy by press release and accept nominations and the Board will choose the interim appointee by majority vote. If the vacancy occurs within 6 months prior to the next election, the remaining trustees may choose to leave the position vacant.

Questions/requests for copies: Michael Weinstein, SURS, 1901 Fox Dr., Champaign IL 61820, 217/378-8825.

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earned in a zone if received prior to 8/7/12 (when the deduction was repealed). The start date recognized by DOR for the commencement of operations in a river edge redevelopment zone is the actual start date, the date the Department of Commerce and Economic Opportunity created the zone, or 7/12/06, whichever is latest. The deduction for interest paid on loans secured for enterprise zone property applies only to interest received or earned prior to 8/7/12. Small businesses that claim these deductions and credits are affected by this rulemaking.

Questions/requests for copies/comments through 11/12/13: Paul Caselton, DOR, 101 W. Jefferson, Springfield IL 62794, 217/782-7055.

CAR DEALERS

The SECRETARY OF STATE proposed amendments to the Part titled "Dealers, Wreckers, Transporters and Rebuilders" (92 Ill Adm Code 1020; 37 Ill Reg 15503) allowing police to issue an administrative citation instead of a criminal complaint to dealers, wreckers, transporters and rebuilders who violate any pro-

vision of the Illinois Vehicle Code (IVC) or any rule adopted by SOS under the IVC. At least 3 citations must be present at the time of the investigation and any violation will result in a \$50 per violation penalty. If the licensee agrees to pay the penalty, he or she waives the right to contest the citation through the administrative process. If the licensee pays the penalty but then receives additional citations, the previous citations may be used by SOS as evidence of a pattern or established habit. Licensees have 90 days after the date of the citation to pay or

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contest it. Failure to take action may result in the loss of a license renewal. This rulemaking affects small businesses engaged in selling, tow-

ing, rebuilding, or transportation of vehicles.

Questions/requests for copies/com-

ments through 11/12/13: Carrie Leitner, SOS, 298 Howlett Building, Springfield, IL 62756, e-mail: cleitner@ilsos.net.

Second Notices

The following rulemakings were moved to Second Notice this week by the agencies listed below, commencing the JCAR review period. These rulemakings will be considered at JCAR's October 22, 2013 meeting.

SECRETARY OF STATE

"Commercial Driver Training Schools" (92 Ill Adm Code 1060) proposed 7/26/13 (37 Ill REg 11985)

"Illinois State Library, Government Documents Section" (23 Ill Adm Code 3020) proposed 6/14/13 (37 Ill Reg 7929)

"Illinois State Library Grant Programs" (23 Ill Adm Code 3035) proposed 6/14/13 (37 Ill Reg 7933)

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

"State Employees' Group Insurance Program Retiree Premium Contributions" (80 Ill Adm Code 2200) proposed 7/26/13 (37 Ill Reg 11832)

ILLINOIS STUDENT ASSISTANCE COMMISSION

"John R. Justice Student Loan Repayment Program" (23 Ill Adm Code 2754) proposed 7/19/13 (37 Ill Reg 11272)

Joint Committee on Administrative Rules

Senator Pamela Althoff

Representative Greg Harris

Senator Don Harmon

Representative Lou Lang

Senator Tony Munoz

Representative David Leitch

Senator Sue Rezin

Representative Don Moffitt

Senator Dale A. Righter

Representative Tim Schmitz

Senator Ira Silverstein

Representative Andre Thapedi

**Vicki Thomas
Executive Director**